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14-
KATHY HILL
SKAGIT COUNTY AUDITOR

97 OCT 23 P3 51

RECORDED 8 FILED _____
REQUEST OF _____

Name: SEAS

Address: P.O. Box 1667

9710230071

City and State: Mount Vernon, Wa 98273

Tax Account Number: 4629-000-006-0005 see page 4 for additional tax account number's which affect this property
Escrow #: 52693

**ORIGINAL
DEED OF TRUST**

FIRST AMERICAN TITLE CO.

852693-3

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 9th day of October, 1997, between Homestead NW Development Co., a Washington corporation, GRANTOR, whose address is P.O. Box 409, First American Title Insurance Company, a California Corporation TRUSTEE, whose address is P.O. Box 1667, Mt. Vernon, WA 98273 and The Meadows Associates, a partnership, BENEFICIARY, whose address is 737 E. Bush Point Road, Freeland, WA 98249. WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in Skagit County, Washington:

PARCEL "A"

Lots 7, 8, 13-21, 24-41, 43-45, 56, 61-70, 75 and 76, "THE MEADOW, PHASE II, A PLANNED UNIT DEVELOPMENT PLAT", as per plat recorded in Volume 16 of Plats, Pages 1 through 7, inclusive records of Skagit County, Washington.

PARCEL "B"

LOT 6, "THE MEADOW, PHASE I, A PLANNED UNIT DEVELOPMENT PLAT", as per plat recorded in Volume 15 of Plats, Page 167, records of Skagit County, Washington.

which real property is not used principally for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

Holder herein agrees to issue partial reconveyances of this Deed of Trust. Said partial reconveyances shall be provided upon payment by the Grantor as follows:

For the sum of TWENTY SIX THOUSAND FIVE HUNDRED AND NO/100THS (\$26,500.00) DOLLARS, for Lots 6, 7, 8, 13, 14, 15, 16, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 a total of (24 lots)

For the sum of TWENTY SEVEN THOUSAND FIVE HUNDRED AND NO/100THS (\$27,500.00) DOLLARS, for Lots 36, 37, 38, 39, 40, 41, 43, 44, 45, 56, 61, 62, 64, 64, 65, 66, 67, 68, 69, 70, 75, 76, a total of (22 lots)

The sum of TWENTY THOUSAND FIVE HUNDRED AND NO/100THS (\$20,500.00) DOLLARS, per lot shall be paid to InterWest Savings Bank, with the remaining balance due on the release payable to the Beneficiary herein. Said amount shall be deducted until InterWest Bank is paid in full. After InterWest Bank is paid in full, the release amounts as mentioned above, shall be payable to the Beneficiary until such time as the note is paid in full.

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BK 1723 PG 0296

Said payments shall be applied directly to the principal balance of the note. Partial releases shall be granted by InterWest Bank and the Holder, after required release payments are made upon the closing of the sale of lots to a third party.

This deed is for the purpose of securing performance of each agreement of grantor herein contained, and payment of the sum of **FIVE HUNDRED TWENTY-NINE THOUSAND THREE HUNDRED FIFTY-TWO AND NO/100THS Dollars** with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and 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.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.
6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

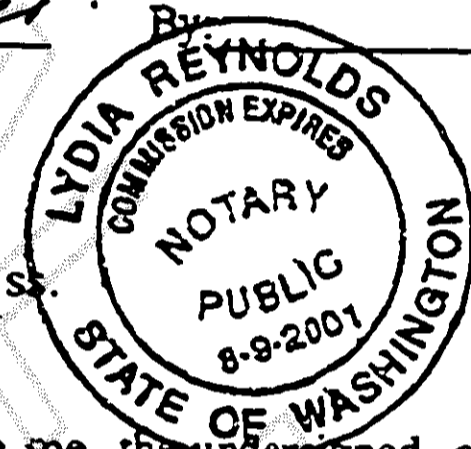
8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

Homestead NW Development Co

By: James A. Wynstra
James A. Wynstra, President

State of Washington

County of Skagit



On this 21st day of October, 1997, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared James A. Wynstra to me known to be the President of Homestead NW Development Co., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Lydia Reynolds
Lydia Reynolds
Notary Public in and for the State of
Washington, residing at Mt. Vernon.

My appointment expires: August 9, 2001.

The Property I.D. Number is:

R106476	R106477	R106478
R106479	R106480	R106481
R106482	R106483	R106484
R106485	R106486	R106491
R106492	R106493	R106494
R106495	R106497	R106498
R106499	R106500	R106501
R106502	R106503	R106504
R106505	R106506	R106508
R106509	R106510	R106512
R106513	R106514	R106515
R106520	R106521	R106522
R106523	R106524	R106529
R106530	R106531	R106532
R106539	R106549	

Said Properties lie within: City of Mount Vernon.

Said Property I.D. Numbers should be inserted under the Tax Account Number.

1. GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4629-000-006 0005 R104973

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-008 0007 R106477

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-013-0002 R106478

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-014-0003 R106479

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-015-0004 R106480

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-016-0005 R106481

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-017-0006 R106482

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638 000 018 0007 R106484

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638 000 019 0008 R106484

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-020-0009 R106485

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638 000-021 0000 R106486

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000 024-0001 R106491

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Account No.: 4638-000-025-0004 R106492

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638 000-026-0005 R106493

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Account No.: 4638 000 027 0006 R106494

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-028-0007 R106495

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-029-0008 R106497

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638 000 040 0009 R106498

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638 000-031 0000 R106499

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4638-000-032-0001 R106500

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638 000 033-0002 R106501

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638-000 034 0003 R106502

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638-000-035-0004 R106503

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638-000-036 0005 R106504

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638 000-037 0006 R106505

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638 000 038 0007 R106506

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638 000 039 0008 R106508

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638 000 040 0009 R106509

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638-000-041-0000 R106510

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638 000-043-0002 R106512

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638-000 044 0001 R106513

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638-000 045 0004 R106514

GENERAL TAXES:

Year: 1997
 Amount Billed: \$597.78
 Amount Paid: \$298.89
 Amount Due: \$298.89
 Tax Account No.: 4638 000 046 0005 R106515

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GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618 000 061 0000 R106520

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618 000 062 0001 R106521

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618 000-063 0002 R106522

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618-000-064 0003 R106523

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618-000-065-0004 R106524

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618 000 066-0005 R106529

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618 000-067 0006 R106530

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618 000 068 0007 R106531

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618-000-069-0008 R106532

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618-000 075-0009 R106539

GENERAL TAXES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$298.89
Amount Due: \$298.89
Tax Account No.: 4618 000 076 0005 R106540

Said taxes will not become delinquent if paid on or before October 31st.

4. DELINQUENT GENERAL TAXES, PLUS INTEREST & PENALTIES:

Year: 1997
Amount Billed: \$597.78
Amount Paid: \$ 0.00
Amount Due: \$597.78
Tax Account No.: 4618 000 087 0006 R106576
Affects: 1st 7-only