



202510230037

10/23/2025 01:13 PM Pages: 1 of 9 Fees: \$311.50
Skagit County Auditor

Document Title:

Second Promissory Note

Reference Number : 202510170035

Grantor(s):

additional grantor names on page ___

1. Kelli Noren

2.

Grantee(s):

additional grantee names on page___

1. Skagit Habitat for Humanity

2.

Abbreviated legal description:

full legal on page(s) ___

Ptn SE SE, 24-35-1 E W.M. (See Exhibits "A" and "B")

Assessor Parcel / Tax ID Number:

additional tax parcel number(s) on page ___

350124-0-117-000/P31894

SECOND PROMISSORY NOTE**\$35,000.00****October 16, 2025**
Mount Vernon, Washington

NOTICE: THE STATUTORY WARRANTY DEED, RECORDED UNDER SKAGIT COUNTY RECORDER'S NUMBER 20251017 0035, LIMITS THE ABILITY TO TRANSFER THE DESCRIBED STRUCTURE/IMPROVEMENT OR TO USE THIS STRUCTURE/IMPROVEMENT AS SECURITY FOR FURTHER LOANS WITHOUT THE SPECIFIC WRITTEN CONSENT OF SKAGIT HABITAT FOR HUMANITY, INC.

***Kelli Noren*, an unmarried woman, (the "Maker"), promises to pay to the order of SKAGIT HABITAT FOR HUMANITY, INC., a Washington non-profit corporation, or assigns who take this Second Promissory Note and is entitled to receive payments hereunder (the "Holder"), the principal sum of *Thirty Five Thousand Dollars (\$35,000.00)*, upon the agreements, terms and conditions provided in this Second Promissory Note (the "Note"):**

1) *Definitions.*

- a) ***Cure Period.*** The term "Cure Period" means a period of ten (10) days from the time the Maker receives notice of Default.
- b) ***Default.*** The term "Default" means any of the following events:
- i) the Maker at any time fails to pay, when due, any sum owing on this Note; or
 - ii) the Maker breaches or fails to perform any obligation under this Note or any other agreement between the Maker and the Holder; or
 - iii) the Maker files or is served with any petition for relief under the 11 U.S. C. § 1 *et seq.* or any similar federal or state statute, or a proceeding is instituted against the Maker seeking a readjustment of the Maker's indebtedness; or
 - iv) the Maker assigns substantially all of their assets for the benefit of their creditors; or
 - v) an action is commenced to appoint, or the Maker consents to the appointment of a receiver or trustee for all or any part of the Maker's property; or
 - vi) the Maker admits, in writing, their inability to pay their debts as they become due; or
 - vii) the Maker becomes insolvent; or
 - viii) a court of competent jurisdiction enters an order approving a petition seeking a

reorganization of the Maker or appointing a receiver, trustee, or other similar official of substantially all of Maker's assets; or

- ix) The Maker fails to satisfy those conditions set forth in sections 6 and 7, below.
- c) **Default Rate.** The term "Default Rate" means the rate of **Eight percent (8%)**.
- 2) **Interest.** Sums owing on this Note shall not be charged interest. However, should the Maker default on any of the obligations specified in this Note, then all sums remaining owing on the Note as of the date of said default shall bear interest at the Default Rate.
- 3) **Payment.** The Maker shall pay this note as follows:
- a) **Form of Payment.** Maker shall repay the amount due and owing hereunder by making a payment to Holder annually, which payment shall be a percentage of the principal sum of this Second Promissory Note set forth herein, payable as indicated below:
- i) In years one (1) through five (5) Maker shall not make any payment hereunder;
 - ii) In years six (6) through ten (10) the annual payment shall be equal to two percent (2%) of the original principal balance;
 - iii) In years eleven (11) through fifteen (15) the annual payment shall be equal to three percent (3%) of the original principal balance;
 - iv) In years sixteen (16) through twenty (20) each annual payment shall be equal to four percent (4%) of the original principal balance;
 - v) In years twenty-one (21) through twenty-five (25) each annual payment shall be equal to five percent (5%) of the original principal balance; and
 - vi) In years twenty-six (26) through thirty (30) each annual payment shall be equal to six percent (6%) of the original principal balance.
 - vii) The final monthly payment made on **10/16/2055** (the "Maturity Date")
- b) **Forgiveness of Principal.** So long as Maker occupies the Property and Maker is not in default under this Second Promissory Note, any other promissory note made by Maker and held by Skagit Habitat for Humanity, Inc., and/or the Holder of such other note, or any security instrument which secures this Second Promissory Note or any other promissory note, then the annual payment under this Second Promissory Note shall be made by Skagit Habitat for Humanity, Inc., discharging Maker from the annual payment due and owing or otherwise forgiving the annual payment due and owing hereunder.
- 4) **Prepayment.** The Maker may prepay any amount owing on this Note without penalty. Maker shall provide written notice to Holder upon making any prepayment. If Maker makes

