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9501110035

THIS DEED OF TRUST is made this 11th day of January, 1995
 BETWEEN
 PRESIDIO HOMES, INC, A WASHINGTON CORPORATION

as Grantor, whose address is 2124 RIVERSIDE DR-STE 210, MOUNT VERNON WA 98273
 and LAND TITLE COMPANY OF SKAGIT COUNTY

as Trustee; and WASHINGTON FEDERAL SAVINGS,
 as Beneficiary, whose address is 425 PIKE STREET, SEATTLE, WASHINGTON 98101

Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the following described property in Skagit County, Washington:

LOT 17, "PLAT OF CANDLE RIDGE", AS PER PLAT RECORDED IN VOLUME 15
 OF PLATS, PAGES 110 AND 111, RECORDS OF SKAGIT COUNTY, WASHINGTON.

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

RECORDED
 COUNTY CLERK
 95 JAN 11 AM 5
 SKAGIT COUNTY AUDITOR

TOGETHER WITH all tenements, hereditaments and appurtenances, now or hereafter belonging or in anywise appertaining, and the rents, issues and profits thereof and all other property or rights of any kind or nature whatsoever further set forth in the Master Form Deed of Trust hereinafter referred to, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

THIS DEED IS FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor incorporated by reference or contained herein and payment of the sum of ONE HUNDRED FIFTY SIX THOUSAND AND NO/100S DOLLARS (\$156,000.00) with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by Grantor, all renewals, modifications or extensions thereof; and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

By executing and delivering this Deed of Trust and the Note secured hereby, the parties agree that all provisions of Paragraphs 1 through 35 inclusive of the Master Form Deed of Trust hereinafter referred to, except such paragraphs as are specifically excluded or modified herein, are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and the Grantor hereby makes said covenants and agrees to fully perform all of said provisions. The Master Form Deed of Trust above referred to was recorded on the twenty-fifth (25th) day of July, 1968, in the Official Records of the offices of the County Auditors of the following counties in Washington in the book, and at the page designated after the name of each county, to wit:

COUNTY	BOOK OR VOLUME	PAGE NO.	AUDITOR'S FILE NO.	COUNTY	BOOK OR VOLUME	PAGE NO.	AUDITOR'S FILE NO.
Adams	2 of Record. Instr.	513-16	122987	Lewis	7 of Official Rec.	838-842	726562
Asotin	Microfilmed Under Auditor's No.		101896	Lincoln	107 of Mortgages	776-779	318586
Benton	241 of Official Rec.	695A-c	592931	Mason	Reel 4B	Frame 835-838	236038
Chelan	688 of Official Rec.	1682-1685	681844	Okanogan	121 of Mortgages	317-518A	560658
Columbia	315 of Official Rec.	195-198	383178	Pacific	213 of Official Rec.	649-652	55707
Clark	Aud. Microfilm No.	702859-702862	G-519253	Pend Oreille	27 of Mtgs.	8-11	128854
Columbia	49 of Deeds	198-201	F 3115	Pierce	1254 of Mtgs.	707-710	2250799
Cowlitz	747 of Official Rec.	234-237	676475	San Juan	28 of Mtgs.	459-462	85282
Douglas	126 of Mortgages	120-123	151893	Skagit	18 of Official Rec.	80-83	716277
Ferry	28 of Deeds	413-416	153150	Skamania	47 of Mtgs.	41-44	70197
Franklin	11 of Official Rec.	138-141	309636	Snohomish	233 of Official Rec.	540-543	2043548
Garfield	Microfilmed Under Auditor's No.		13044	Spokane	14 of Official Rec.	1048-1051	376267C
Grant	44 of Rec. Doc.	373-376	538241	Stevens	108 of Mtgs.	384-397	390636
Greys Harbor	21 of General	31-34	207544	Thurston	454 of Official Rec.	731-734	785350
Island	161 of Official Rec.	710-713	211628	Wahkukum	17 of Mortgages	89-92	24732
Jefferson	4 of Official Rec.	316-319	198853	Walla Walla	308 of Mtgs.	711-714	495721
King	5690 of Mtgs.	436-439	6382308	Whatcom	82 of Official Rec.	855-858	1047522
Kitsap	929 of Official Rec.	480-483	934770	Whitman	1 of Mac.	291-294	382282
Kittitas	111 of Mortgages	381-384	348693	Yakima	712 of Official Rec.	147-150	2170566
Klickitat	101 of Mortgages	107-110	131095				

A copy of such Master Form Deed of Trust is hereby furnished to the person executing this Deed of Trust and by executing this Deed of Trust the Grantor acknowledges receipt of such Master Form Deed of Trust.

The property which is the subject of this Deed of Trust is not used principally or primarily for agricultural or farming purposes.

The undersigned Grantor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth.

The parties hereby agree that there are by this reference incorporated herein all the terms set forth in Schedule A attached hereto.

WITNESS the signature(s) of the Grantor(s) on the day and year first above written.

