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Polk County, Iowa
Julie M. Haggerty RECORDER
Number: 201300059471
BK: 14595 PG: 278

Preparer Information: Mark Thompson, 2015 Grand Avenue, Des Moines, Iowa 50312 (800) 432-7230

Attention: County Recorder - After recording, return original recorded document to: Tax Credit Allocation Division, Dave Vaske-Mgr, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, IA 50312 (800) 432-7230

Project: 10-10-236

LAND USE RESTRICTIVE COVENANTS AGREEMENT FOR LOW-INCOME HOUSING TAX CREDIT PROGRAM

ALLOCATION OF CREDITS TO THIS PROJECT IS BASED ON THE FOLLOWING:

- | | | |
|-----|-------------------------------------|--|
| (1) | <input type="checkbox"/> | Credits from Set-Aside for Projects involving Qualified Non-Profit Organizations |
| (2) | <input type="checkbox"/> | Credits from Preservation Set-Aside |
| (3) | <input type="checkbox"/> | Credits from Reserved Set-Aside |
| (4) | <input checked="" type="checkbox"/> | Additional Low-Income Targeting |
| (5) | <input checked="" type="checkbox"/> | Waiver of Right to Request Qualified Contract |
| (6) | <input type="checkbox"/> | Housing Supportive Services |
| (7) | <input type="checkbox"/> | Rural Development Preservation Demonstration |

THIS AGREEMENT, dated as of December 07, 2012, by and between Meadow Vista Senior Villas, LLC, a Limited Liability Company, and its successors and assigns (the "Owner"), and the Iowa Finance Authority, a public instrumentality and agency of the State of Iowa ("IFA").

WITNESSETH:

WHEREAS, the Owner is the owner of a fifty (50) unit rental housing development located at 1806 28th Ave SW in the City of Altoona, County of POLK, State of Iowa, on the real property described in Exhibit A attached hereto, known as Meadow Vista Senior Villas, (the "Project"); and

WHEREAS, IFA has been designated by Iowa Code Section 16.52 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

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WHEREAS, on February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009, PL 111-5 (the "Recovery Act"), which, in part, created the Tax Credit Assistance Program ("TCAP"), intended to facilitate the production of projects awarded low-income housing tax credits in "fiscal years" 2007, 2008, and 2009, and

WHEREAS, the Recovery Act also authorized the Section 1602 Financial Assistance Program ("Section 1602 Program"), pursuant to which financial assistance may be provided by the Authority to eligible projects that received an award of nine percent credits under Section 42 between October 1, 2006, and September 30, 2009; and

WHEREAS, the Authority was also authorized to allocate disaster relief tax credits pursuant to the Heartland Disaster Tax Relief Act of 2008; and

WHEREAS, the Owner has applied to IFA for an allocation of low-income housing tax credits for the Project and has made certain representations to IFA in its Low-Income Housing Tax Credit Application, the Carryover Allocation Application and the IRS Form 8609 Request Package (collectively, the "Application"), concerning, among other things, the number of Low-Income Units (as hereinafter defined) and the term of occupancy restrictions; and

WHEREAS, the Code requires in connection with the allocation of low-income housing tax credits that the Owner execute and deliver this Land Use Restrictive Covenants Agreement (the "Agreement") and that this Agreement be recorded in the official land records of the county in which the Project is located in order to create 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 by regulating and restricting the use and occupancy of the Project as set forth herein; and

WHEREAS, based upon such representations, IFA is willing to make an allocation of low-income housing tax credits to the Project provided that the Owner, by entering into this Agreement, agrees to be regulated by IFA in order that IFA may enforce the occupancy restrictions and other covenants, terms and conditions of this Agreement; and

WHEREAS, the Owner, under this Agreement, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use and occupancy of the Project shall be and are covenants running with the Project land for the term stated herein and shall be binding upon all subsequent owners of the Project for such term.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner and IFA agree as follows:

Section 1. Recording and Filing; Covenants to Run with the Land.

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(a) This Agreement shall be placed of record in the real property records of the county in which the Project is located and, except as otherwise provided herein, the covenants contained herein shall run with the land and shall bind the Owner and its successors and assigns, and all subsequent owners of the Project or any interest therein, and the benefits shall inure to IFA and its successors and assigns, for the period prescribed in Section 3 hereof.

(b) The Owner hereby agrees that any and all requirements of the laws of Iowa to be satisfied in order for the provisions of this Agreement to constitute restrictive covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privacy of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the land. During the term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Agreement, provided, however, the covenants contained herein shall survive and be effective as to successors and/or assigns of all or any portion of the Project, regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Agreement.

