

After Recording please return to:

Banner Bank  
Attn: Real Estate Loan Administration  
PO Box 907  
Walla Walla, WA 99362



05/24/2018 03:45 PM Pages: 1 of 3 Fees: \$76.00  
Skagit County Auditor

**Land Title and Escrow**

**DEED RESTRICTION**

01-1167285-00

Reference Number(s) of related document(s): N/A

Grantor(s): Michael E Hatcher, a single man

Grantee: Federal Home Loan Bank Des Moines

Legal Description (abbreviated): UNIT D, BLDG. 821, HOME COURT CONDO

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

Assessor's Tax Parcel ID Number: 4720-000-821-0400, p113519

**MAY 24 2018**

THE STATE OF Washington  
COUNTY OF Skagit

Amount Paid \$  
Skagit Co. Treasurer  
By *nm* Deputy

The undersigned, Michael E Hatcher ("Owner"), is the owner of certain real property and improvements located at 821 S. LaVenture Road, #D, in Mount Vernon, Skagit County, State of Washington, 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 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.

"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.

"Lender" means Banner Bank; Address: 10 S 1<sup>st</sup> Ave, Walla Walla, WA 99362.

"Bank" means The Federal Home Loan Bank of Des Moines; Address: Community Investment Department 801 Walnut St Suite 200 Des Moines, IA 50309-3515.

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

"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 for the purpose of assisting such Owner in the purchase, construction, or rehabilitation of the property.

"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. The Lender is to be given notice of any sale or refinancing of the Property that occurs prior to the end of the Retention Period.
3. In the event of a sale or refinancing of the Property prior to the end of the Retention Period, an amount equal to a pro rata share of the \$5,000 Direct Subsidy, 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 or refinancing of the Property after deduction for sales expenses, 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, or;
  - iii. following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism.
4. Repayment of the Direct Subsidy shall be made to the Lender. Lender is required by Federal Housing Finance Agency regulations to remit any payments received to the Bank.
5. 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 foreclosure, deed-in-lieu of foreclosure, or assignment of first Mortgage or Deed of Trust to the Secretary of the U.S. Department of Housing and Urban Development (HUD).
6. This instrument and the deed restriction 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.

7. Owner understands and agrees that this instrument shall be governed by the laws of the State of Washington and that venue for any action to enforce the provisions of this instrument shall be in Skagit County.

EXECUTED this 24 day of May, 2018.

By: [Signature]  
 Title: Owner Printed Name: Michael E Hatcher

By: \_\_\_\_\_  
 Title: Owner Printed Name: \_\_\_\_\_

**[Owner Acknowledgment]**

THE STATE OF Washington  
 COUNTY OF Skagit

This instrument was acknowledged before me on this day 24 of May, 2018 by Michael E Hatcher(Owner).

By: [Signature]  
 Title: Notary Public, State of WA

Printed Name: Shelley Miner

My commission expires ( 5/15/19 ):



**Exhibit A**  
 Property Legal Description

UNIT D, BUILDING 821, "HOME COURT CONDOMINIUM", AS PER THE SRUVEY MAP AND PLANS THEREOF RECORDED IN VOLUME 17 OF PLATS, PAGES 17 THROUGH 21, INCLUSIVE, AND AS DESCRIBED IN THAT CERTAIN DECLARATION OF CONDOMINIUMS RECORDED SEPTEMBER 29, 1998, UNDER AUDITOR'S FILE NO. 9809290183, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF MOUNT VERNON, COUNTY OF SKAGIT, WASHINGTON.