 9501110035

PRESIDIO HOMES, INC

 Edwin A. Olsen
 EDWIN A OLSEN, DIRECTOR

BK1405PGU293

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

(Seal or Stamp)

(Signature)

Notary Public in and for the State of _____
residing at _____
My commission expires _____

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that _____

EDWIN A. OLSEN

[Name(s) of person(s)]

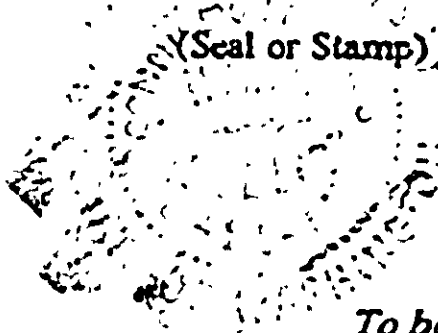
is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the Director
(Type of Authority, e.g., Officer, Trustee)

of PRESIDIO HOMES, INC., A WASHINGTON CORPORATION
(Name of the Party on Behalf of Whom the Instrument was Executed)

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 1-11-95

(Seal or Stamp)



Deanne E Ramsey
(Signature)

Notary Public in and for the State of Washington
residing at 1405 1st St
My commission expires 08-15-97

REQUEST FOR FULL RECONVEYANCE

To be used only when all obligations have been paid under the note and this deed of trust.

TO: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidence of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, 19_____

Mail reconveyance to _____

Filed for Record of Request of

TO WASHINGTON FEDERAL SAVINGS
Mount Vernon Office
PO Box 639
Mount Vernon WA 98273
ATTN: Deanne Ramsey

9501110035

This Space Reserved for Recorder's use:

BK 140500294

SCHEDULE "A"

Addendum attached to and forming part of Deed of Trust dated January 11th, 1995 by and between

PRESIDIO HOMES, INC, A WASHINGTON CORPORATION, as Grantor;
LAND TITLE COMPANY OF SKAGIT COUNTY, as Trustee; and
WASHINGTON FEDERAL SAVINGS, as Beneficiary.

The term "premises" wherever used in this Deed of Trust shall mean the real property and improvements, rents, issues and profits thereof more particularly described in this Deed of Trust.

Paragraph 4 of the Master Form Deed of Trust is hereby amended to read as follows:

"4. To pay to Beneficiary, if Beneficiary so requires, together with and in addition to the monthly payments of principal and interest payable under the terms of the said note, on the date set forth therein for the making of monthly payments each month, until said note is fully paid, a sum, as a deposit as estimated by the Beneficiary, equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this Deed of Trust, plus the premiums that will next become due and payable on insurance policies as may be required under paragraph 10 hereof. Grantor agreeing to deliver promptly to Beneficiary all bills and notices thereof, less all sums already paid therefor, divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, taxes and special assessments will become delinquent, such sums to be held by the Beneficiary in trust to pay said ground rents, premiums, taxes and special assessments. All payments mentioned in this paragraph and all payments to be made under said note shall be added together and the aggregate amount thereof shall be paid by the Grantor each month in a single payment to be applied by Beneficiary to the following items in the order set forth: (1) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums; (2) interest on the note secured hereby; and (3) amortization of the principal of said note. Any deficiency in the amount of any such aggregate monthly payment shall constitute an event of default under this Deed of Trust. The arrangement provided for in this paragraph 4 is solely for the added protection of the Beneficiary and entails no responsibility on the Beneficiary's part beyond the allowing of the due credit, without interest, or dividend, for the sums actually received by it. The deposit so paid shall not be construed as a trust fund, nor shall Beneficiary be deemed an agent of Grantor for the disbursement of the deposited funds. Upon assignment of this Deed of Trust by the Beneficiary, any funds on hand shall be turned over to the assignee and any responsibility of the assignor with respect thereto shall terminate. Each transfer of the property that is subject to the Deed of Trust shall automatically transfer to the Grantee all rights of the Grantor with respect to any funds accumulated hereunder."

Paragraph 5 of the Master Form Deed of Trust is hereby amended to read as follows:

"In the event that any payment or portion thereof is not paid within fifteen (15) days, commencing with the date it is due, Beneficiary may collect, and Grantor agrees to pay with such payment, a 'late charge' of five cents (\$.05) for each dollar of principal and interest so overdue, as liquidated damages for the additional expense of handling such delinquent payment."

In the event any check or draft delivered to Beneficiary as a full or partial payment of any obligation under this Deed of Trust is returned unpaid by the bank upon which the check or draft is drawn, Beneficiary may impose a charge of \$10.00 or 4% of the amount of the check or draft, whichever sum is larger."