Section 2. Representations, Covenants and Warranties of the Owner. The Owner covenants, represents and warrants as follows:

(a) The Owner is duly organized under the laws of the State of Iowa and is qualified to transact business under the laws of Iowa.

(b) The Owner has good and marketable title to the premises constituting the Project.

(c) Each building which is the subject of an allocation of low-income housing tax credits is, or, by not later than the last day of the first year of the "credit period," as defined in Section 42(f) of the Code ("Credit Period"), will be, a "qualified low-income building" as defined in Section 42(c)(2) of the Code ("Qualified Low Income Building"), and the Project constitutes or will constitute a "qualified low-income housing project" as defined in Section 42(g) of the Code ("Qualified Low Income Housing Project").

(d) The Owner shall not discriminate on the basis of race, creed, color, sex, sexual orientation, gender identity, age, marital status, national origin, disability or familial status in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project, and shall neither refuse to lease a unit in the Project, nor give preference to the holder of a certificate of eligibility under Section 8 of the U.S. Housing Act of 1937 on account of the status of the prospective tenant as such holder.

(e) The Owner shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project; or permit the use of any residential rental unit for any purpose other than rental housing.

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(f) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and 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 provisions in conflict herewith.

(g) If the Owner becomes aware of any situation, event or condition which would result in non-compliance of the Project or the Owner with Section 42 of the Code, the Owner shall promptly give written notice thereof to IFA.

(h) The Owner shall insure that the Low-Income Units (as hereinafter defined) are of comparable quality to other units, if any, in the Project.

(i) If the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Owner will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, utilizing materials and workmanship as similar as possible to the original construction and of at least as good a quality as the original construction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms hereof.

(j) The owner shall maintain the property in reasonably good repair and as materials, appliances, fixtures and equipment are replaced from time to time, Owner shall cause materials, appliances, fixtures, and equipment of at least as good a quality as the originals to be used for such replacements.

(k) The Owner has obtained or will obtain the consent of any prior recorded lienholder(s) to the recording of this agreement and to the subordination of the lien(s) of such lienholder(s) to this Agreement.

(l) Reserved.

(m) All real property described in the Owner's original application for low income housing tax credits under the 2010 First Amended Qualified Allocation Plan and identified therein as part of the Project is also described on Exhibit A hereto, and all real property described on Exhibit A hereto was included in the legal description set forth in the Owner's original Application.

Section 3. Term of Restrictions.

(a) Except as otherwise provided herein, this Agreement, including the occupancy restrictions set forth in Section 5 hereof, shall be in effect for each building which is part of the Project for a period of fifteen (15) taxable years (the "Compliance Period") beginning with the taxable year in which each such building is placed in service or, in connection with the election of the taxpayer under Section 42(f)(1)(B) of the Code, the succeeding taxable year.

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(b) In addition to the period described in Subsection (a) above, the Owner shall comply with the occupancy requirements set forth in Section 5 hereof for an additional fifteen (15) years, which, when added to the Compliance Period results in thirty (30) total years, with such total period constituting the "extended use period," as defined in Section 42(h)(6)(D) of the Code ("Extended Use Period"). Accordingly, the occupancy requirements set forth in Section 5 hereof shall remain in place for a period of thirty (30) years, except as described in Paragraph (c) below.

(c) This Agreement and the Extended Use Period for any building which is part of the Project shall terminate:

(i) on the date the Project or the building is acquired by foreclosure or deed in lieu of foreclosure unless the Secretary (hereinafter defined) determines that such acquisition is part of an arrangement with the Owner a purpose of which is such termination; or

(ii) Reserved.

(d) Notwithstanding any termination pursuant to Subsection (c) above, during the period of three (3) years following such termination, the Owner shall not evict or terminate the tenancy of an existing tenant of any Low-Income Unit (hereinafter defined) other than for good cause and shall not increase the gross rent above the maximum allowed under the Code with respect to such Low-Income Unit.

(e) Owner elected an Extended Use Period of greater than 15 years and therefore hereby waives Owner's right, under section 42(h)(6)(i)(II) of the Internal Revenue Code, to terminate the Extended Use Period in the event of IFA's inability to present a qualified contract for the acquisition of the low income portion of the Building.

