



200109270116
Skagit County Auditor

9/27/2001 Page 1 of 26 1:32:21PM

After Recording Mail To:
First American Title Ins.
Attn: Carolann Benoit
3200 SW Freeway, Ste 3050
Houston, TX 77027

Document Title:

Deed of Trust,
Assignment of Rents and Leases
Fixture Filing and Security Agreement

Reference Number :

FIRST AMERICAN TITLE CO.

Grantor(s):

☐ additional grantor names on page 66104

1. Tesoro West Coast Company (dba Tesoro Northwest Company)
- 2.

Grantee(s):

☐ additional grantee names on page 66104

1. Bank One, NA as Administrative Agent, beneficiary
2. First American Title Insurance Company, trustee

Abbreviated legal description:

☒ full legal on page(s) 19-26

Portions of Sections 20, 21, 27, 28, 29, 32, 33 and 34 of
Township 35 North, Range 2 East, W.M.

Assessor Parcel / Tax ID Number:

☐ additional tax parcel number(s) on page 66104

P32988, P32989, P32990, P32991, P32992, P32993, P32994, P32995
P32996, P32997, P33004, P33009, P33491, P99279, P33493

I, John S. Milnor, recording agent, hereby requesting an emergency non-standard recording for an additional fee provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document. Recording fee is \$8.00 for the first page, \$1.00 per page thereafter per document. In addition to the standard fee, an emergency recording fee of \$50.00 is assessed. This statement is to become part of the recorded document.

Signed

John S. Milnor

Dated

Sept. 27, 2001

[WASHINGTON]

DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES,
FIXTURE FILING AND SECURITY AGREEMENT

from

TESORO WEST COAST COMPANY (d/b/a TESORO NORTHWEST COMPANY), Grantor

to

FIRST AMERICAN TITLE INSURANCE COMPANY, Trustee

for the use and benefit of

BANK ONE, NA as Administrative Agent, Beneficiary

DATED AS OF SEPTEMBER 6, 2001

After recording, please return to:

~~Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017~~

~~ATTN: Erik Quarfordt, Esq.~~

After Recording Please Return To:
First American Title Ins. Co.
ATTN: Carolann Benoit
3200 SW Freeway, Suite 3050
Houston, TX 77027
NA# 31821

This Deed of Trust secures a revolving credit facility with a variable rate of interest.
The maximum amount of indebtedness secured hereby is \$1,000,000,000.00



200109270116

, Skagit County Auditor

9/27/2001 Page 2 of 26 1:32:21PM

DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES,
FIXTURE FILING AND SECURITY AGREEMENT

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, FIXTURE FILING AND SECURITY AGREEMENT dated as of September __, 2001 is made by TESORO WEST COAST COMPANY, a Delaware corporation which acquired title to the Real Estate (as defined below) and does business in the State of Washington as TESORO NORTHWEST COMPANY ("Grantor"), whose address is c/o Tesoro Petroleum Corporation, 300 Concord Plaza Drive, San Antonio, Texas 78216-6999 to FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, ("Trustee") whose address is 114 East Fifth Street, Santa Ana, California 92701, for the use and benefit of BANK ONE, NA, a national banking association whose address is 1 Bank One Plaza, Mail Suite IL1 0624, Chicago, Illinois 60670-0353, in its capacity as Administrative Agent for the several banks and other financial institutions or entities that are or may from time to time in the future be parties to the Credit Agreement defined below (in such capacity, together with its successors and assigns, "Beneficiary"). References to this "Deed of Trust" shall mean this instrument and any and all renewals, modifications, amendments, supplements, extensions, consolidations, substitutions, spreaders, restatements and replacements of this instrument.

Background

A. Grantor (i) is the owner of the fee simple estate in the parcel(s) of real property described on Schedule A attached hereto (the "Land") and (ii) owns, leases or otherwise has the right to use all of the buildings, improvements, structures and fixtures now or subsequently located on the Land (the "Improvements"); the Land and the Improvements being collectively referred to as the "Real Estate").

