

After Recording please return to:

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

REVIEWED BY
SKAGIT COUNTY TREASURER
DEPUTY Lena Thompson
DATE 01/07/2022

DEED RESTRICTION

GNW 21-13586

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

Grantor(s): Tami Metz, an unmarried person

Grantee: Federal Home Loan Bank Des Moines

Legal Description (abbreviated): Lots 1-3, Block 1, Hamilton Townsite Company's 1st Add. To Hamilton

Assessor's Tax Parcel ID Number: P122350/4112-001-003-0100 /P73669

THE STATE OF Washington
COUNTY OF Skagit

The undersigned, Tami Metz ("Owner" or "Grantor"), is the owner of certain real property and improvements located at 377 Maple Street, in Hamilton, 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/Grantor does hereby impress the Property with the following deed restrictions:

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

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

"Bank" means The Federal Home Loan Bank of Des Moines ATTN: Community Investment
Department 909 Locust Street Des Moines, IA 50309-3515.

"Lender" or "Grantee" means Banner Bank, with place of business is located at: 10 S 1st Ave, Walla
Walla, WA 99362.

"Closing Date" means January 6, 2022.

"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/Grantor and for the purpose of assisting such Owner/Grantor in the purchase, purchase in conjunction with construction, or purchase in conjunction with rehabilitation of the property.

"Household's Investment" means the following, to the extent paid by the household and documented (in the Closing Disclosure or other settlement statement, if applicable, or elsewhere) to the Bank or its designee: (1) Reasonable and customary costs paid by the household in connection with the purchase of the unit (including real estate broker's commission, attorney's fees, and title search fees); (2) Any down payment paid in connection with the household's purchase of the unit; (3) The cost of any capital improvements made after the household's purchase of the unit until the time of the subsequent sale, transfer, assignment of title or deed, or refinancing; and (4) The amount of principal on any mortgage senior to the AHP subsidy lien or other legally enforceable AHP subsidy repayment obligation repaid by the household.

"Net Proceeds" means: (1) In the case of a sale, transfer, or assignment of title or deed of an AHP-assisted unit by a household during the five-year retention period, the sales price minus reasonable and customary costs paid by the household in connection with the transaction (including real estate broker's commission, attorney's fees, and title search fees) and outstanding debt superior to the AHP subsidy lien or other legally enforceable AHP subsidy repayment obligation; (2) In the case of refinancing of an AHP-assisted unit by a household during the five-year retention period, the principal amount of the new mortgage minus reasonable and customary costs paid by the household in connection with the transaction (including attorney's fees and title search fees) and the principal amount of the refinanced mortgage.

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

"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.

"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. **Notice.** The Bank and Lender/Grantee is to be given notice of any sale, transfer, assignment of title or deed, or refinancing of the Property that occurs prior to the end of the Retention Period.
3. **Repayment of subsidy.** In the event of a sale, transfer, assignment of title or deed, or refinancing of the Property prior to the end of the Retention Period, an amount equal to a pro rata share of the \$7,500 Direct Subsidy, shall be repaid to the Bank from any net proceeds, as applicable, minus the AHP-assisted household's investment realized upon the sale transfer, assignment of title or deed, or refinancing of the Property, in accordance with Section 6, 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 based on proxy or actual income, as determined by the Bank ;
 - iii. the amount of subsidy that would be required to be repaid in accordance with the calculation in Section 6 is \$2,500 or less, or:
 - iv. following a refinancing, the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism.
4. **Subsidy repayments to Bank.** Repayment of the Direct Subsidy shall be made to the Bank. The Lender/Grantee is required by FHFA regulations to remit any payments received to the Bank.
5. **Termination of subsidy repayment obligation.** 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 event of foreclosure, transfer by deed-in-lieu of foreclosure, or assignment of a Federal Housing Administration first Mortgage or Deed of Trust to the Secretary of the U.S. Department of Housing and Urban Development (HUD), or death of the AHP-assisted homeowner.
6. **Calculation of AHP subsidy repayment based on net proceeds and household's investment.** The Bank shall be repaid the lesser or:
 - i. the AHP subsidy amount equal to the subsidy, reduced by 1/60 for every month the selling Owner/Grantor owned the Property; or
 - ii. any net proceeds from the sale, transfer, or assignment of title or deed of the unit, or the refinancing, as applicable, minus the AHP-assisted household's investment.

- 7. 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. The Lender/Grantee shall not be required to file a release in connection with the expiration of this Deed Restriction following the Termination Date.
- 8. Owner/Grantor 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 7 day of January, 2022.

By: Tami Metz
Title: Owner/Grantor Printed Name: Tami Metz

By: _____
Title: Owner/Grantor Printed Name:

[Owner/Grantor Acknowledgment]

THE STATE OF Washington
COUNTY OF Skagit

This instrument was acknowledged before me on this day 7th of January, 2022 by Tami Metz(Grantor).

By: Doug Clark
Title: Notary Public, State of WA

Printed Name: Doug Clark

My commission expires (m/d/yyyy) 1 / 7 / 2022



Exhibit A
(Legal description subject property)

The Land referred to herein below is situated in the County of Skagit, State of Washington, and is described as follows:

Lots 1, 2 and 3, Block 1, "THE HAMILTON TOWNSITE COMPANY'S FIRST ADDITION TO THE TOWN OF HAMILTON, SKAGIT CO., WASHINGTON", as per plat recorded in Volume 2 of Plats, Page 93, records of Skagit County, Washington..