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Pages 5
County Recording Fee: \$27.00
Iowa E-Filing Fee: \$3.00
Combined Fee: \$30.00
Revenue Tax:
LISA SMITH RECORDER
Madison County, Iowa

Document: **ACKNOWLEDGMENT OF COVENANTS**

Kirton McConkie, John Lindsay, 50 East South Temple, Suite 1600, Salt Lake City, UT 84111,
(801) 239-3188

Preparer Information: (Individual/Company Name, Street Address, City, Zip, Phone)

Tax Credit Allocation Division, Dave Vaske, Mgr., Iowa Finance Authority, 1963 Bell Avenue,
Suite 200, Des Moines, IA 50315

Return Document To: (Individual/Company Name, Street Address, City, Zip, Phone)

Grantor: RD ESW, LLC

Grantee: Iowa Finance Authority

Legal Description: See attached Exhibit A

Instrument number of associated documents previously recorded:

Adair County: Instrument No. ES17-0339, in Book 758, at Page 83
Instrument No. ES17-0347, in Book 758, at Page 198

Madison County: Book 2017, at Page 2550
Book 2017, at Page 2554
Book 2017, at Page 2562

Project Names:

Beacam Apartments
Madison Manor Apartments
Winterset Park II

ACKNOWLEDGMENT OF COVENANTS

RE: BEACAM APARTMENTS
MADISON MANOR APARTMENTS
WINTERSET PARK II

WHEREAS, RD ESW, LLC, an Iowa limited liability company (the “Owner”) is the owner of a 32-unit residential facility called Beacam Apartments located at 200 SW 6th Street, Stuart, Iowa (the “Stuart Project”), a 23-unit residential facility called Madison Manor Apartments located at 575 NW 6th Street, Earlham, Iowa (the “Earlham Project”), and a 24-unit residential facility called Winterset Park II located at 510 W. Mills Street, Winterset, Iowa (the “Winterset Project”) (each of the Stuart Project, the Earlham Project, and the Winterset Project are referred to herein from time to time individually and collectively as the “Project”) (each of the Projects include the land on which each respective Project is located as described in Exhibit A attached hereto); and

WHEREAS, the Iowa Finance Authority (the “Authority”) has been designated by Iowa Code Section 16.35 as the housing credit agency for the State of Iowa for the allocation of low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (the “Code”); and

WHEREAS, in connection with an allocation of tax credits for the Project, the Owner has executed a Land Use Restrictive Covenants Agreement for Low-Income Housing Tax Credit Program (the “LURA”), as amended from time to time, dated September 24, 2018, and recorded (i) in the Adair County Recorder’s Office, State of Iowa, on October 4, 2018, as Instrument No. 2018-2029, and (ii) in the Madison County Recorder’s Office, State of Iowa, on October 4, 2018, in Book 2018, at Page 3210; and

WHEREAS, the LURA creates covenants running with the land for the purpose of enforcing certain requirements of Section 42 of Code and certain additional undertakings of the Owner in connection with its Application (as defined in the LURA) by regulating and restricting the use and occupancy of the Project as set forth therein; and

WHEREAS, to satisfy section 2(k) of the LURA the Owner has requested that Bonneville Mortgage Company, a Utah corporation (the “Mortgage Holder”), as the holder of (i) a Multifamily Mortgage, Assignment of Rents and Security Agreement dated August 15, 2017, and recorded in the Adair County Recorder’s Office on August 16, 2017, as Instrument No. ES17-0339, in Book 758, at Page 83, (ii) a Multifamily Mortgage, Assignment of Rents and Security Agreement dated August 15, 2017, and recorded in the Madison County Recorder’s Office on August 16, 2017, in Book 2017, at Page 2550, and (iii) a Multifamily Mortgage, Assignment of Rents and Security Agreement dated August 15, 2017, and recorded in the Madison County Recorder’s Office on August 16, 2017, in Book 2017, at Page 2554 (individually and collectively, the “Mortgage”), execute this Acknowledgment of Covenants to (1) acknowledge the Mortgage Holder’s consent to the LURA and (2) agree that the Mortgage Holder’s interests in the Mortgage are subject to the interests of the Authority under the LURA;

NOW THEREFORE, in consideration of and to induce the Authority to allocate tax credits to the Project, Mortgage Holder hereby agrees as follows:

1. Mortgage Holder, which is the holder of the above-described Mortgage, for itself and its successors and assigns, does hereby agree that (a) its interests under the Mortgage are subject to the restrictive covenants described in the LURA, (b) such restrictive covenants run with the land as provided in the LURA, and (c) certain restrictive covenants, as set forth in Section 3 of the LURA, will remain in place for a period of three years after any foreclosure or deed in lieu of foreclosure.

2. Mortgage Holder acknowledges that (a) before its execution of this Agreement, it has reviewed or had the opportunity to review the LURA, (b) it consents to the Owner's execution of the LURA, and (c) the LURA imposes substantial restrictions on the use of the property comprising the Project.

*[SIGNATURE PAGE(S) AND EXHIBIT(S),
IF ANY, FOLLOW THIS PAGE]*

BONNEVILLE MORTGAGE COMPANY,
a Utah corporation

By:

Brent H. Peterson
President, Multifamily Division

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 12 day of February, 2020, by Brent H. Peterson, President, Multifamily Division, Bonneville Mortgage Company, a Utah corporation.

Notary Public

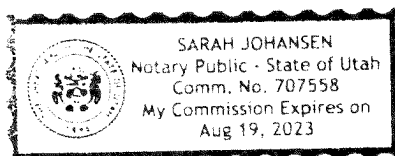


EXHIBIT A

REAL PROPERTY DESCRIPTION

STUART PROJECT

Real property in the City of Stuart, County of Adair, State of Iowa, described as follows:

Parcel 1:

The West 122.5 feet of Lot Three (3) of Lot Two (2) of the Southeast Quarter of the Northeast Quarter (SE 114 NE 114), and the East 45 feet of the North 209.33 feet of Lot Three (3) of Lot Four (4) of Lot Two (2) of the Southeast Quarter of the Northeast Quarter (SE 114 NE 114), all in Section Five (5), Township Seventy-seven (77) North, Range Thirty (30) West of the 5 P.M., Iowa.

Parcel 2:

Lot Three (3) of Lot Four (4) of Lot Two (2), except the East 45 feet thereof in the Southeast Quarter of the Northeast Quarter (SE 114 NE 114) of Section Five (5), Township Seventy-seven (77) North, Range Thirty (30) West of the 5th P.M. in the Town of Stuart, Adair County, Iowa.

EARLHAM PROJECT

Real property in the City of Earlham, County of Madison, State of Iowa, described as follows:

A parcel of land located in the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of Section One (1), Township Seventy-seven (77) North, Range Twenty-nine (29) West of the 5th P.M., City of Earlham, Madison County, Iowa, described more particularly as follows, to wit: Commencing at a point 33 feet North and 932 feet West of the Southeast corner of the Northeast Quarter (1/4) of said Section One (1), thence West 360-feet, thence North 00°31' East 330 feet, thence East 360 feet, thence South 00°31' West 330 feet to the point of beginning.

WINTERSET PROJECT

Real property in the City of Winterset, County of Madison, State of Iowa, described as follows:

Lots Twenty-four (24), Twenty-five (25) and Twenty-six (26), and all that part of Lot Twenty-seven (27) which is West of a line described as commencing at the Northeast corner of Lot Twenty-six (26), and running thence South to the South line of said Lot Twenty-seven (27), all in Northwest Development - Plat 1, to the City of Winterset, Madison County, Iowa.