Section 4. Qualified Low-Income Housing Project. The Owner shall maintain the Project as a Qualified Low-Income Housing Project at all times, commencing not later than the last day of the first year of the Credit Period and continuing throughout the term of this Agreement. To this end, and without limitation, the Owner shall assure that all of the residential units in the Project are available for use by the general public, suitable for occupancy and used on other than a transient basis.

Section 5. Occupancy Restrictions. The Owner covenants and agrees that:

(a) For the purpose of Section 42(g)(1) of the Code, the Owner elects

At least twenty percent (20%) of the residential rental units in the Project shall be both rent-restricted (as hereinafter defined) and occupied by individuals or families whose income is fifty percent (50%) or less of area median gross income.

At least forty percent (40%) of the residential rental units in the Project shall be both rent-restricted (as hereinafter defined) and occupied by individuals or families whose income is sixty percent (60%) or less of area median gross income.

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In addition to the Minimum Set-Aside requirement checked above, the Project will also meet the deep rent skewing option as defined in Section 142(d)(4) of the Code (fifteen percent (15%) of the units occupied by individuals whose income is forty percent (40%) or less of area median gross income and other requirements).

(b) Notwithstanding the election described in Subsection (a) of Section 5 above, the Owner covenants and agrees that at least zero (0) of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is thirty percent (30%) or less of area median gross income, at least ten (10) of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is forty percent (40%) or less of area median gross income, at least zero (0) of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is fifty percent (50%) or less of area median gross income, and at least forty (40) of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is sixty percent (60%) or less of area median gross income. The owner also covenants and agrees that rent for all of the residential units shall not exceed 100% of the fair market rent, as established by the U.S. Department of Housing and Urban Development. All of the residential rent and income restricted units will be distributed by bedroom size as follows:

Unit Summary by AMI and Bedroom Size			
Type	AMI %	BR Size	Unit Count
Low Income	40	2	10
	60	2	40
Total Units			50

(c) All of the foregoing residential rental units are collectively referred to herein as the "Low-Income Units", and, with respect to all of such Low Income Units, "median gross income" shall be determined in accordance with the Code. The Owner further agrees that additional units in the Project shall be both rent-restricted and occupied by low-income individuals or families whose incomes meet the requirements of Section 5(b) to the extent necessary to maintain the "applicable fraction," as defined in Section 42(c) (1)(B) of the Code, at not less than the percentage set forth on Exhibit B for each taxable year of the Extended Use Period. A unit is "rent-restricted" if the gross rent with respect to such unit does not exceed thirty percent (30%) of the imputed income limitation applicable to such unit, all as determined in accordance with Section 42(g) of the Code.

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(i) The determination of whether an individual or family is a Qualifying Tenant (that is, meets the income requirements of Subsection (b) of this Section 5) shall be made at least annually on the basis of the income of such individual or family. IFA may allow certification on a less frequent basis as permitted by IFA's Compliance Manual. Any unit occupied by an individual or family who is a Qualifying Tenant at the commencement of occupancy shall continue to be treated as a Low-Income Unit notwithstanding an increase in the income of such individual or family above the income limitation applicable under Subsection (b) of this Section 5, provided that, if such Qualifying Tenant's income subsequently exceeds one hundred seventy percent (170%) of the applicable income limit, such unit shall no longer be a Low-Income Unit if after the determination of such increase, but prior to the next determination, any residential unit which meets the requirements of IRC § 42(g)(2)(D)(i).

(ii) As a condition to occupancy, each individual or family who is intended to be a Qualifying Tenant shall be required to sign and deliver to the Owner a fully completed Tenant Income Certification in the form provided from time to time by IFA, and the income and assets of such individual or family must be verified in the manner prescribed by IFA.

(iii) The form of lease to be utilized by the Owner in renting any unit in the Project to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Income Certification or the failure by such tenant to execute a Tenant Income Certification annually when required by IFA's Compliance Manual.

(d) The Owner further covenants and agrees that not later than the last day of the first year of the Credit Period, as defined in Section 42(f) of the Code:

(i) The Project is designated a Older Persons 55 project.

(ii) Reserved.

(iii) Reserved.

(iv) All of the Low-Income Units shall be generally distributed in terms of location and number of bedrooms throughout the Project. The Low-Income Units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants.

(v) Of the residential rental units which are to be subject to the restrictions of Section 5 hereof, at least zero (0) shall be efficiency units, at least zero (0) shall be one-bedroom units, at least fifty (50) shall be two-bedroom units, at least zero (0) shall be three-bedroom units, and at least zero (0) shall be four-bedroom units.