prepayment, Maker understands that Maker must still make the remainder of payments when they are due. Maker understands that if Maker makes a partial prepayment, it will not change the Maturity Date or the amount of the monthly payment due to Holder unless Holder agrees in writing to the change(s).

- 5) **Late Payment Charge.** If any installment payment shall not be paid within ten (10) days after the date it becomes due, the Maker shall pay a late payment charge of **Thirty Five Dollars and No Cents (\$ 35.00)**. The late payment charge shall be in addition to and not in lieu of any other rights or remedies the Holder may have by virtue of any breach or default. Should Maker at any time tender a check to the Holder that is dishonored by reason of insufficient funds, Holder shall be entitled to a charge against Maker in the amount of **Thirty Five Dollars and No Cents (\$ 35.00)**, which represents Holder's reasonable costs for handling Maker's dishonored check.
- 6) **Due on Sale.** If Maker should, without the prior written consent of Holder, which consent shall not be unreasonably withheld, sell, convey, transfer, encumber or alienate the Property, any part thereof, or any interest therein, or be divested of Maker's title or any interest therein in any manner, whether voluntary or involuntary, then in recognition of the reliance by Holder on the ownership and management of the Property by Maker which is a material inducement to Holder to extend credit and favorable credit terms to Maker and in recognition of the increased risk to Holder upon the conveyance of the Property, or interest, as the case may be, by Maker, Holder, at Holder's sole option, shall have the right to declare all remaining sums secured hereby forthwith due and payable. The following shall not be deemed to constitute a sale, transfer, or encumbrance for purposes hereof: (a) creation of a purchase money security interest in items which may become affixed or attached to the Property; (b) a transfer by devise, descent, or operation of law upon the death of a/the Maker. Waiver of any right granted to Holder herein as to one transaction, event, or occurrence shall not be deemed to be a waiver of right as to any subsequent transaction, event, or occurrence.
- 7) **Intent to Sell or Transfer of Home.** Maker and Holder agree that the provisions of this agreement are intended to preserve the affordability of the property for low income households and expand access to affordable homeownership opportunities for such households for 20 years in the future.

Maker may transfer the property only to Holder or income qualified persons as defined below or otherwise only as explicitly permitted by the provisions in the First Promissory Note. All such transfers are to be completed only in strict compliance with this agreement. Any purported transfer that does not follow the procedures set forth, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void. A resale formula of 1.5% compounded annually is calculated based on the purchase price.

"Income Qualified Person(s)" shall mean a person or group of persons who's household income does not exceed eighty percent (80%) of the area median household income for Skagit County as calculated and adjusted for household size from time to time by the US Department of Housing and Urban Development (HUD) or any successor.

