

LISA SMITH, COUNTY RECORDER
MADISON IOWA

DEED RESTRICTIONS

THE STATE OF IOWA
COUNTY OF MADISON

✓ Return to & prepared by: Kendall Kerns Exchange St. Bank, 113 S. John Wayne Dr.
Winterset, IA 50273 462-5090

The undersigned, Phillip J & Stacy N. Zacharias, ("Owner"), is the owner of certain real property and improvements located at **605 E Buchanan**, in **Winterset, Madison County, Iowa**, and more particularly described as:

LOT FIVE (5) IN BLOCK FOUR (4) OF Danforth's Addition to the city of Winterset, Madison County, Iowa.

and incorporated herein for all purposes (the "Property"). For value received, the adequacy and sufficiency of which are hereby acknowledged, Owner does hereby impress the Property with the following deed restrictions:

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

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

"Lender" means Exchange State Bank.

"Direct Subsidy" means the amount funded by the Bank for the benefit of the prospective Owner, for the purpose of assisting such Owner in the purchase of the property.

"Low or moderate income household" means a family with an income at or below 80% of the area median family income as determined by the United States Department of Housing and Urban Development, with adjustments for family size.

2. The Lender is to be given notice of any sale or refinancing of the Property that occurs during the Retention Period.
3. In the event of a sale of the Property during the Retention Period, an amount equal to a pro rata share of the (\$5000.00 Five thousand and no/100 dollars) grant, reduced by 1/60 for every month the selling Owner owned the Property, shall be repaid to the Lender from any net gain realized upon the sale of the Property after deduction for sales expenses, unless the purchaser is a low or moderate income household or individual as defined above.
4. In the event of a refinancing during the Retention Period, an amount equal to a pro rata share of the grant, reduced by 1/60 for every month the selling Owner owned the

Property, shall be repaid to the Lender from any net gain realized upon the refinancing, unless the Property continues to be subject to these deed restrictions.

5. This instrument and these restrictions are subordinate to the rights and liens, if any, under any valid outstanding Deed of Trust, currently of record. The obligation to repay the AHP subsidy shall terminate after any foreclosure.
6. Owner 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 **Madison** County.

EXECUTED this 8 day of JUNE, 2007.

By: Phillip J Zacharias Stacy N Zacharias
Phillip J Zacharias Stacy N Zacharias

THE STATE OF IOWA
COUNTY OF **MADISON**

This instrument was acknowledged before me on the 8 day of July, 2007
by Phillip J Zacharias & Stacy N Zacharias (Owner).



[Signature]
Notary Public, State of IOWA

[Signature]
My commission expires:

KENDALL S. KERNS
(Printed Name)