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(e) The Owner further covenants and agrees that the following amenities shall be constructed, equipped, set aside and made available at the Project, as set forth on Exhibit C.

(f) Reserved.

(g) With the written consent of IFA, the number of property manager-occupied units within the project may be increased or decreased to improve the efficient operation of the property.

Section 6. Reserved.

Section 7. Owner Certifications and Reports.

(a) Within ninety (90) days of the end of the first year of the Credit Period, the Owner shall provide to IFA a copy of the First Year Certification Part II of IRS Form 8609, as filed or prepared for filing with the Internal Revenue Service and executed by or on behalf of the Owner.

(b) The Owner shall annually provide to the Secretary of the United States Department of the Treasury (the "Secretary"), or to his or her designee, at such time and in such manner as the Secretary shall prescribe, a certification as to the continuing compliance of the Project with requirements of Section 42 of the Code. A copy of such annual certification shall be provided to IFA.

(c) The Owner shall provide to IFA, annually, on March 1 or the next business day, a Certification of Continuing Program Compliance and an Occupancy Report, each in the form provided, from time to time, by IFA, together with a copy, for each building, of the most recently filed IRS Form 8609 Schedule A: Annual Statement.

(d) The Owner shall maintain in its records and provide to IFA copies of any and all notices and correspondence from or with the Internal Revenue Service concerning the Project or the Owner.

(e) In addition to the information provided for in Section 5 and in this Section 7, the Owner shall provide any other information, documents or certifications requested, from time to time, by IFA with respect to the Project's physical, operational and financial condition and its residents which IFA reasonably deems necessary to substantiate the Owner's continuing compliance with the provisions of this Agreement and Section 42 of the Code.

Section 8. Transfer Restrictions.

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(a) The Owner shall not sell, assign, convey, transfer or otherwise dispose of the Project or any building in the Project without the prior written consent of IFA. Such consent shall be given provided that: (i) the Owner is in compliance with the requirements of this Agreement and of Section 42(j)(6) of the Code; (ii) the proposed transferee of the Project evidences, to the reasonable satisfaction of IFA, by its performance with respect to other low-income housing tax credit or government-assisted housing projects and otherwise, its willingness and ability to comply with the terms of this Agreement; and (iii) in no event shall the Owner dispose of any portion of any building in the Project to any person unless all of such building is disposed of to such person. For the purposes of this Subsection, transfer of fifty percent (50%) or more of the ownership interests in Owner shall be deemed a transfer of the Project.

(b) The Owner shall include, verbatim or by incorporation by reference, all requirements and restrictions contained in this Agreement in any deed or other documents transferring any interest in the Project or in any building in the Project to any other person or entity to the end that such transferee has notice of and is bound by such restrictions, and shall obtain the express written assumption of this Agreement by any such transferee.

Section 9. Physical Maintenance/Management/Books/Records/Inspections.

(a) The Owner shall maintain each building in the Project such that all units are suitable for occupancy, taking into account applicable health, safety and building codes, and otherwise in a manner reasonably satisfactory to IFA and in compliance with the uniform physical conditions standards set forth at 24 C.F.R. pt. 5, Section 7.03.

(b) The Owner shall provide for the management of the Project in a manner reasonably determined by IFA to assure compliance with this Agreement. Any management contract entered into by the Owner involving the Project shall provide that it shall be subject to termination, without penalty and with or without cause, upon written request by IFA addressed to the Owner. Upon such request the Owner shall immediately terminate the contract within a period of not more than thirty (30) days and shall make arrangements reasonably satisfactory to IFA for continuing proper management of the Project.

(c) The books, contracts, records, computerized data, documents and other papers relating to compliance of the Owner and the Project with Section 42 of the Code, with this Agreement, and the eligibility of the Owner to claim credits with respect to the Project, shall at all times be maintained at the Project. All of the aforementioned materials shall be in reasonable condition for proper audit and shall be subject to examination and inspection and copying at any reasonable time by IFA or its authorized agents. IFA shall also have the right to enter and inspect the Project at any reasonable time.

(d) Owners shall keep records for each Qualified Low Income Building in the Project showing the following:

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- (i) the total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each unit);
- (ii) the percentage of residential rental units in the building that are Low-Income Units;
- (iii) the rent charged on each residential rental unit in the building (including any utility allowance);
- (iv) the number of occupants in each Low Income Unit;
- (v) the Low-Income Unit vacancies in the building and information that shows when, and to whom, the next available units were rented;
- (vi) the initial and annual student certification of each Qualifying Tenant if Section 42(g)(8)(B) applies;
- (vii) the annual income certification of each Qualifying Tenant;
- (viii) documentation to support each Qualifying Tenant's income certification;
- (ix) the eligible basis and qualified basis of the building at the end of the first year of the credit period; and
- (x) the character and use of the nonresidential portion of the building included in the building's eligible basis under Section 42(d) of the Code (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the Project).