- 8) **Failure to Occupy.** If, at any time, Maker shall fail to personally occupy the premises, whether

due to sale pursuant to consent by Holder, rental agreement or otherwise, then and in that event this Note shall be considered in default and interest shall be charged at the Default Rate, effective as of the date that Maker ceases to occupy the Property. In recognition of the reliance by Holder on the occupation of the Property by Maker which is a material inducement to Holder to extend credit and favorable credit terms to Maker, and in recognition of the increased risk to Holder upon the failure of the undersigned to occupy the Property, Holder, at Holder's sole option, shall have the right to declare all remaining sums secured hereby forthwith due and payable.

- 9) **Security.** The payment of all sums owing on this Note shall be secured by a Second Deed of Trust of even date herewith, by and between Maker and the Holder. In the event of Maker's default, Holder may foreclose on this security and Maker may lose the property by such action.
- 10) **Default; Notice of Default; Cure.** Upon a Default, the Holder shall deliver written notice of the Default to the Maker. The Maker shall have the right to cure, within the Cure Period, any Default described in Section 1(b)(i) or (ii) of this Note. The Maker may not cure a Default described in Section 1(b)(iii) through (ix) of this Note. If the Maker cures the Default within the Cure Period, the Maker shall nonetheless remain liable for any late charge properly assessed pursuant to Section 5 of this Note. If the Maker fails to cure a Default within the Cure Period, or is prohibited from curing the Default, the Holder may accelerate all amounts owing on this Note, even if Holder has previously allowed Maker to remain in a condition of default. Acceleration of amounts due under this Note shall at all times be at the option of Holder. If accelerated by Holder, such accelerated amounts shall become immediately due and payable. If the Holder accelerates the amounts due under this Note, the Holder shall have the right to pursue any or all of the remedies provided in this Note, including, but not limited to, the right to bring suit on the Note.
- 11) **Remedies.** Upon a Default and expiration of any applicable Cure Period, the Holder shall have all rights available to them at law or in equity, including all rights available under the Washington Uniform Commercial Code. Any unpaid balance outstanding at the time of a Default, and any costs or other expenses incurred by the Holder in realizing on this Note, shall bear interest at the Default Rate. All rights and remedies granted under this Note shall be deemed cumulative and not exclusive of any other right or remedy available to the Holder.
- 12) **Attorneys' Fees, Costs, and Other Expenses.** If by reason of any breach or default on the part of any party hereto, including endorsers, sureties, makers, guarantors, it becomes necessary for the Holder to employ an attorney, then Holder shall have and recover jointly and severally against the Makers, endorsers, sureties and guarantors, in addition to costs allowed by law, all of Holder's costs, expenses and reasonable attorneys' fees and litigation-related expenses which, in any way, arise out of or relate to this Note, including any such costs, expenses and attorneys' fees incurred on appeal, in bankruptcy or in post judgment collection action. The Holder shall be entitled to recover reasonable attorneys' fees and costs and expenses, as provided above, regardless of whether litigation is actually commenced. Any judgment recovered by the Holder shall bear interest at the Default Rate.
- 13) **Transfer; Obligations Binding on Successors.** The Maker may not transfer any of their rights, duties, or obligations under this Note without the prior written consent of the Holder. This Note, and the duties set forth in the Note, shall bind the Maker and their successors and assigns. All

rights and powers established in this Note shall benefit the Holder and their successors and assigns.

- 14) **Notices.** Any notice, consent, or other communication required or permitted under this Note shall be in writing and shall be deemed to have been duly given or made either (1) when delivered personally to the party to whom it is directed (or any officer or agent of such party), or five (5) days after being deposited in the United States' certified or registered mail, postage prepaid, return receipt requested, and properly addressed to the party. A communication will be deemed to be properly addressed if sent:

Holder: Skagit Habitat for Humanity, Inc.
1022 Riverside Dr.
Mount Vernon, WA 98273

Maker: **Kelli Noren**
1208 29th Street, #B
Anacortes, WA 98221

The Maker or the Holder may at any time during the term of this Note change the address to which notices and other communications must be sent by providing written notice of a new address within the United States to the other party. Any change of address will be effective ten (10) days after notice is given.

