**RURAL HOUSING TRUST FUND**

 **DECLARATION OF COVENANTS AND RESTRICTIONS**

This **DECLARATION OF COVENANTS AND RESTRICTIONS** ("Declaration") is made this \_\_\_ day of \_\_\_\_\_\_\_\_, 20\_\_, by **Client(s) and Spouse Full Legal Name(s)**, married/unmarried/husband and wife, whose address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Borrower," whether singular or plural). Borrower is the fee simple owner of the real property in \_\_\_\_\_\_\_\_\_\_\_\_\_ County, Kentucky, described on Exhibit A attached hereto and made a part hereof ("Property").

**WHEREAS**, the Kentucky Housing Corporation (“KHC”) has granted funds under the Rural Housing Trust Fund (“RHTF”) Program contained in KRS 198A.740 et seq., to Lending Entity Name, a Kentucky nonprofit corporation, whose address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Grantee”), for the construction, acquisition, or rehabilitation of the Property; and

**WHEREAS**, Grantee has made funds available to Borrower for construction, acquisition, or rehabilitation of a single family home on the Property;

**NOW THEREFORE**, in consideration of KHC and Grantee making RHTF Program funds available to Borrower, and in order to comply with the affordability requirements of the RHTF Program, Borrower wishes to place upon the real property certain restrictions and covenants as to its use and occupancy, as follows:

1. **OCCUPANCY BY MODERATE-INCOME PERSONS OR FAMILIES**. Borrower covenants that the dwelling units constructed, acquired, or rehabilitated on the Property described herein shall, for the term of this Declaration, be maintained as housing for moderate-income persons or families, which will be defined as individuals and families with annual gross incomes at or below the greater of one hundred twenty percent (120%) of the county area median income or the State median income, adjusted for size, as defined by the U.S. Department of Housing and Urban Development Section 8 Income Guidelines.

2. **ENFORCEMENT.** The covenants set forth in this Deed will run with the land described above and, to the fullest extent permitted by law and equity, shall be binding for the benefit and in favor of and enforceable by KHC and Grantee, their successors and assigns.

KHC or Grantee shall be entitled to (a) institute legal action to enforce performance and observance of these covenants, (b) enjoin any acts which violate these covenants, and (c) exercise any other legal or equitable right or remedy with respect to these covenants.

This covenant continues in effect until ten (10) years from the date of this Declaration ("Expiration Date"). Should Borrower fail to comply with the affordability requirements set forth above during the term of this Declaration, all RHTF Funds allocated to the Project will be subject to recapture. The terms and provisions of this Declaration will survive any transfer of the Property and repayment of the RHTF Funds.

**Only KHC, or its successors and assigns, has the right to release this Declaration prior to its expiration date.**

**SIGNATURE PAGE FOLLOWS**

**IN WITNESS WHEREOF**, Borrower executed this Declaration as of the date set forth above.

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

Client’s Full Legal Name

COMMONWEALTH OF KENTUCKY )

)SS.

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_\_, 20\_\_, by Client’s Full Legal Name.

My commission expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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

NOTARY PUBLIC,

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

[Second Client or Spouse Full Legal Name (if applicable)]

COMMONWEALTH OF KENTUCKY )

)SS.

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_\_, 20\_\_, by [Second Client or Spouse Full Legal Name].

My commission expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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

NOTARY PUBLIC,

THIS INSTRUMENT PREPARED BY:

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

Attorney Name, Counsel for Entity or Homebuyer

Law Firm (if applicable)

Attorney Address

Phone Number

Exhibit A

Legal Description

Insert Legal Description