(e) Owners shall keep all records for each building for a minimum of six (6) years after the due date (with extensions) for filing the Owner's federal income tax return for any year; provided, that the records for the first year of the credit period must be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period of the building.

Section 10. Prohibition Against Actions Described in Section 42(h)(6)(E)(ii)(I) and(II).The Owner covenants and agrees that during the Extended Use Period it (a) will not evict or terminate the tenancy of an existing tenant of any Low-Income Unit other than for good cause, and (b) will not increase the gross rent above the maximum allowed under the Code with respect to such Low-Income Unit.

Section 11. Enforcement.

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(a) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of Section 42 of the Code or of this Agreement. Moreover, the Owner covenants to take any lawful action (including amendment of this Agreement) as may be necessary, in the opinion of IFA, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service from time to time pertaining to the Owner's obligations under Section 42 of the Code and affecting the Project.

(b) The Owner shall promptly advise IFA as to the date each building in the Project is a Qualified Low-Income Building.

(c) In the event of any failure of the Owner to comply with the provisions of Section 42 of the Code or of this Agreement, IFA shall inform the Owner by written notice of such failure and provide the Owner a period of time in which to correct such failure. If any such failure is not corrected to the satisfaction of IFA within the period of time specified by IFA, which shall be at least thirty (30) days after the date any notice to the Owner is mailed, or within such further time as IFA determines is necessary to correct the violation, but not to exceed any limitations set by applicable regulations, without further notice IFA may declare a default under this Agreement effective on the date of such declaration of default, and IFA may (i) apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement; (ii) secure the appointment of a receiver to operate the Project in compliance with this Agreement; or (iii) exercise any other remedies at law or in equity or any such other action as shall be necessary or desirable to correct non-compliance with this Agreement.

(d) The Owner and IFA each acknowledges that the primary purpose of requiring compliance by the Owner with the restrictions provided in this Agreement is to assure compliance of the Project and the Owner with Section 42 of the Code and the Treasury Regulations thereunder, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION OF RECEIVING AN ALLOCATION OF LOW-INCOME HOUSING TAX CREDITS FOR THE PROJECT HEREBY AGREES AND CONSENTS THAT IFA, ANY QUALIFYING TENANT AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE TO THE BUILDING UNDER THE CODE (WHETHER PRESENT, PROSPECTIVE OR FORMER OCCUPANTS OF THE BUILDING) (ANY OR ALL OF THEM) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN ANY COURT, STATE OR FEDERAL, OF COMPETENT JURISDICTION, the Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

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(e) In the event of the Owner's or Project's failure to comply fully with the Code, the covenants and agreements contained herein or with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service or IFA from time to time pertaining to the obligations of the Owner as set forth therein or herein, IFA, in addition to all of the remedies provided by law or in equity, may notify the Internal Revenue Service of such noncompliance.

Section 12. Return of Unused Credit. Pursuant to Section 42(h)(3)(C) of the Code and Treasury Regulation §1.42-14(d) thereunder, the housing tax credit dollar amount allocated to the Owner with respect to the Project shall be cancelled and returned to IFA, in whole or in part, if (i) any building in the Project is not a Qualified Low-Income Building within the time period required by Section 42 of the Code, or (ii) the "Qualified Basis" of any building in the Project is less than the Qualified Basis on which the credit amount was allocated by IFA, (iii) IFA and the Owner cancel an allocation of an amount of credit by mutual consent, or (iv) IFA determines under Section 42(m)(2) of the Code that an amount of credit allocated to the Project is not necessary for the financial feasibility of the Project and its viability as a Qualified Low-Income Housing Project throughout the Credit Period.

Section 13. No Reliance. In issuing the Allocation, IFA has relied upon information provided and representations made by the Owner or the Owner's designee, and the Allocation does not in any way constitute a representation, warranty, guaranty, advice or suggestion by IFA as to the qualification of the Project for the tax credits, or the feasibility or viability of the Project, and may not be relied on as such by any owner, developer, investor, tenant, lender, or other person, for any reason. In addition, IFA's acceptance of the certifications and representations required in connection with Owner's request for the Allocation does not constitute a representation as to the satisfaction of the requirements under Section 42(h)(1)(E) as binding on the part of the Internal Revenue Service.

