

Restrictive Use Covenant

WHEREAS, MONTEVALLO VILLAS, LTD, an Alabama limited partnership, P.O. Box 2740, Auburn, Alabama 36831 (“Owner”), or a predecessor in interest, received a loan from the United States of America, acting through the Rural Housing Service in Rural Development (“Agency”), United States Department of Agriculture which was evidenced by a Promissory Note dated November 13, 1987 in the original amount of One Million One Hundred Forty Thousand and No/100 (\$1,140,000.00) Dollars as secured by a certain Real Estate Mortgage for Alabama dated November 13, 1987 and recorded with the Judge of Probate of Shelby County, Alabama on December 2, 1987 in Book 159 at Page 791 and re-recorded in Book 161 at Page 982 in accordance with Section 515 of Title V of the Housing Act of 1949, as amended (“Program”); and

WHEREAS, as a condition to and in consideration for the Owner's receipt of a damage payment in accordance with a Settlement Agreement dated October 27, 2023, the Owner and the Agency have agreed to certain restrictions on the use of the property as more particularly described in Attachment One (1) (“Property”) attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the damage payment, the receipt and sufficiency of which is hereby acknowledged, the parties, for themselves and for their respective successors and assigns, hereby covenant and agree as follows:

1. Term. The period of restriction shall begin on the date hereof and end on January 31, 2047 (“Term”).

2. Use Requirement. The Owner, and any successors in interest, agree to use the Property in compliance with 42 U.S.C. § 1485 and 7 C.F.R part 3560, and any other applicable regulations and amendments, for the purpose of housing Program eligible very low-, low-, or moderate-income tenants.

3. Enforcement. The Agency may enforce these restrictions. Program eligible tenants or applicants may also enforce these restrictions so long as the Agency has not terminated the Restrictive Use Covenant pursuant to paragraph 7 below.

4. Displacement Prohibition. The Owner agrees not to refuse to lease a dwelling unit offered for rent, or otherwise discriminate in the terms of tenancy, because any tenant or prospective tenant is the recipient of housing assistance from the Agency or any other Federal agency.

5. Owner’s Responsibilities. The Owner agrees to set rents, other charges, and conditions of occupancy in a manner to meet these restrictions; post an Agency-approved notice of this restriction for the tenants of the property; to adhere to applicable local, state, and Federal laws; and to obtain Agency concurrence for any rental procedures that deviate from those approved at the time of prepayment, prior to implementation.

6. Civil Rights Requirements. The Owner will comply with the provisions of any applicable Federal, state or local law prohibiting discrimination in housing on the basis of race, color, religion, sex, national origin, handicap or familial status, including but not limited to: Title VI of the Civil Rights Act of 1964 (Public Law 90-284, 82 Stat. 73), the Fair Housing Act, Executive Order 11063, and all requirements imposed by or pursuant to the Agency regulations implementing these authorities, including, but not limited to, 7 CFR § 3560.104.

7. Release of Obligation. The Owner will be released from these obligations before the expiration of the Term of this covenant only when the Agency determines that there is no longer a need for the housing or that financial assistance provided the residents of the housing will no longer be provided due to no fault, action or lack of action on the part of the Owner.

8. Violations; the Agency's Remedies. If the Agency determines that the Owner has violated any of the terms of this covenant, including, but not limited to, failure to comply with any of the requirements imposed under this covenant, the Agency shall have available to it all remedies prescribed by 42 U.S.C. § 1485 and 7 C.F.R. part 3560 or any recodification or amendment thereto.

9. Covenants to Run with Land. The Owner hereby subjects the Property to the covenants, reservations and restrictions set forth in this covenant. The Owner hereby declares its express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land to the extent permitted by law and shall pass to and be binding upon the successors in title to the Property throughout the Term. Each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument. The Agency hereby agrees that, upon the request of the Owner made on or after the Term of this covenant has expired, the Agency shall execute a recordable instrument approved by the Agency for purposes of releasing this covenant of record. All costs and expenses relating to the preparation and recording of such release shall be paid by the Owner.

10. Superiority. The document hereto constitutes a restrictive covenant that is filed of record, with all other Deeds of Trusts or Mortgages, and that, notwithstanding a foreclosure or transfer of title pursuant to any other instrument or agreement, the restrictive covenants and provisions hereunder shall remain in full force and effect.

11. Subsequent Modifications and Statutory Amendments. The Agency may implement modifications to the Program necessitated by any subsequent statutory amendment without the consent of any other party, including those having the right of enforcement, to require that any third party obtain prior Agency approval for any enforcement action concerning preexisting or future violations of this covenant.

