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

Document Title(s): Deed Restriction
Reference Number(s) of Documents assigned or released: (on page ___ of document(s))
Grantor(s): Kelli L. Noren
Additional Names on page ___ of document.
Grantee(s): Banner Bank
Additional Names on page ___ of document.
Abbreviated Legal Description: Ptn SE SE, 24-35-1 E W.M.
Additional legal is on page ___ of document.
Tax Parcel Number(s): A portion of P31894/350124-0-117-0000

Prepared By/Return To: Banner Bank, Attn: Real Estate Loan Administration, PO Box 907, Walla Walla, WA 99362 ~ 18124720

DEED RESTRICTION

THE STATE OF Washington
COUNTY OF Skagit

The undersigned, Kelli L. Noren, a single person ("Owner" or "Grantor"), is the owner of certain real property and improvements located at 1208 29th Street, Unit B, in Anacortes, Skagit County, State of Washington, 98221, 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:

1. 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 October 16, 2025.

"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, for purchase in conjunction with construction, for purchase in conjunction with rehabilitation, or for construction 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 a 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 case of a sale, transfer, assignment of title or deed, or refinancing of the Property during the Retention Period, an amount equal to a pro rata share of the \$15,000.00 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, transferred or assigned 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 of:
- 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 restrictions 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 16th day of October, 2025.

By: Kelli L Noren
 Title: Owner/Grantor Printed Name: Kelli L. Noren

By: _____
 Title: Owner/Grantor Printed Name:

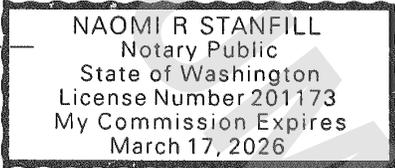
[Owner/Grantor Acknowledgment]

THE STATE OF Washington
 COUNTY OF Skagit

This instrument was acknowledged before me on this 16th day of Oct., 2025 by
Kelli L. Noren
 (Grantor).

By: Naomi R. Stanfill
 Title: Notary Public, State of WA

Printed Name: Naomi R. Stanfill



My commission expires (m/d/yyyy): 03-17-2026

Exhibit A**(Legal description subject property)**

Parcel Number: A Portion of 350124-0-117-0000/ P31894

That portion of Lot 'A' as described and depicted on Boundary Line Adjustment, recorded on April 11, 2017, recording number 201704110054, Skagit County Auditor, State of Washington;

Described more particularly as commencing at the Southwest property corner of said Lot 'A'; thence South $88^{\circ}08'22''$ East, along the South boundary line of said Lot 'A', a distance of 21.24 feet; thence North $00^{\circ}55'56''$ East, parallel with the West most boundary line of said Lot 'A', a distance of 143.73 feet to the point of beginning;

thence North $00^{\circ}49'29''$ East, a distance of 19.52 feet;
thence South $89^{\circ}21'35''$ East, a distance of 30.64 feet;
thence South $00^{\circ}29'21''$ West, a distance of 22.78 feet;
thence North $89^{\circ}12'47''$ West, a distance of 12.52 feet;
thence North $00^{\circ}47'00''$ East, a distance of 3.19 feet;
thence North $89^{\circ}13'44''$ West, a distance of 16.43 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.