Section 14. Release and Indemnification.

(a) The Owner agrees to release and forever discharge IFA, its members, employees, agents, officers, successors and assigns, from any and all claims, demands, causes of actions, judgments and executions which the Owner has or may hereafter have against IFA, whether in law or in equity, arising or resulting from, or on account of or pertaining to, whether directly or indirectly, the issuance of a Form 8609 with respect to the Project by IFA.

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(b) The Owner, (the "Indemnitor"), hereby agrees to indemnify, hold harmless and defend IFA, its members, officers, agents, employees, successors and assigns (an "Indemnified Party"), from and against any obligation, claim, loss, demand, cost, expense (including the costs of the investigation and settlement of any claim, and including reasonable attorneys' fees), disallowance of tax benefits, or judgment against IFA directly or indirectly arising or resulting from, or on account of or relating to: (i) the financing, acquisition, construction and/or rehabilitation, syndication, sale, management or operation of the Project; (ii) any noncompliance or failure to perform any covenant under this Agreement or any other Project document (whether or not cured); (iii) any breach of a representation, warranty or covenant under this Agreement or in any other Project document; (iv) any other act or omission (whether or not cured) constituting a failure in compliance, or (v) the enforcement by IFA, its successors and assigns of IFA's rights and remedies under this Agreement or any other Project document.

(c) If any such claim is asserted, any Indemnified Party hereunder will give prompt notice to the owner and will cooperate in the investigation and defense of any such claim. The Indemnitor will assume the defense of any such asserted claim by engaging counsel approved by the Indemnified Party (which approval shall not be unreasonably withheld), it being understood and agreed that the Indemnified Party shall have the right to employ its own separate counsel and participate in such proceedings at the Indemnitor's cost and expense if such Indemnified Party is advised in an opinion of counsel rendered in good faith that there may be legal defenses available to such Indemnified Party which are adverse to or in conflict with those available to the Indemnitor.

(d) The obligations of the Indemnitor under this Section 14 shall survive any transfer of the Project (whether voluntary or involuntarily) or termination of this Agreement and any attempted transfer or assignment or termination of the Indemnitor's interest in Owner or the Project; provided, however, the indemnification obligations of the Indemnitor shall not apply with respect to matters first arising after such Indemnitor has disposed of the Indemnitor's interest in the Project or the owner, as applicable, in accordance with the provisions of this Agreement.

Section 15. Miscellaneous.

(a) The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

(b) Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party as set forth as follows:

To IFA:

Iowa Finance Authority

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2015 Grand Avenue
Des Moines, Iowa 50312
Attention: Tax Credit Program Manager

To the Owner:

Meadow Vista Senior Villas, LLC
9349 WATERSTONE BLVD
CINCINNATI, Ohio 45249-8320
Attention: Brian McGeedy

(i) Each such notice shall be deemed to have been provided: At the time it is actually received; or, within one (1) day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery; or, Within five (5) days after deposited in the U.S. Mail in the case of registered U.S. Mail. Copies of such notice to each party shall be provided separately. From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein. IFA 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.

(c) Compliance with the Law and Regulations.

(i) The Owner shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when performing within the scope of this Agreement.

(ii) The Owner declares that it has complied with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work to be performed under this Agreement.

(iii) IFA may consider the failure of the Owner to comply with any law or regulation as a material breach of this Agreement subjecting the Agreement to be immediate cancellation.

(d) Amendments. This Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to this Agreement must be fully executed by both parties.

(e) Choice of Law and Forum.

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(i) The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Agreement without regard to the choice of law provisions of Iowa law.

(ii) In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Agreement, the proceeding shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa, if jurisdiction is proper. If however, jurisdiction is not proper in the Iowa District Court, Polk County, but is proper only in a United States District Court, the matter shall be commenced in the United States District Court for the Southern District of Iowa, Central Division.

(iii) This provision shall not be construed as waiving any immunity to suit or liability, in state or federal court, which may be available to IFA or the State of Iowa.

(f) **Assignment and Delegation.** The Owner shall not assign, transfer, convey, or otherwise dispose of this Agreement, its duties under this Agreement, or any rights, title, or interest in this Agreement to any other person, corporation, or other entity without the prior written approval of IFA which may be given or withheld in IFA's good faith business judgment.

