Prepared by: Richard Hunsaker, Region XII COG, 1009 E Anthony St, PO Box 768, Carroll IA 51401, 712-792-9914

**HOMES FOR IOWA DECLARATION OF LAND USE RESTRICTIVE COVENANTS**

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS (this "AGREEMENT") is dated as of 20\_\_\_, by \_\_\_\_\_\_\_\_\_\_\_\_\_and its successors and assigns (the "Owner"), and is given as a condition precedent to the purchase of a house from Homes for Iowa, (together with any successor to its rights, duties and obligations, "HFI").

WITNESSETH:

WHEREAS, the Owner is or shall be the owner of certain property located on lands in the City of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, County of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, State of Iowa, more particularly described on Exhibit A, attached hereto (hereinafter referred to as the “Property”);

WHEREAS, the Owner has executed a Purchase Agreement (the “Purchase Agreement”) for the purchase of a House from HFI or an intermediary;

WHEREAS, the Initial Owner is the first buyer of the HFI Housing using it as a rental project in accordance with HFI rules;

WHEREAS, as a condition precedent to the sale of a HFI house, HFI requires that the Owner execute and deliver this Agreement to HFI or its agent for recording in the Recorder’s Office of the county in which the Property is located in order to create certain covenants running with the land for the purpose of enforcing the requirements of the Purchase Agreement; and

WHEREAS, the Owner intends, declares and covenants that the restrictive covenants set forth herein shall be and are covenants running with the Property for the term stated herein and are not merely personal covenants of the Owner;

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner agrees as follows:

SECTION 1 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

1. Upon execution and delivery by the Owner, the Owner shall deliver this Agreement and all amendments hereto to HFI or the proximate Council of Government to be recorded and filed in the Recorder’s Office of the county in which the Property is located.
2. The Owner intends, declares and covenants that this Agreement and the covenants and restrictions set forth in this Agreement regulating and restricting the use of the Property (i) shall be and are covenants running with the Property land, encumbering the Property for the term of this Agreement, (ii) are not merely personal covenants of the Owner, and (iii) shall bind all Owners during the term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of Iowa to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to ensure that these restrictions run with the land. The term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Property shall expressly provide that such conveyance is subject to this Agreement, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Property provides that such conveyance is subject to this Agreement.
3. The Owner agrees to obtain the consent of any present or prior recorded lienholder, if necessary, on the Property, still in effect, to this Agreement and such consent shall be a condition precedent to the delivery of the HFI House.

SECTION 2 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF OWNER

The Owner hereby represents, covenants, and warrants as follows:

1. The execution and performance of this Agreement by the Owner (i) will not violate or, as applicable, have not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, note, or other instrument to which the Owner is a party or by which it or the Property is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.
2. The Owner will, at the time of execution and delivery of this Agreement, have good and marketable title to the Property free and clear of any lien or encumbrance, subject to encumbrances created pursuant to this Agreement or other permitted encumbrances.
3. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement) or would materially adversely affect its financial condition.
4. The Owner may sell, transfer or exchange the Property at any time. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Property.
5. The Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

SECTION 3 – HOMES FOR IOWA RESTRICTIONS ON OWNER

Any Purchaser of the Property who acquires the Property as his or her personal residence (the “Owner”) including the Initial Owner represents, warrants, and covenants as follows:

1. If the property is sold during the term of this encumbrance the buyer shall meet HFI income restrictions at the time of sale. .

SECTION 4 - TERM OF AGREEMENT

The term of this Agreement shall automatically expire and shall be releases and discharged five (5) years (60 months) from the date of recording of this instrument, unless prior to such date legal action has been commenced by HFI, or its successor or assigns, based upon alleged violation of said covenants.

SECTION 5 - ENFORCEMENT OF HFI REQUIREMENTS

1. The Owner shall submit any other information, documents or certifications requested by HFI, which HFI shall deem reasonably necessary to substantiate the Homeowner's continuing compliance with the requirements of this Agreement.
2. THE OWNER HEREBY AGREES AND CONSENTS HFI SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE HOMEOWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN A STATE COURT OF COMPETENT JURISDICTION.

The owner hereby further specifically acknowledges that the beneficiaries of the Homeowner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(d) The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by HFI.

SECTION 6 – MISCELLANEOUS

1. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.
2. Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To HFI:

Homes for Iowa

400 E. Court St., Suite 126

Des Moines, IA 50309

To the Homeowner:

HFI and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

1. Governing Law. This Agreement shall be governed by the laws of the State of Iowa and, where applicable, the laws of the United States of America.
2. Survival of Obligations. The obligations of the Homeowner as set forth herein shall survive the sale of the HFI House, and shall not be deemed to terminate or merge with the payment of the purchase price by the Homeowner.

IN WITNESS WHEREOF, the Homeowner has caused this Agreement to be signed by its duly authorized representatives, as of the day and year first written above.

OWNER:

Printed Name:

STATE OF IOWA )

 :SS

COUNTY OF )

On this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, who acknowledged himself/herself to be the Homeowner of Referenced Property and that he/she, as such, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing himself/herself as the Homeowner of Referenced Property.

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

(SEAL) Notary Public, State of Iowa

 My Commission Expires:

**EXHIBIT A**

**LEGAL DESCRIPTION**

*Exactly as it appears on the deed or tax document*

Street Address: