



200412030117

Skagit County Auditor

Filed for Record at Request of:

12/3/2004 Page 1 of 5 2:00PM

United States of America  
United States Department of Commerce  
National Oceanic and Atmospheric Administration  
National Marine Fisheries Service  
Financial Services Branch, F/MB53  
7600 Sand Point Way NE  
BIN C15700  
Bldg. #1  
Seattle, Washington 98115

FIRST AMERICAN TITLE CO.

83079

Grantors: Steven W. Carr and Kelly K. Carr

Grantee: The United States of America, acting by and through the Secretary of Commerce

Abbreviated

Legal Description: Section 21, Township 35, Range 3; Ptn. SE-SW aka Lot 3 of Short Plat No. 39-89

Tax Account Nos: 350321-3-006-0314 P34625

**DEED OF TRUST**

THIS DEED OF TRUST, made this 15<sup>th</sup> day of December, 2004 between Steven W. Carr and Kelly K. Carr, Grantors, whose address is P.O. Box 648, Anacortes, Washington, 98221, The United States of America, acting by and through the Secretary of Commerce, as Trustee, said Trustee is an entity who is qualified to be a trustee under RCW 62.24.010(2)(3) and whose address is 7600 Sand Point Way NE, BIN C15700, Bldg. #1, Seattle, Washington 98115, and Chief, Financial Services Division, F/MB5, National Marine Fisheries Service, Beneficiary, whose address is 1315 East West Highway, Silver Spring, MD 20910.

**WITNESSETH:**

Grantors hereby bargains, sells, and conveys to Trustee, in trust, with no power of sale as more fully described in Exhibit A, the following described real property in Skagit County, Washington:

Lot 3, Short Plat No. 39-89, approved September 21, 1989, recorded September 27, 1989, in Book 8 of Short Plats, pages 162 and 163, under Auditor's file No. 8909270080, and being a portion of the East ½ of the Southeast ¼ of the Southwest ¼ of Section 21, Township 35 North, Range 3 East, W.M.

TOGETHER WITH a non-exclusive easement for road and utilities over "WINDY RIDGE", as delineated on the face of Short Plat No. 38-39 and Short Plat No. 39-89.

which real property is 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.

For the purpose of securing payment of \$1,556,000.00 with interest thereon according to the terms of that certain Guaranty Agreement dated November 12, 2004, executed by Steven W. Carr and Kelly K. Carr to secure performance of \$1,556,000.00 in accordance with the terms of that certain Promissory Note to the United States of America dated November 12, 2004, and any amendments thereto, made by Carr Maritime Company, Inc., payable to Beneficiary or order, and all renewals, modifications, and extensions thereof, and also further sums as may be advanced or loaned by Beneficiary to Grantors, 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, Grantors 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



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interest may appear and then to the Grantors. 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 Grantors 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 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 Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney fees actually incurred, as provided by statute.

6. Should Grantors 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 thereof 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 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 Grantors 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.

5. There is no power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington, no power of sale may be conferred by a Deed of Trust for agricultural power, pursuant to RCW 61.24.030. The Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.



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**EXHIBIT A**

**Pursuant to RCW 61.24.020 and 61.24.030, this Deed of Trust does not grant the Trustee a power of sale authority over the subject real property. A non-judicial sale procedure may not be employed because the subject real property is classified as agricultural property. This Trust Deed may only be foreclosed judicially, in accordance with RCW 61.24.100.**



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