Recorded: 4/26/2021 at 3:13:57.0 PM
County Recording Fee: $27.00
Iowa E-Filing Fee: $3.00
Combined Fee: $30.00
Revenue Tax:
Delaware County, Iowa
Daneen Schindler RECORDER
BK: 2021 PG: 1513

Prepared By/Return To: Cortney Pearson, Citizens State Bank, 117 W 1st Street, Montiello, IA 52310 ~ 319-465-5921

DEED RESTRICTION

THE STATE OF Iowa

COUNTY OF Delaware

The undersigned, Kari L. Fitzpatrick ("Owner" or "Grantor"), is the owner of certain real property and improvements located at 402 West Union St, in Edgewood, Delaware County, State of Iowa, and more particularly described on Exhibit A attached hereto and incorporated herein for all purposes (the "Property"). For value received, the adequacy and sufficiency of which are hereby acknowledged, Owner/Grantor does hereby impress the Property with the following deed restrictions:

1. For purposes of these restrictions, the following terms have meaning indicated:

"AHP" means the affordable housing program of the Bank.

"Bank" means The Federal Home Loan Bank of Des Moines ATTN: Community Investment Department, 909 Locust Street, Des Moines, IA 50309-3515.

"Lender" or "Grantee" means Citizens State Bank, with place of business is located at: 117 W 1st St., Monticello, IA 52310.

"Closing Date" means April 26th, 2021.

"Direct Subsidy" means the amount funded by the Bank, in association with its AHP as prescribed by the applicable rules and regulations of the Federal Housing Finance Agency (FHFA), for the benefit of the prospective Owner/Grantor and for the purpose of assisting such Owner/Grantor in

the purchase, purchase in conjunction with construction, or purchase in conjunction with rehabilitation of the property.

"Household's Investment" means the following, to the extent paid by the household and documented (in the Closing Disclosure or other settlement statement, if applicable, or elsewhere) to the Bank or its designee: (1) Reasonable and customary costs paid by the household in connection with the purchase of the unit (including real estate broker's commission, attorney's fees, and title search fees); (2) Any down payment paid in connection with the household's purchase of the unit; (3) The cost of any capital improvements made after the household's purchase of the unit until the time of the subsequent sale, transfer, assignment of title or deed, or refinancing; and (4) The amount of principal on any mortgage senior to the AHP subsidy lien or other legally enforceable AHP subsidy repayment obligation repaid by the household.

"Net Proceeds" means: (1) In the case of a sale, transfer, or assignment of title or deed of an AHP-assisted unit by a household during the five-year retention period, the sales price minus reasonable and customary costs paid by the household in connection with the transaction (including real estate broker's commission, attorney's fees, and title search fees) and outstanding debt superior to the AHP subsidy lien or other legally enforceable AHP subsidy repayment obligation; (2) In the case of a refinancing of an AHP-assisted unit by a household during the five-year retention period, the principal amount of the new mortgage minus reasonable and customary costs paid by the household in connection with the transaction (including attorney's fees and title search fees) and the principal amount of the refinanced mortgage.

"Retention Period" means a period of five (5) years beginning on the Closing Date..

"Termination Date" means the next calendar day following the end of the Retention Period, on which day this Deed Restriction shall terminate and be of no further force or effect.

"Very low-, low-, or moderate-income household" means a family with an income at or below 30%, 50% or 80%, respectively, of the median income for the area, with the income limit adjusted for household size in accordance with the methodology of the applicable median income standard.

2. *Notice.* The Bank and Lender/Grantee is to be given notice of any sale, transfer, assignment of title or deed, or refinancing of the Property that occurs prior to the end of the Retention Period.

3. *Repayment of subsidy.* In the event of a sale, transfer, assignment of title or deed, or refinancing of the Property prior to the end of the Retention Period, an amount equal to a pro rata share of the $7,500.00 Direct Subsidy, shall be repaid to the Bank from any net proceeds, as applicable, minus the AHP-assisted household's investment realized upon the sale transfer, assignment of title or deed, or refinancing of the Property, in accordance with Section 6, , unless:

   i. the Property was assisted with a permanent mortgage loan funded by an AHP subsidized advance;
   ii. the Property is sold to a very low-, low-, or moderate-income household, as determined by the Bank
   iii. the amount of subsidy that would be required to be repaid in accordance with the calculation in Section 6 is $2,500 or less, or;
   iv. following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism.

4. *Subsidy repayments to Bank.* Repayment of the Direct Subsidy shall be made to the Bank. The Lender/Grantee is required by FHFA regulations to remit any payments received to the Bank.

5. *Termination of subsidy repayment obligation.* This instrument and these restrictions are subordinate to the rights and liens, if any, under any valid outstanding Mortgage or Deed of Trust, currently of record. The obligation to repay the Direct Subsidy shall terminate after any event of foreclosure, transfer by deed-in-lieu of foreclosure, or assignment of a Federal Housing Administration first Mortgage or Deed of Trust to the Secretary of the U.S. Department of Housing and Urban Development (HUD), or death of the AHP-assisted homeowner.

6. *Calculation of AHP subsidy repayment based on net proceeds and household's investment.* The Bank shall be repaid the lesser of:

   i. the AHP subsidy amount equal to the subsidy, reduced by 1/60 for every month the selling Owner/Grantor owned the Property; or
   ii. any net proceeds from the sale, transfer, or assignment of title or deed of the unit, or the refinancing, as applicable, minus the AHP-assisted household's investment.

7. This instrument and the deed restrictions contained herein shall be deemed released and discharged on the earlier to occur of (i) the Termination Date, or (ii) the date on which the Direct Subsidy is repaid prior to the Termination Date under Sections 3, 4, or 5 hereof. The Lender named in this instrument, or its successors or assigns, shall be responsible for the completion and recording of any and all documentation necessary to effect any release or subordination of this instrument in connection with a sale or refinancing of the Property during the Retention Period. The Lender/Grantee shall not be required to file a release in connection with the expiration of this Deed Restriction following the Termination Date.

8. Owner/Grantor understands and agrees that this instrument shall be governed by the laws of the State of Iowa and that venue for any action to enforce the provisions of this instrument shall be in Delaware County.

EXECUTED this 26th day of April, 2021.

By: _____

Title: Owner/Grantor Printed Name: Kari L. Fitzpatrick

By: _____

Title: Owner/Grantor Printed Name:

[Owner/Grantor Acknowledgment]

THE STATE OF Iowa
COUNTY OF Delaware

This instrument was acknowledged before me on this 26th day of April, 2021 by Kari L. Fitzpatrick (Grantor).

By: _____

Title: Notary Public, State of Iowa

Printed Name: Cory Ranney

My commission expires (m/d/yyyy): 7/2/2022

NOTARIAL SEAL IOWA

CORY A. RANNEY
Commission Number 711106
My Commission Expires
7-2-22

Exhibit A

(Legal description subject property)

Lots Three (3) and Four (4) and that part of the alley lying
between said Lots Three (3) and Four (4) and Lots Nine (9) and Ten (10), of Block Two (2), of F.A.
Densmore's Second Addition to the Town of Edgewood, Delaware County, Iowa, according to plat
recorded in Book 1 Plats, Page 113.