Document: **ACKNOWLEDGMENT OF COVENANTS**

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Des Moines, IA 50315

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

**Grantors:**       **Grantee:** **Iowa Finance Authority**

**Legal Description: Page**

**Book & Page Reference:**

**Project Number & Name:**       **&**

# ACKNOWLEDGMENT OF COVENANTS

RE:

WHEREAS,       (the “Owner”) is the owner of a     unit rental housing development located in the City of      , County of      , State of Iowa, on the real property described above, known as       (the "Project"); 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 and, (the “LURA”),as amended from time to time, dated     , , and recorded in the       County Recorder’s Office on    , at       ,       ; and

WHEREAS, the LURA creates covenants running with the land for the purpose of enforcing certain requirements of Section 42 of the 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       (the “Mortgage Holder”), as the holder of a mortgage from the Owner dated as of     , (the “Mortgage”), and recorded in the       County Recorder’s Office on    , at       ,       , 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 (a) that its interests under the Mortgage are subject to the restrictive covenants described in the LURA, (b) that such restrictive covenants run with the land as provided in the LURA and (c) that 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 (a) that, before its execution of this Agreement, it has reviewed or had the opportunity to review the LURA, (b) that it consents to the Owner’s execution of the LURA, and (c) that the LURA imposes substantial restrictions on the use of the property comprising the Project.

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[Signature Page Follows]

DATEDthis       day of , ­.

     , as Mortgage Holder

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name:

Its:

     , as

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name:

Its:

STATE OF        :

:ss.

COUNTY OF       :

This record was acknowledged before me this \_\_\_\_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, , by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Notary Public

STATE OF       :

:ss.

COUNTY OF       :

This record was acknowledged before me this \_\_\_\_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, , by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Notary Public