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LISA SMITH RECORDER
Madison County, Iowa

AGREEMENT FOR COVENANTS AND RESTRICTIONS

**Document prepared by, and after
recording, please return to:**

Joanna B. Wilson
Iowa Finance Authority
2015 Grand Avenue
Des Moines, IA 50312
(515) 725-4900

GRANTOR LISTED ON PAGE 2

GRANTEE LISTED ON PAGE 2

LEGAL DESCRIPTION LISTED ON ATTACHMENT A AT PAGE 7

HOME Contract Number: 15-HM-384
HOME Contract Owner: North Stone Apartments, LLC

**AGREEMENT FOR COVENANTS AND RESTRICTIONS
(RENTAL PROPERTY-HOME INVESTMENT PARTNERSHIPS PROGRAM)**

THIS AGREEMENT FOR COVENANTS AND RESTRICTIONS ("Agreement"), dated October 19, 2016, is between the Iowa Finance Authority, a public agency of the State of Iowa, (the "Authority"), and North Stone Apartments, LLC (the "Owner").

WITNESSETH:

WHEREAS, the Authority is a public agency of the State of Iowa authorized and empowered by the provisions of Chapter 16 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 Authority has been designated by the United States Department of Housing and Urban Development and the Governor of the State of Iowa as the administrative entity of the HOME Investment Partnerships Program ("HOME") Final Rule published at 24 CFR Part 92 on July 23, 2013, and effective August 23, 2013, as amended (the "Final Rule"), to implement the National Affordable Housing Act of 1990 ("NAHA") as amended (42 U.S.C. 5301 et seq.); and

WHEREAS, the Owner has applied for and received approval for funding from HOME, and has entered into HOME Contract Number 15-HM-384 and Promissory Note with Contract **Effective Date of October 19, 2016**, by and between the Owner and the Authority (the "Contract"), and

WHEREAS, pursuant to the Contract, the Authority made an award in the amount of \$920,000.00 ("HOME Funds") to the Owner for the purpose of financing a portion of the costs of the project described in Exhibit A to the Contract (the "Project") to be located on the real estate described in **Attachment A** hereto; and

WHEREAS, HOME Funds are necessary to make the Project economically feasible for the Owner; and

WHEREAS, in accordance with the Contract, the Owner is required to provide certain housing benefits for low income families as set forth therein, and is further required to comply throughout the term of the Contract with the requirements and covenants set forth therein;

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. As a condition to receipt of HOME Funds, and in order to help ensure compliance by the Owner and any future owner of the Project with the requirements and covenants set forth in the Contract throughout the required period of time ("Affordability Period") as set forth on Exhibit A of the Contract, so as to maintain the housing benefits for which assistance has been provided through HOME and therefore protect the investment of the Authority and HOME in the Project, and in order to give the Authority the ability to fulfill its obligations under HOME to ensure such compliance, certain covenants and restrictions enforceable by the Authority must be placed on the real estate described in **Attachment A** hereto governing the use of the Project, which covenants and restrictions shall run with the land and be binding on the Owner and its successors or assigns. The Owner, for itself and for its successors or assigns, makes the following covenants as to the use of the Project and the real estate described in **Attachment A**:

- (a) All of the HOME Funds shall be spent on Eligible Costs of the Project, in accordance with the Iowa Project/Program Description contained in Exhibit A to the Contract;
- (b) The Project shall be completed so as to provide the Project benefits as required by and specified in the Final Rule and as referenced in the Contract;
- (c) The Project shall constitute an eligible project in compliance with HOME as described in the Contract, and the Owner shall comply with all of the Program Requirements of HOME and shall own, operate and manage the Project as set forth as an eligible project **throughout the Affordability Period ending twenty (20) years from when the Authority has determined the Project has been completed (the "Construction Completion Date")**;
- (d) Throughout the Affordability Period, the Owner will maintain income targeting as specified in section 92.216 of the Final Rule;
- (e) Throughout the Affordability Period, the Owner will maintain rent and tenant income limitations as specified in section 92.252 of the Final Rule and the Contract;

(f) Throughout the Affordability Period, the Owner shall conduct inspections of HOME-assisted Units to ensure compliance with the property standards as specified in sections 92.251 and 92.504 (d) (1) of the Final Rule;

(g) In order to ensure compliance with the covenants in subparagraphs (d), (e) and (f) above, Owner shall submit to the Authority, as required by the Contract, its certification of compliance with such covenant, together with documentation in form and substance satisfactory to the Authority evidencing compliance with such covenant; and

(h) The Owner shall comply with all of the covenants set forth in the Contract.

2. All of the covenants herein shall run with the real estate described in **Attachment A** hereto and the Project thereon, and be binding upon the Owner and its successors or assigns, for the Affordability Period. 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 Authority and the Owner.

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

4. Except for the rental of units in the Project to tenants, the Owner 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 Authority, which shall be conditioned solely upon receipt of evidence satisfactory to the Authority that the Owner's purchaser or transferee (i) has assumed in writing and in full the Owner's duties and obligations under this Agreement, the Contract and all related documents thereto; (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 paragraph may be ineffective to relieve the Owner of its obligations under this Agreement, the Contract and all related documents thereto.

5. If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Agreement, and if such default remains uncured for a period of 20 business days after notice thereof shall have been given by the Authority to the Owner (or for a period of 30 business 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 20 day period, and if the Owner commences same within such 20 day period and thereafter diligently and continuously pursues the same to completion within such 30 day period), then the Authority may declare that the Owner 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 Owner 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 Authority hereunder, or obtain damages caused to the Authority by any such default;

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

(c) Deleted; 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 Owner hereunder and under the Contract, including the recovery of HOME Funds.

No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the Authority 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.

6. The Owner shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in such manner and in such places as the Authority may reasonably request, and shall pay all fees and charges incurred in connection therewith.

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

8. 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:

Iowa Finance Authority: Iowa Finance Authority
2015 Grand Avenue
Des Moines, Iowa 50312
Attention: HOME Program

Owner: North Stone Apartments, LLC
65 E Jefferson Street
Winterset, Iowa 50273

9. 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.

10. 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.

11. 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 for Covenants and Restrictions to be executed by their duly authorized officers.

IOWA FINANCE AUTHORITY

By: Carolann Jensen
Carolann Jensen, Chief Programs Officer

NORTH STONE APARTMENTS, LLC, AN IOWA LIMITED LIABILITY COMPANY

By: Peter J. Corkrean
Print Above Name: Peter J. Corkrean
Authority: Its Sole Member and Manager

By: Peter J. Corkrean
Print Above Name: Peter Corkrean
Authority: Personally/Individually

IOWA FINANCE AUTHORITY ACKNOWLEDGEMENT

STATE OF IOWA)
)
COUNTY OF POLK)

This record was acknowledged before me on this 25 day of October, 2016, by Carolann Jensen as Chief Programs Officer of the Iowa Finance Authority, on behalf of which the record was executed.

Rita L Eble
Notary Public in and for the State of Iowa

(Seal)



OWNER ACKNOWLEDGEMENT

STATE OF IOWA)
COUNTY OF Madison) SS:

This record was acknowledged before me on this 24th day of October, 2016, by Peter J. Corkrean; Peter J. Corkrean as Sole Member and Manager; personally/individually of North Stone Apartments, LLC, on behalf of which the record was executed.



Alice Parker
Notary Public in and for the State of Iowa

(Seal)

Attachment A

LEGAL DESCRIPTION

Parcel 1:

Lot One (1) of North Stone Village Plat No. 5, City of Winterset, Madison County, Iowa, as shown in the Plat and Certificate filed on September 12, 2016 in Book 2016, Page 2662 in the Madison County, Iowa, Recorder's Office.

Parcel 2:

Non-exclusive, perpetual ingress and utility 30 feet wide easement over and across a portion of Lot Two (2) of North Stone Village Plat No. 5, City of Winterset, Madison County, Iowa, granted by Easement Agreement filed with the Plat and Certificate for North Stone Village Plat No. 5 on September 12, 2016 in Book 2016, Page 2662 in the Madison County, Iowa, Recorder's Office.

(LOCATED AT 1315 N. 8TH Avenue, WINTERSET, IOWA)