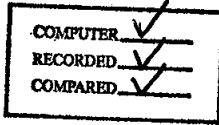


REC \$ 5<sup>00</sup>  
AUD \$ \_\_\_\_\_  
R.M.F. \$ 1<sup>00</sup>



FILED NO. 000174  
BOOK 2003 PAGE 174  
2003 JAN 13 AM 11:45

MICKI UTSLER  
RECORDER  
MADISON COUNTY, IOWA

SICOG/J. Rounds/101 E. Montgomery Creston, Iowa 50801/(641)782-8491

### MORTGAGE

For full and valuable consideration, receipt of which is hereby acknowledged Norman and Patricia Keller, husband and wife of Madison County, Iowa, hereinafter called Mortgagor, hereby sells and conveys to **The Southern Iowa Council of Governments/Southern Iowa Development Group** a corporation organized and existing under the laws of Iowa, having its principal place of business and post-office address at **101 E. Montgomery, P. O. Box 102, Creston, Iowa 50801** hereinafter called the Mortgagee: the following described real estate situated in Madison County, Iowa, to-wit:

~~Parcel "A" Located in the Northwest 1/4 of the Southwest 1/4 of Section Nine (9), Township Seventy-four (74) North, Range Twenty-eight (28) West of the Principal Meridian, Madison County, Iowa.~~

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 \$ 3,395, 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:

- 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. Furthermore, Mortgagor must comply with the AHP Regulation for a term of five years ("Retention Period") commencing from the date hereof.
- 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 1/60<sup>th</sup> 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 1/60<sup>th</sup> 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.
- Impact on Real Property.** All of the covenants and restrictions herein shall run with and encumber the Mortgaged Property and the improvements thereon, and be binding upon Mortgagor and Mortgagor's successors and/or assigns, during the Retention Period.
- Mortgagor's obligation to repay the Loan shall terminate after any foreclosure.

#### 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.**

Norman Keller 12-9-02  
Co-borrower Date

Patricia Keller 12-9-02  
Co-borrower Date

IN WITNESS WHEREOF this instrument has been signed and delivered by the persons denoted herein as mortgagor.  
Dated this 9 day of December, 2002, at Winterset, Iowa

Norman Keller  
Norman Keller  
(typed signature)

Patricia Keller  
Patricia Keller  
(typed signature)

STATE OF IOWA, Madison COUNTY, as:

On this 9 day of December, A.D. 2002, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared Norman and Patricia Keller, that they executed the same as their voluntary act and deed.

Kathy S. Lee  
Notary Public in and for said County

