

*Sample to be used for the Disaster Reconstruction Program.*

**Declaration of Restrictive Covenants**

This Declaration of Restrictive Covenants (the "Restrictive Covenants") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ (the "Declarant(s)").

WHEREAS, the Declarant(s) owns real property located at \_\_\_\_\_ (the "Property Address") in \_\_\_\_\_, \_\_\_\_\_ (City, State), as described in Exhibit A, attached hereto.

Declarant(s) took title to this property on or about \_\_\_\_\_, as referenced in Instrument No. \_\_\_\_\_ in the Register's Office for \_\_\_\_\_ (County), \_\_\_\_\_ (State), the Declarant(s) is/are the sole owner(s) of said real property.

NOW THEREFORE, in consideration of the premises herein and other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the undersigned Declarant(s) does/do hereby establish and agree to be bound by these Restrictive Covenants, which shall run with the land and be binding on Declarant(s) for a period of five (5) years from the date of recording of this Restrictive Covenants, as follows:

Declarant(s), for and in consideration of receiving direct subsidy funds from the FHLB Cincinnati's Disaster Reconstruction Program (DRP), must maintain ownership in this property for a period of five (5) years (Retention Period) from the date of the recording of this Restrictive Covenants.

- (i) The FHLB Cincinnati, whose mailing address is P.O. Box 598; Cincinnati, OH 45201-0598, is to be given notice of any sale, refinancing, foreclosure, conveyance by deed in lieu of foreclosure, assignment of the first mortgage to the Secretary of HUD, or change in ownership of the unit occurring prior to the end of the Retention Period.
- (ii) In the case of a sale or refinancing prior to the end of the Retention Period, an amount equal to a pro rata share of the DRP Subsidy that financed the purchase or rehabilitation of the unit, reduced for every year the declarant owned the unit after recording of this Declaration, shall be repaid to the FHLB Cincinnati from any net gain realized upon the sale or refinancing of the unit; unless:

- (A) The purchaser is a very low- or low- or moderate-income household as defined in the applicable Federal Housing Finance Agency regulations for the DRP (in which case the retention period ends with the conveyance to such purchaser); or
  - (B) Following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism, incorporating the requirements of clauses (i), (ii), and (iii) contained herein.
- (iii) The obligation to repay Subsidy to the FHLB Cincinnati shall terminate after any foreclosure or conveyance by deed in lieu of foreclosure or any assignment of the first mortgage to the Secretary of HUD.

In witness whereof, the undersigned Declarant(s) has/have caused these Restrictive Covenants to be executed as of the year and date first above written.

Declarant(s)

\_\_\_\_\_

STATE OF \_\_\_\_\_ )

**INDIVIDUAL**

)

**ACKNOWLEDGMENT**

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

Personally appeared before me, a Notary Public of said County and State,  
 \_\_\_\_\_ (Declarant(s)), the  
 within named Grantor(s), with whom I am personally acquainted (or proved to me on the basis of  
 satisfactory evidence), and who acknowledged that he/she/they executed the within instrument  
 for the purposes therein contained.

Witness my hand, at office, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission Expires: \_\_\_\_\_

Notary Public