(g) **Recovery of Attorneys' Fees.** If IFA shall incur legal fees or other expenses in enforcing its rights and/or remedies, or the Owner's obligations, under this Agreement the Owner shall reimburse IFA for those fees and other expenses within ten (10) days of receipt of written demand therefor.

(h) **Integration.** This Agreement, including all the documents incorporated by reference, represents the entire Agreement between the parties and neither party is relying on any representation that may have been made which is not included in this Agreement.

(i) **Headings or Captions.** The paragraph headings or captions are for identification purposes only and do not limit or construe the contents of the paragraphs.

(j) **Not a Joint Venture.** Nothing in this Agreement shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent/principal relationship) between the parties hereto. Each party shall be deemed an independent contractor contracting for services and acting toward the mutual benefits expected to be derived herefrom. No party, unless otherwise specifically provided for herein, has authority to enter into any agreement or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Agreement.

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(k) Waiver. Any breach or default by either party shall not be waived or released other than by a writing signed by the other party. Failure by either party at any time to require performance by the other party or to claim a breach provision of the Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto.

(l) Each party to this Agreement represents and warrants to the other that:

(i) It has the right, power and authority to enter into and perform its obligations under this Agreement.

(ii) It has taken all requisite action (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Agreement, and this Agreement constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

(m) Successors in Interest. All the terms, provisions, and conditions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

(n) Counterparts. The parties agree that this Agreement has been or may be executed in several counterparts including facsimile copies, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

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OWNER: Meadow Vista Senior Villas, LLC, an Iowa limited liability company

By: MV Meadow Vista Senior Villas, LLC, an Ohio limited liability company, its Managing Member

By: Miller-Valentine Apartments III LLC, an Ohio limited liability company, its Sole Member

By: DAVID R. LIETTE, AUTHORIZED SIGNER
Printed Name & Title

By: _____
Signature

By: _____ (Signature)

By: _____
Printed Name & Title

STATE OF OHIO }
 } ss.
COUNTY OF WARREN }



BRENDA D. JACQUES
Notary Public, State of Ohio
My Commission Expires
March 31, 2014

On this 27th day of December, 2012, before me, the undersigned, a Notary Public in and for the State of Ohio, personally appeared David R. Liette and _____, to me personally known, who, being by me duly sworn, did say that they are the Authorized Signers of Miller-Valentine Apartments III, LLC, an Ohio limited liability company, that Miller-Valentine Apartments III, LLC is the Sole Member of MV Meadow Vista Senior Villas LLC, the Managing Member of Meadow Vista Senior Villas, LLC, an Iowa limited liability company, that no seal has been procured by any of the said limited liability companies and that this instrument was signed on behalf of the said limited liability companies by authority of their members and the said Authorized Signers acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it and by them voluntarily executed.

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

Brenda D. Jacques
Notary Public in and For the State of OHIO

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IOWA FINANCE AUTHORITY

By: *Carolann Jensen*
Name: Carolann Jensen
Title: Chief Administration Officer

STATE OF IOWA }
 } ss.
COUNTY OF POLK }

On this 28th day of December, 2012, before me, a Notary Public in and for said State, personally appeared Carolann Jensen, to me personally known, who being by me duly sworn did say that she is Chief Administration Officer of the Iowa Finance Authority and that said instrument was signed on behalf of the Iowa Finance Authority by authority of its board and the said Chief Administration Officer acknowledged the execution of said instrument to be the voluntary act and deed of the Iowa Finance Authority by it and by her voluntarily executed.

Cynthia Kathleen Kulisky
Notary Public in and for said State



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EXHIBIT A

Parcel 1: Lot 60, Meadow Vista South, an Official Plat, now included in and forming a part of the City of Altoona, Polk County, Iowa.

Parcel 2: A perpetual easement for constructing, reconstructing, repairing, replacing, enlarging, inspecting and maintaining free and unobstructed storm water detention, an open space conservation area, and a wetlands mitigation area as granted by Storm Water Detention, Conservation and Wetlands Mitigation Easement filed August 11, 2011, in Book 13937, Page 800-823 in the Polk County, Iowa, Recorder's Office.

Parcel 3: A temporary easement to erect, construct, install, and lay soil for the purposes of grading and placement of excess soil from Meadow Vista South as granted by Temporary Grading Easement Agreement filed August 11, 2011, in Book 13937, Page 824-832 in the Polk County, Iowa, Recorder's Office.