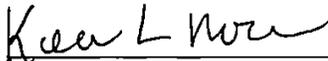
- 15) **Governing Law.** This Note will be construed and the rights, duties, and obligations of the parties will be determined in accordance with the laws of the state of Washington.
- 16) **Venue.** The Maker agrees that any action on this Note must be brought in the Superior Court for Skagit County, Washington.
- 17) **Headings.** Headings used in this Note have been included for convenience and ease of reference only, and will not in any manner influence the construction or interpretation of any provision of this Note.
- 18) **Entire Agreement.** This Note represents the entire understanding of the parties with respect to the subject matter of this Note. There are no other prior or contemporaneous agreements, either written or oral between the parties with respect to this particular subject.
- 19) **Waiver.** No right or obligation under this Note will be deemed to have been waived unless evidenced by a writing signed by the party against whom the waiver is asserted, or by said party's duly authorized representative. Any waiver will be effective only with respect to the specific instance involved, and will not impair or limit the right of the waiving party to insist upon strict performance of the right or obligation in any other instance, in any other respect, or at any other time.
- 20) **Severability.** The parties intend that this Note be enforced to the greatest extent permitted by

applicable law. Therefore, if any provision of this Note, on its face or as applied to any person or circumstance, is or becomes unenforceable to any extent, the remainder of this Note and the application of that provision to other persons, circumstances, or extent, will not be impaired.

- 21) **References.** Except as otherwise specifically indicated, all references in this Note to numbered or lettered sections or subsections refer to sections or subsections of this Note. All references to this Note include any subsequent amendments to the Note.
- 22) **Maximum Interest.** Notwithstanding any other provisions of this Note, any interest, fees, or charges payable by reason of the indebtedness evidenced by this Note shall not exceed the maximum permitted by law.
- 23) **Waiver.** Maker, all endorsers, guarantors and sureties hereby waive presentment, demand, protest, notice of dishonor and any release or discharge arising from a discharge of a prior party. Maker and any other person who has any obligations under this Second Promissory Note hereby waive and renounce any and all exemption rights that any such party may have under this Second Promissory Note and hereby waive and renounce any and all exemption rights that any such party may have under or by virtue of the Constitution or laws of the United States of America, State of Washington, or any other state, as against this debt or any renewal thereof.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

MAKER:



Kelli Noren

EXHIBIT 'A'
UNIT B DESCRIPTION

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°08'22" EAST, ALONG THE SOUTH BOUNDARY LINE OF SAID LOT 'A', A DISTANCE OF 21.24 FEET;
THENCE NORTH 00°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;

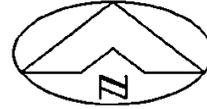
THENCE NORTH 00°49'29" EAST, A DISTANCE OF 19.52 FEET;
THENCE SOUTH 89°21'35" EAST, A DISTANCE OF 30.64 FEET;
THENCE SOUTH 00°29'21" WEST, A DISTANCE OF 22.78 FEET;
THENCE NORTH 89°12'47" WEST, A DISTANCE OF 12.52 FEET;
THENCE NORTH 00°47'00" EAST, A DISTANCE OF 3.19 FEET;
THENCE NORTH 89°13'44" WEST, A DISTANCE OF 16.43 FEET TO THE POINT OF BEGINNING.

CONTAINING 646 SQUARE FEET, MORE OR LESS.



