New bury Development
100 Court Ave
Suite 212
Des Moines, IA
50309

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DELAWARE COUNTY IOWA
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RECORDER
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Iowa Dept. of Economic Development

APR 12 1996

Division of Community and Rural Development

Document prepared by: Terry Vestal, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, IA 50309

AGREEMENT FOR COVENANTS AND RESTRICTIONS

THIS AGREEMENT FOR COVENANTS AND RESTRICTIONS, dated as of the date of the below-described Master Contract and Funding Agreement, is between the Iowa Department of Economic Development, a public agency of the State of Iowa, (the "IDED"), and Countryside Associates of Manchester, L.P. (hereinafter, the "Recipient/Contractor").

WITNESSETH:

WHEREAS, the IDED is a public agency of the State of Iowa authorized and empowered by the provisions of Chapter 15 of the Code of Iowa, as amended (the "Act") to assist in the development and maintenance of decent, safe, and affordable housing; and

WHEREAS, the IDED has been designated as the Administrative Entity of the HOME Investment Partnership Program by the Governor of the State of Iowa; and

WHEREAS, the Recipient/Contractor has applied for and received approval for funding from the Program, and has entered into a Master Contract and Funding Agreement identified above by and between the Recipient/Contractor and the IDED (the "Loan/Grant Contract"), and

WHEREAS, pursuant to the Loan/Grant Contract Agreement, the IDED will make a grant/loan in the amount of $470,008 (the "Grant/Loan") to the Recipient/Contractor for the purpose of financing a portion of the costs of the Project described in Exhibit A to the Funding Agreement (the "Project") to be located on the real estate described in Exhibit A hereto; and

WHEREAS, the Project will be economically feasible for the Recipient/Contractor because of the Grant/Loan funds received through the Program; and

WHEREAS, in accordance with the Master Contract and Funding Agreement and the Rules, the Recipient/Contractor is required to provide certain Housing Benefits for Very-Low, Low-and-Moderate-Income Families as set forth in the Master Contract and Funding Agreement, and is further required to comply throughout the term of Exhibit A of the Funding Agreement with the requirements and covenants set forth in the Master Contract and Funding Agreement; and

WHEREAS, as a condition to receipt of Grant/Loan proceeds, and in order to help ensure compliance by the Recipient/Contractor and any future owner of the Project with the requirements and covenants set forth in the Master Contract and Funding Agreement throughout the required period of time as set forth on Exhibit A of the Funding Agreement, so as to maintain the housing benefits for which assistance has been provided through the Program and therefore protect the investment of the IDED and the Program in the Project, and in order to give the IDED the ability to fulfill its obligations under the HOME Program Rules and the Program to ensure such compliance, certain covenants and restrictions enforceable by the IDED must be placed on the real estate described in Exhibit A hereto governing the use of the Project, which covenants and restrictions shall run with the land and be binding on the Recipient/Contractor and its successors or assigns.

NOW, THEREFORE, in consideration of the premises and for other valuable consideration the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Recipient/Contractor, for itself and for its successors or assigns, makes the following covenants as to the use of the Project:

(a) The Project shall constitute an eligible project in compliance with as defined in the Rules and as described in the Master Contract and Funding Agreement, and the Recipient/Contractor shall comply with all of the requirements of the Rules and the Master Contract and Funding Agreement and shall own, operate and manage the Project as set forth as an eligible project for at least 20 years from the date hereof (the "Term of Affordability").

DATE 6-10-96 BOOK 6 PAGE 137

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(b) All of the proceeds of the Grant/Loan shall be spent on Qualified Costs of the Project (as defined in the Master Contract and Funding Agreement), in accordance with the Project Budget attached as Exhibit A to the Funding Agreement.

(c) The Project shall be completed so as to provide the Project Benefits as required by and specified in 24 CFR Part 92 and as referenced in the Master Contract and Funding Agreement;

(d) Throughout at least the Term of Affordability, the Recipient/Contractor will ensure that at least twenty percent (20%) of families occupying the Project are very low income families (less than 50% County median income); at least ninety (90%) of families occupying the Project have incomes at or below 60% of County median income; and one hundred percent (100%) of the families maintaining occupancy in the Project will be at or below eighty percent (80%) of area median income, within the meaning of the Rules.