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EXHIBIT B
MINIMUM APPLICABLE FRACTION BY BUILDING

Building Identification Number	Address	Minimum Applicable Fraction
IA-10-23601	1784, 1788, 1792 & 1796 Red Oak Drive SW, Altoona	100.0000 %
IA-10-23602	1756, 1760, 1764, 1768, 1772 & 1776 Red Oak Drive SW, Altoona	100.0000 %
IA-10-23603	1736, 1740, 1744 & 1748 Red Oak Drive SW, Altoona	100.0000 %
IA-10-23604	1704, 1708, 1712, 1716, 1720 & 1724 Red Oak Drive SW, Altoona	100.0000 %
IA-10-23605	1705, 1709, 1713, 1717, 1721 & 1725 Red Oak Drive SW, Altoona	100.0000 %
IA-10-23606	2803, 2807, 2811, 2815, 2819 & 2823 Eagles Nest SW, Altoona	100.0000 %
IA-10-23607	2802, 2806, 2810, 2814, 2818 & 2822 Eagles Nest SW, Altoona	100.0000 %
IA-10-23608	2801, 2805, 2809, 2813, 2817 & 2821 Hawk Hollow SW, Altoona	100.0000 %
IA-10-23609	2800, 2804, 2808, 2812, 2816 & 2820 Hawk Hollow SW, Altoona	100.0000 %

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EXHIBIT C

The following features and amenities shall be constructed, equipped, set-aside and made available at the Project:

Environmentally Friendly Interior Paint:	All interior paints and primers will comply with Green Seal standards for low VOC limits. Typical paint brand is Sherwin Williams (or one of similar quality).
Environmentally Friendly Adhesives:	All adhesives used will comply with Rule 1168 of the South Coast Air Quality Management District. All caulks and sealants will comply with Regulation 8, Rules 51 of the Bay Area Air Quality Management District.
No Smoking:	A no smoking policy will be implemented and enforced in all common and individual living areas of all buildings.
Energy Efficient Water Heaters:	A Rheem brand (or one of equal quality) tank-style water heater with a min (ef) rating of 0.93 electric or less will be provided.
Water Conserving Appliances:	The units will contain high efficiency WaterSense toilets that use 1.28 gallons or less per flush. Faucet aerators use will be 1.5 gallons per minute (gpm) or less in the kitchen, and 1.0 gpm or less in the bathrooms; showerheads use of 1.5 gpm or less.
Renewable Energy:	A geothermal heating/cooling system will be included for each unit in the development.
Health Education:	The ownership of Meadow Vista Senior Villas agrees to partner with local health and wellness organizations to provide quarterly educational health meetings.
Gardening Area:	The ownership of Meadow Vista Senior Villas agrees to provide the necessary space for the residents of the community to have a community garden, along with the necessary tools and seeds.
Wellness Promotion:	The ownership of Meadow Vista Senior Villas agrees to provide quarterly contests and other incentive programs to engage the residents in health and wellness activities.
Bike Racks:	The development will have a bike rack at the community building located in the center of the development. A bike rack per building was excluded since each unit has an attached direct access garage (272 sq/ft of storage)
Walking Trails:	The development will include a walking trail connecting to the sidewalk grid which will encompass the entire site. The walking path will meet the necessary lighting requirements and will have benches at strategic points offering the residents a place to rest.
In-Unit Washer/Dryer:	Maytag, Whirlpool (or one of similar quality) will be included in every unit.
In-Unit Microwave:	Whirlpool, Frigidaire (or one of similar quality) will be included in every unit.

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Exterior Construction Durability: 100% fiber cement board siding (excluding window and door areas).
AND Pre-finished aluminum metal or fiber cement board fascia and vented soffit systems.

Steel Frame Doors: All entry doors will be a steel frame design. Doors will be either Stanley or Masonite (or one of similar quality)

Moisture Resistant Windows: All window ledges will be composed of moisture resistant materials.

Community Room - Sq Ft: 1005

Community Bldg - Sq Ft: 1005

Garages - Number : 50 - Will rent be charged? No

Surface Parking - Number: 68 - Will rent be charged? No

Clubhouse

Computer Learning Center

Laundry Room

Media Center Room

On-site Leasing Office

Picnic Area/Tables

Gazebo

Wiring for High Speed Internet Access Per Unit

Dishwasher

Exterior Storage

Garbage Disposal

Kitchen Exhaust Fan

Range

Refrigerator

Washer/Dryer Hookup

Window Coverings

Heating/Cooling: Central Air

Irrigation System will NOT be Installed

Grand Parent Swing

100% of units are Fully Handicapped Accessible

Kitchenette with Sink and Cabinets