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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

2008-2588

E.N.V

Prepared by & Return to: Dupaco Community Credit union, 3299 Hillcrest Rd, Dubuque IA 52001

FORGIVABLE MORTGAGE

This Mortgage made on August 14, 2008, between William J Bries ("Mortgagor") whose address is 1216 N 5th St, Manchester IA 52057; and ~~Dupaco~~ Community Credit Union ("Mortgagee") whose address is ~~3299 Hillcrest Rd, Dubuque IA 52001~~.

Witnesseth: Know all by these presents, that Mortgagor hereby irrevocably grants, transfers, and assigns to Mortgagee, with power of sale, the following described property ("Mortgaged Property") located in County of DELAWARE State of IOWA: **ON PAGE #3**

Commonly know as 1216 N 5TH ST, MANCHESTER IA 52057.

This Mortgage is for the purpose of securing the performance by the Mortgagor of each term and condition set forth herein and the payment of a loan ("Loan") in the amount of $ 5,000.00, with interest, if applicable, in accordance with the terms of the Forgivable Promissory Note ("Note") of even date herewith payable to the Mortgagee.

Priority of Mortgage: The Loan together with interest, if applicable, is senior to indebtedness of the Mortgagor to other creditors under subsequently recorded or filed mortgages, security instruments or liens and is subordinate to indebtedness of the Mortgagor to other creditors under previously recorded or filed mortgages, security instruments or liens.

Terms and Conditions:

1. Retention Period. Mortgagor shall use the proceeds of the Loan in accordance with Mortgagee's Affordable Housing Program ("AHP"), which is offered in association with the Federal Home Loan Bank of Des Moines.

2. Principal Residence Requirement; Notice of Sale or Refinancing, and Recapture. Mortgagor shall own and occupy the Mortgaged Property as the Mortgagor's principal residence; and shall give to Mortgagee notice of any sale or refinancing of the Mortgaged Property occurring prior to the end of the Retention Period. In the case of: (i) a sale of the Mortgaged Property prior to the end of the Retention Period, an amount equal to the full amount of the Loan, reduced by 1/60th for each 30-day period during the Retention Period in which the Mortgagor owned and occupied the Mortgaged Property as Mortgagor's principal residence, shall be repaid to Mortgagee from any net gain realized upon the sale of the Mortgaged Property after deduction for sales expenses unless the purchaser is an eligible household as defined by Mortgagee; or (ii) a refinancing of the Mortgaged Property prior to the end of the Retention Period, an amount equal to the full amount of the Loan, reduced by 1/60th for each 30-day period during the Retention Period in which the Mortgagor owned and occupied the Mortgaged Property as Mortgagor's principal residence, shall be repaid to Mortgagee from any net gain realized upon the refinancing, unless the Mortgaged Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions and notice requirement as set forth in Mortgagee's AHP for the duration of the Retention Period. The repayment obligations contained herein shall terminate upon any foreclosure of the Mortgaged Property.

Event of Default and Remedies:

In the event that Mortgagor fails to meet any term or condition herein and/or in the Note, and fails to meet said term or condition within 30 days of Mortgagor's receipt of written notice of such failure, Mortgagee shall have the right, pursuant to applicable state laws, to require immediate payment in full of the then current amount due and payable pursuant to the terms and conditions of the Note.
Furthermore, Mortgagee may bring a foreclosure action to foreclose the Mortgage. The net proceeds of any sale of the Mortgaged Property shall be applied to the Loan amount.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and conditions of this Mortgage.

REISNER

NOTARIAL SEAL IOWA
LEIGH ANN ~~KOOPMANN~~
Notarial Seal - IOWA
Commission No. 742341
My Commission Expires Aug. 18, 2009

William J. Bries

William J Bries

8/14/2008

Date Signed

[Acknowledgement]

State of Iowa
County of Delaware
This instrument was acknowledged before me on the 14th day of Aug. 2008 by:

Leigh Ann Reisner

Leigh Ann Reisner, Notary Public , State of Iowa

Legal Description Attachment

THE SOUTH SEVEN (7.0) FEET OF THE EAST ONE HUNDRED THIRTY TWO (132.0) FEET OF LOT EIGHTY EIGHT (88), AND THE NORTH SIXTY SIX (66.0) FEET OF THE EAST ONE HUNDRED THIRTY TWO (132.0) FEET OF LOT EIGHTY NINE (89) OF HENRY ACERS' ADDITION TO MANCHESTER, IOWA, ACCORDING TO PLAT RECORDED IN BOOK 1 PLATS, PAGE 1.