(e) Throughout at least the Term of Affordability, the Recipient/Contractor shall: conduct inspections of Program-assisted units to ensure compliance with the property standards as specified in section 92.251 of 24 CFR Part 92. Projects involving four (4) or more Program-assisted units shall be inspected annually from the date of project completion. Those projects involving less than four (4) Program-assisted units shall be inspected on a semi-annual basis from the date of project completion.

(f) Throughout at least the Term of Affordability, the Recipient/Contractor will maintain rent limitations as specified in Section 92.252 of 24 CFR Part 92, the Master Contract and the Funding Agreement.

(g) In order to ensure compliance with the covenants in subparagraphs (d),(e) and (f) above, Recipient/Contractor shall submit to the IDED on or before October 31 of each year during the Term of Affordability, its certification of compliance with such covenant as of September 30 of that year, together with documentation in form and substance satisfactory to the IDED evidencing compliance with such covenant.

(h) If the Project includes more than one building, all such buildings shall be located on the real estate described in Exhibit A hereto, and if such real estate is comprised of more than one parcel, such parcels are contiguous except for the interposition of a road, street, stream or similar property. All such buildings shall be owned for federal tax purposes by the same person, and shall be financed pursuant to a common plan.

(i) Recipient/Contractor shall comply with all of the covenants set forth in the Master Contract and Funding Agreement.

2. All of the covenants herein shall run with the real estate described in Exhibit A hereto and the Project thereon, and be binding upon the Recipient/Contractor and its successors or assigns, for the Term of Affordability. Notwithstanding any other provisions of this Agreement, this entire Agreement, or any of the provisions or paragraphs hereof, may be terminated upon written agreement by the IDED and the Recipient/Contractor.

3. Notwithstanding the provisions of paragraph 2 above, such covenants shall cease to apply to the real estate described in Exhibit A and the Project thereon prior to the end of the Term of Affordability, in the event of involuntary noncompliance therewith caused by a fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or action of a federal agency after the date of making of the Grant/Loan which prevents the IDED or its successors or assigns from enforcing the covenants, or condemnation or similar event, but only if, within a reasonable period, amounts received as a consequence of such event are used to provide a project which meets the requirements of the Rules and the Program.

4. Notwithstanding the provisions of paragraph 3 above, if once the Project has been subject to foreclosure, transfer or title by deed in lieu of foreclosure or similar event, and at any time during the part of the Term of Affordability subsequent to such event, the Recipient/Contractor or a related person to the Recipient/Contractor obtains an ownership interest in the Project for tax purposes, the covenants herein shall once again run with the real estate described in Exhibit A hereto and the Project thereon and be binding on the Recipient/Contractor or such related person and their respective successors or assigns for the remainder of the Term of Affordability.

5. This Agreement may be amended only by an amendment in writing executed by the parties hereto.

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6. Except for the rental of units in the Project to tenants, the Recipient/Contractor hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project or any interest therein without obtaining the prior written consent of the IDED, which shall be conditioned solely upon receipt of evidence satisfactory to the IDED that the Recipient/Contractor's purchaser or transferee (i) has assumed in writing and in full the Recipient/Contractor's duties and obligations under this Agreement and the Master Contract and Funding Agreement; (ii) has the financial capability to carry out such obligations; and (iii) is knowledgeable in the operation and management of facilities similar to the Project facilities. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section may be ineffective to relieve the Recipient/Contractor of its obligations under this Agreement and the Master Contract and Funding Agreement.

7. If the Recipient/Contractor defaults in the performance or observance of any covenant, agreement or obligation of the Recipient/Contractor set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after notice thereof shall have been given by the IDED to the Recipient/Contractor (or for a period of sixty (60) days after such notice if such default is curable but requires acts to be done or conditions to be remedied which, by their nature, cannot be done or remedied within such 30-day period, and if the Recipient/Contractor commences same within such 30-day period and thereafter diligently and continuously pursues the same to completion within such 60-day period), then the IDED may declare that the Recipient/Contractor is in default hereunder and may take any one or more of the following steps, at its option:

(a) by mandamus or other suit, action or proceeding at law or in equity, require the Recipient/Contractor to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of the IDED hereunder, or obtain damages caused to the IDED by any such default;

(b) have access to and inspect, examine and make copies of all of the books and records of the Recipient/Contractor pertaining to the Project;

(c) declare a default under the Master Contract and Funding Agreement and make no further disbursements of Grant/Loan proceeds, and demand immediate repayment from Recipient/Contractor of Grant/Loan proceeds previously disbursed to Recipient/Contractor; and

(d) take whatever other action at law or in equity may appear necessary or desirable to enforce the obligations, covenants and agreements of the Recipient/Contractor hereunder and under the Master Contract and Funding Agreement, including the recovery of Grant/Loan proceeds.

