

Sample to be used for the Welcome Home 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 the loan closing or certification of project completion, as follows:

Declarant(s), for and in consideration of receiving direct subsidy funds from the Federal Home Loan Bank of Cincinnati's (FHLB Cincinnati) Affordable Housing Program, must maintain ownership in this property and reside in this property as their primary residence for a period of five (5) years (Retention Period) from the date of the loan closing or certification of project completion.

- (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 Welcome Home Subsidy that financed the purchase 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 unit was assisted with a permanent mortgage loan funded by an AHP advance;
 - (B) The purchaser is a very low- or low- or moderate-income household as defined in the applicable Federal Housing Finance Agency regulations for the AHP (in which case the retention period ends with the conveyance to such purchaser); or
 - (C) 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