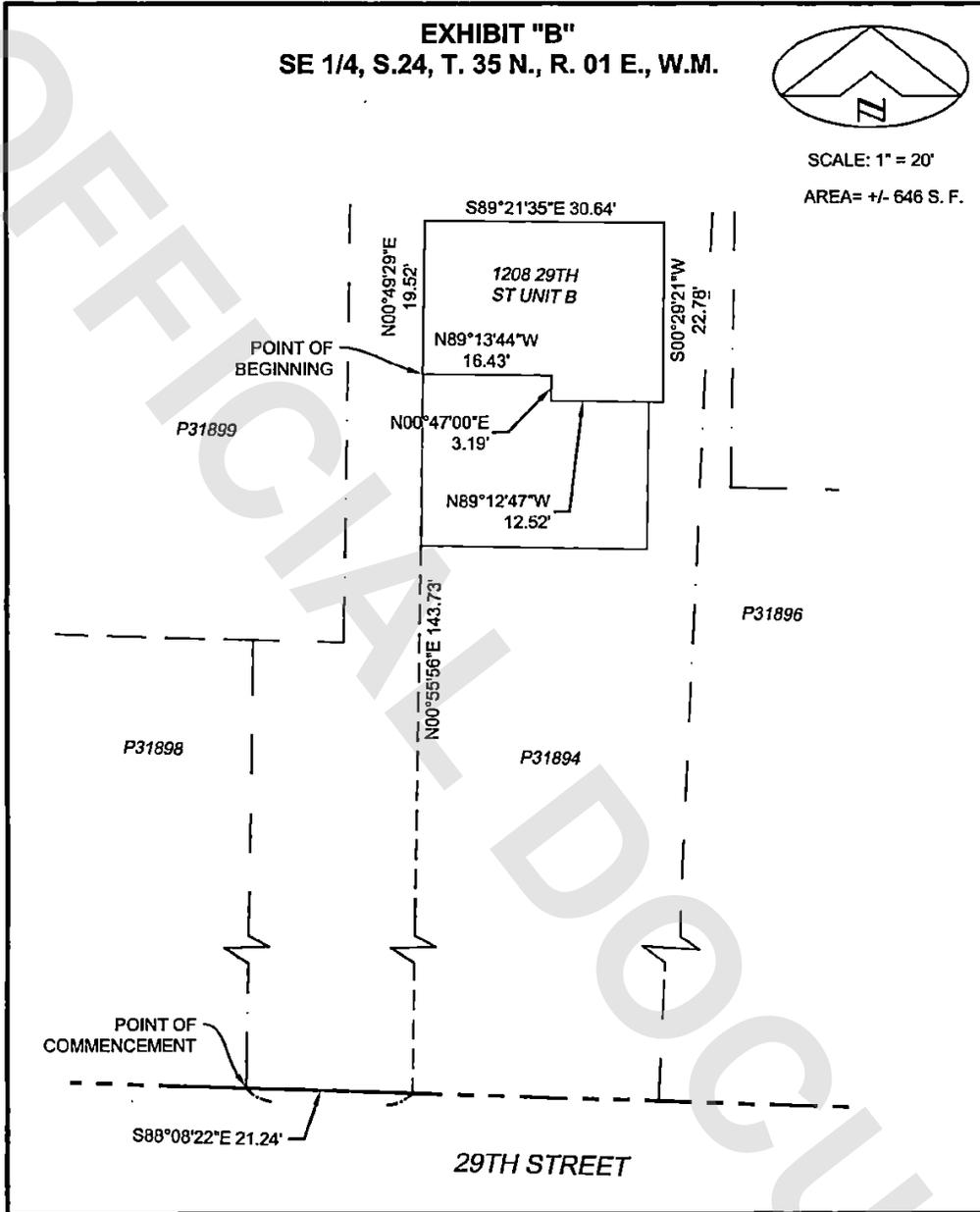
08-27-2025

EXHIBIT "B"
SE 1/4, S.24, T. 35 N., R. 01 E., W.M.



SCALE: 1" = 20'

AREA= +/- 646 S. F.



 603 SOUTH FIRST STREET MOUNT VERNON, WA 98273 (360) 794-7811	<u>SITE ADDRESS</u> 1208 29TH STREET UNIT B ANACORTES, WA 98221	PREP: 08/27/2025
	<u>PARCEL NUMBER</u> P31894	DWR
		25HRM0108