Paragraph 8 of the Master Form Deed of Trust is hereby amended to add to paragraph 8 a new subsection to read as follows:

"(e) The right of Beneficiary to inspect, supervise or approve any plans and specifications, or any construction, materials or other aspects or phases of the project which is the subject hereof, is solely for the purpose of enabling Beneficiary to administer the debts secured hereby and to protect its security therefor, and no such inspection, supervision or approval shall be deemed to be for the benefit of any person or party other than Beneficiary; and no other person or party, including without limitation the Grantor or its successor or successors, shall have any right whatsoever to rely in any respect or to any extent upon any such inspection, supervision or approval by Beneficiary."

Paragraph 11 of the Master Form Deed of Trust is amended to add thereto, as the last clause of the last sentence thereof, the following:

": provided, that in the event that Trustee shall commence appropriate proceedings to exercise its power of sale in accordance with the Deed of Trust Act of the State of Washington (R.C.W. Chapter 61.24 as existing now, or hereafter amended) and thereafter the Grantor shall cause the discontinuance of the said proceedings by curing the default(s) giving rise to said proceedings, Grantor promises to pay to Beneficiary all costs incurred by the Beneficiary and by the Trustee, including without limitation the cost of evidence of title and a reasonable attorney's fee, in the course of said proceedings to the date of curing said defaults, and the parties agree that payment thereof by Grantor shall be a condition precedent to the discontinuance of the said sale proceedings."

Paragraph 14 of the Master Form Deed of Trust is hereby amended to add thereto the following provisions:

"(a) The provisions of paragraph 14, whenever applicable, shall be deemed to empower Beneficiary of Trustee to make advances or incur costs and expenses for inspecting the premises periodically, keeping the premises in good repair and protecting the premises from loss, waste, damage or injury;

(b) Beneficiary or Trustee, as the case may be, shall be the sole and conclusive judge of the need for any advances made or expenses incurred under the terms of this paragraph 14;

(c) The amount of any advances made or expenses incurred hereunder shall be added to the indebtedness secured hereby and may be recovered in full, together with interest thereon at the maximum legal rate, by the Beneficiary."

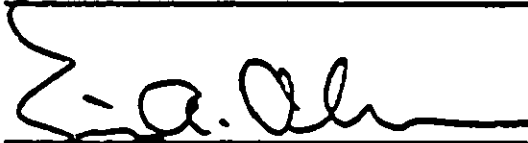
9501110035

BK 1405160295

Paragraph 25-C of the Master Form Deed of Trust is revised to read as follows:

"; or (c) any transfer of title or any sale or transfer by real estate contract made by the Grantor or the then owner of said property to a grantee, contract purchaser or successor in interest without the assumption of all the terms and conditions herein contained and without first obtaining the written consent of the beneficiary, provided, however, that the following shall not be prohibited: (i) the creation of a lien or encumbrance subordinate to the Deed of Trust, (This exemption does not include a contract sale or wrap around instrument) (ii) the creation of a purchase money security interest for household appliances, (iii) transfer by devise, descent, or by operation of law upon the death of a joint tenant, or (iv) the granting of any leasehold interest of three (3) years or less not containing an option to purchase, and, provided further, that if the beneficiary, at its option, elects to permit an assumption of the Deed of Trust or sale by contract or Deed of Trust, it shall do so in writing, upon payment of a reasonable fee for permitting this assumption and payment of all costs incurred, and at an increase of interest rate as requested by the beneficiary. If grantors successor in interest has executed a written assumption agreement, accepted in writing by the beneficiary, the beneficiary shall release the borrower from all obligations under this Deed of Trust and Note."

S
 PRESIDIO HOMES, INC


 EDWIN A OLSEN, DIRECTOR

STATE OF _____)
) ss.
 COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____

(Seal or Stamp)

(Signature)

Notary Public in and for the State of _____

residing at _____

My commission expires _____

STATE OF WASHINGTON)
) ss.
 COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that _____

EDWIN A. OLSEN

[Name(s) of person(s)]

is/are the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the Director

(Type of Authority, e.g., Officer, Trustee)

of


PRESIDIO HOMES, INC., A WASHINGTON CORPORATION

(Name of the Party on Behalf of Whom the Instrument was Executed)

to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 1-11-95

(Seal or Stamp)

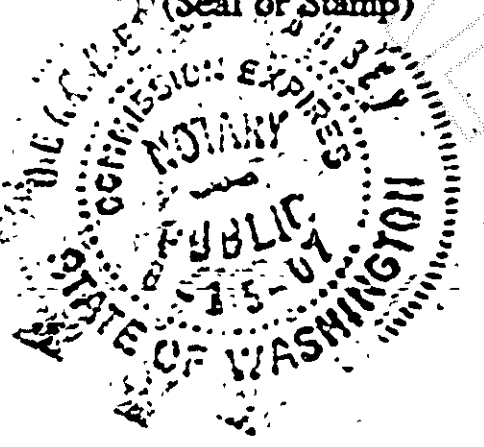


(Signature)

Notary Public in and for the State of Washington

residing at Seattle, WA

My commission expires 08-15-97



9501110035