No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the IDED to enforce the same or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

8. The Recipient/Contractor shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in such manner and in such places and the IDED may reasonably request, and shall pay all fees and charges incurred in connection therewith.

9. This Agreement shall be governed by the laws of the State of Iowa.

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10. Any notice required to be given hereunder shall be given by registered or certified mail at the addresses specified below or at such other addresses as may be specified in writing by the parties hereto:

IDED: Bureau of Community Financing
Iowa Department of Economic Development
Division of Community and Rural Development
200 East Grand Avenue
Des Moines, IA 50309
Attention: HOME Program

Recipient/Contractor: Countryside Associates of Manchester, L.P.
100 Court Avenue, Suite 212
Des Moines,IA 50309

11. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

12. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

13. All of the rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement of Covenants and Restrictions to be executed ~~and sealed~~ by their duly authorized officers, all as of the date first above written.

DEPARTMENT OF ECONOMIC DEVELOPMENT

By _____
David J. Lyons, Director

Countryside Associates of Manchester, L.P.

By _____
General Partner James F. Levy, General Partner

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IDED ACKNOWLEDGEMENT

STATE OF IOWA)
)
COUNTY OF POLK)

On this 16th day of April, 1996 before me, the undersigned Notary Public in and for the State of Iowa, personally appeared David J. Lyons, to me personally known, who being by me duly sworn, did say that he is the Director of the Iowa Department of Economic Development, the public agency of the State of Iowa executing the within and foregoing instrument; and that said David J. Lyons, as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said agency by it and by him voluntary executed.

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

Mari L. Mielke
Notary Public in and for the State of Iowa
Mari L. Mielke

MARI L. MIELKE Iowa NOTARIAL (SEAL)

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CONTRACTOR ACKNOWLEDGEMENT

(PARTNERSHIP)

STATE OF IOWA)
)
COUNTY OF ~~Delaware~~ POLK)

On this 5th day of April, 1996 before me, the undersigned Notary Public in and for the State of Iowa, personally appeared James Levy, General Partner and, to me personally known, who being by me duly sworn, did say that (he/she/they) (~~are~~/is) (a partner) (~~partners~~) of the partnership executing the within and forgoing instrument, and acknowledged that (he/~~she/they~~) executed the same as (his/~~her/their~~) voluntary act and deed of said partner(s) by (him/~~her/they~~) executed the same as the voluntary act and deed of said partner(s) by (him/~~her/them~~) and by said partnership voluntary executed.

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

Debbie L. Fisher
Notary Public in and for the State of Iowa
Debbie L. Fisher

(SEAL)



Document prepared by: Terry Vestal, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, IA 50309

EXHIBIT A

LEGAL DESCRIPTION

COUNTRYSIDE VILLAGE OF MANCHESTER
LEGAL DESCRIPTION

PARCEL D, A PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 89 NORTH, RANGE 5 WEST OF THE FIFTH P.M. ACCORDING TO PLAT RECORDED IN BOOK 7, PLATS, PAGE 47, CITY OF MANCHESTER, DELAWARE COUNTY, IOWA DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SECTION 29, T89N, R5W OF THE 5TH P.M.; THENCE N90°00'00"W ALONG THE NORTH LINE OF THE NE 1/4 OF THE NW 1/4 OF SAID SECTION 29, 628.68 FEET; THENCE SO°04'15"w, 33.00 FEET TO THE NORTHWEST CORNER OF LOT 114 OF HENRY ACERS ADDITION TO MANCHESTER, IOWA; THENCE N90°00'00"W ALONG THE SOUTH RIGHT OF WAY LINE OF LINE STREET 66.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N90°00'00"W, 400.00 FEET; THENCE SO°04'15"W, 655.00 FEET; THENCE S90°00'00"E, 400 FEET; TENCE NO°04'15"E, 655.00 FEET TO THE POINT OF BEGINNING.