12. Other Agreements. The Owner represents and warrants that the provisions of this covenant are paramount and controlling as to the rights and obligations set forth herein and supersede any other conflicting requirements.

13. Binding Effect. This covenant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and/or assigns.

14. Amendment. This covenant may not be modified except by an instrument in writing executed by each of the parties that are signatories hereto or their authorized representatives.

15. Severability. Notwithstanding anything herein contained, if any one or more of the provisions of this covenant shall for any reason whatsoever be held to be illegal, invalid or unenforceable in any respect, such illegality, invalidity or unenforceability shall not affect any other provision of this covenant, but this covenant shall be construed as if such illegal, invalid or unenforceable provision had never been contained herein.

16. Headings. The headings and titles to the sections of this covenant are inserted for convenience only and shall not be deemed a part hereof nor affect the construction or interpretation of any provisions hereof.

17. Governing Law. This covenant shall be governed by all applicable Federal and State laws.

18. Counterparts. This covenant may be executed in any number of counterparts, all of which counterparts shall be construed together and shall constitute but one covenant.

PREPARED BY: Michelle McDaniel, USDA, Rural Development, PO Box 771340, St. Louis, MO 63177

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. Michelle McDaniel

IN WITNESS WHEREOF, the parties hereto have caused this Restrictive Use Covenant to be executed and made effective as of December 13, 2023.

OWNER:

MONTEVALLO VILLAS, LTD, an
Alabama limited partnership

By: [Signature]
Name: John T Huff Jr
Its: General Partner

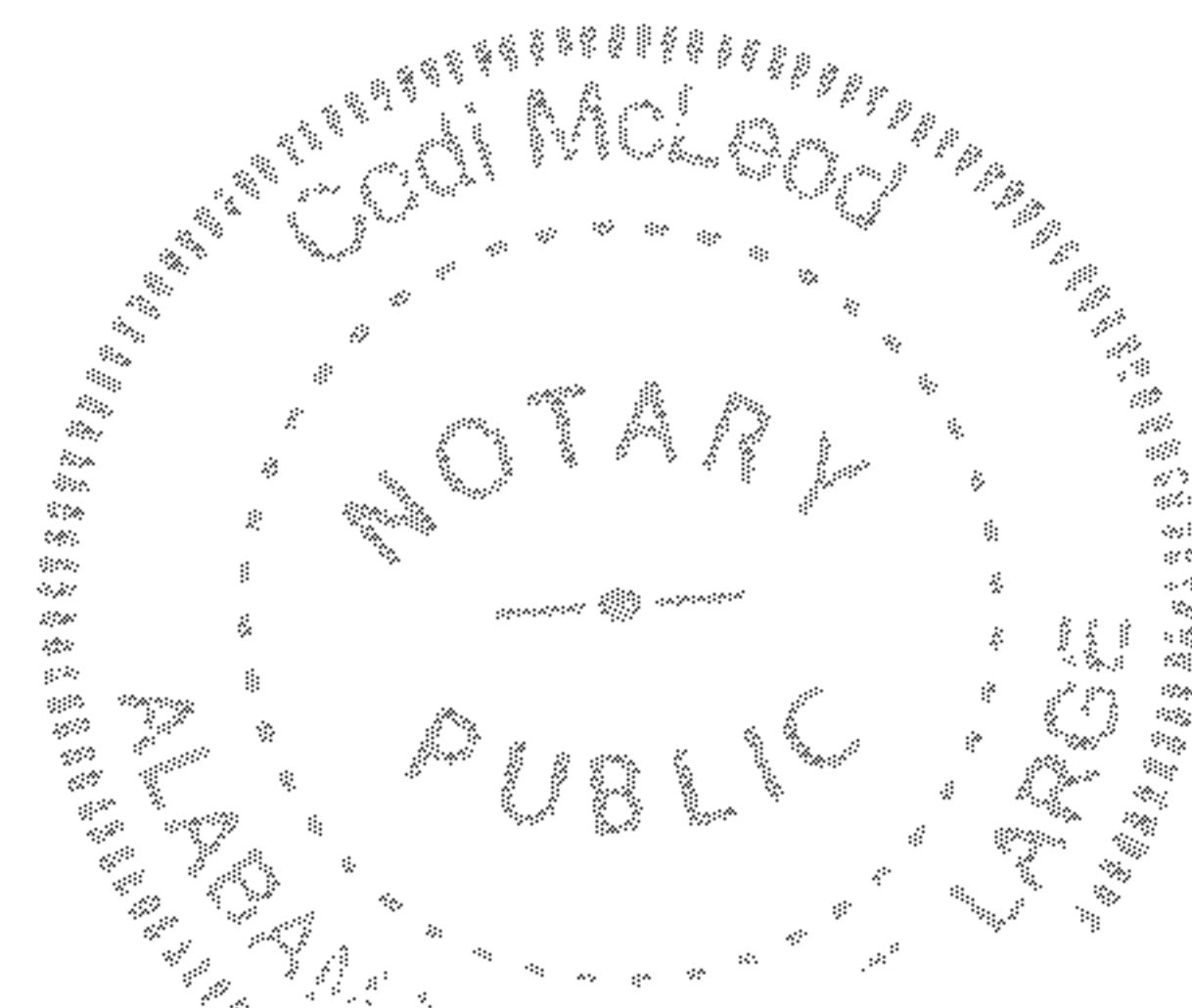
IN PRESENCE OF:

STATE OF Alabama)
)ss.
COUNTY OF Lee)

On the 13 day of December in the year 2023 before me, the undersigned, personally appeared John T Huff Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the Opelika, AL. (insert the city or other political subdivision and the state or county or other place the acknowledgment was taken).

Codi McLeod
Notary Public, Alabama State At Large
My Commission Expires June 30, 2026

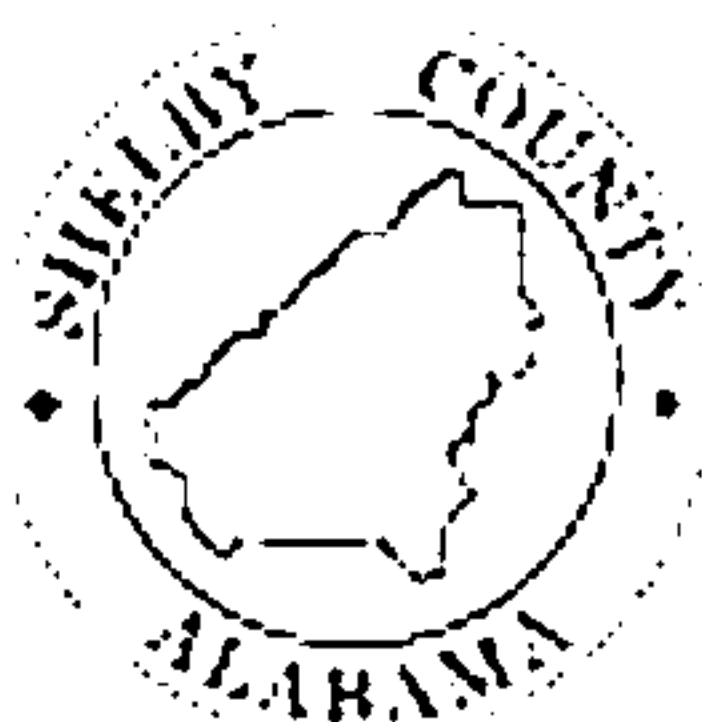
[Signature]
Signature and Office of
individual taking acknowledgment



ATTACHMENT 1
LEGAL DESCRIPTION

A parcel of land located in the Northwest Quarter of the Southeast Quarter of Section 3, Township 24 North, Range 12 East, described as follows:

Commence at the Southeast corner of Lot 9, Fancher Subdivision, as recorded in Plat Book 4, Page 31, in the Probate Office of Shelby County, Alabama; thence run South and along the prolongation of the East boundary of said Lot 9, a distance of 199.51 feet; thence turn a deflection angle of $89^{\circ} 37' 25''$ to the right, and run a distance of 40.00 feet; thence turn a deflection angle of $89^{\circ} 37' 25''$ to the left and run a distance of 519.44 feet to the point of beginning; thence turn a deflection angle of $90^{\circ} 28' 26''$ to the right and run a distance of 584.45 feet to the East margin of Gardner Street; thence turn a deflection angle of $90^{\circ} 54' 46''$ to the left and run South along the East margin of Gardner Street, a distance of 330.00 feet; thence turn a deflection angle of $78^{\circ} 09' 03''$ to the left and run a distance of 386.60 feet; thence turn a deflection angle of $74^{\circ} 36' 11''$ to the left and run a distance of 450.00 feet to the point of beginning. Situated in the Northwest Quarter of the Southeast Quarter, Section 3, Township 24 North, Range 12 East, Shelby County, Alabama.



Filed and Recorded
Official Public Records
Judge of Probate, Shelby County Alabama, County
Clerk
Shelby County, AL
09/11/2024 08:40:17 AM
\$34.00 BRITTANI
20240911000281740

Allen S. Bayl