B. Tesoro Petroleum Corporation ("Borrower") is a party to that certain Credit Agreement dated as of even date herewith (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement") with the several banks or other financial institutions from time to time parties thereto (the "Lenders"), Lehman Brothers Inc. as Arranger, Lehman Commercial Paper Inc. as Syndication Agent, ABN Amro Bank N.V., Bank of America, N.A., Credit Lyonnais, New York Branch and The Bank of Nova Scotia, as Co-Documentation Agents and Beneficiary.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement. The terms of the Credit Agreement are incorporated by reference in this Deed of Trust as if the terms thereof were fully set forth herein. References in this Deed of Trust to the "Default Rate" shall mean the interest rate per annum equal to the rate applicable to Base Rate Loans under the Revolving Credit Facility plus 2%.

C. Pursuant to the terms and conditions of the Credit Agreement, (1) the Lenders have agreed (a) to make certain Revolving Credit Loans to Borrower in an aggregate principal amount at any one time outstanding not to exceed \$175,000,000 and (b) to make certain Term Loans to Borrowers in an aggregate principal amount not to exceed \$825,000,000 and (2) the Issuing Lenders have agreed to issue, and the other Lenders which are L/C Participants have agreed to acquire participating interests in, Letters of Credit for the account of Borrower; the sum of (i) the amount of the then outstanding Letters of Credit and (ii) the a



200109270116

, Skagit County Auditor

Letters of Credit which have not been reimbursed pursuant to subsection 3.5 of the Credit Agreement shall not exceed \$90,000,000. The maximum aggregate principal amount of the Loans and the L/C Obligations outstanding at any one time shall not exceed \$1,000,000,000.

D. It is a condition precedent, among others, to the effectiveness of the Credit Agreement and the obligations of the Lenders to make their respective extensions of credit to the Borrower thereunder that (1) Grantor guaranty the obligations of Borrower under the Credit Agreement and the other Loan Documents in respect of the Loans and the Reimbursement Obligations by executing and delivering that certain Guarantee and Collateral Agreement dated as of even date herewith in favor of Beneficiary (as the same may be amended, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") and (2) Grantor secure its obligations under the Guarantee and Collateral Agreement by executing and delivering this Deed of Trust. Grantor, a subsidiary of the Borrower, will receive substantial direct and indirect benefit from the extensions of credit made to the Borrower pursuant to the Credit Agreement.

Granting Clauses

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees that to secure the following (collectively, the "Obligations"):

(a) the due and punctual payment and performance by Grantor of any and all of its obligations and liabilities, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Guarantee and Collateral Agreement;

(b) the payment of all other obligations and liabilities of Grantor, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of or in connection with the Guarantee and Collateral Agreement, this Deed of Trust, any other document securing payment of the Obligations (the "Security Documents") and any amendments, supplements, extensions, renewals, restatements, replacements or modifications of any of the foregoing (the Credit Agreement, the Letters of Credit, the Hedge Agreements, the Guarantee and Collateral Agreement, this Deed of Trust and the other Security Documents and all other documents and instruments from time to time evidencing, securing or guaranteeing the payment and performance of the Obligations, as any of the same may be amended, supplemented, extended, renewed, restated, replaced or modified from time to time, are collectively referred to as the "Loan Documents"), in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees, charges and disbursements of counsel to Beneficiary or to the Lenders that are required to be paid by Grantor pursuant to the terms of the Credit Agreement, this Deed of Trust or any other Loan Document); and

(c) the performance of all covenants, agreements, obligations and liabilities of Grantor under or pursuant to the provisions of the Loan Documents;

GRANTOR HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE, IN TRUST, WITH POWER OF SALE, the following:

(A) the Real Estate;

(B) all the estate, right, title, claim or demar expectancy, in and to the Real Estate or any part therec



(C) all right, title and interest of Grantor in, to and under all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water and riparian rights, development rights, air rights, mineral rights and all estates, rights, titles, interests, privileges, licenses, tenements, hereditaments and appurtenances belonging, relating or appertaining to the Real Estate, and any reversions, remainders, rents, issues, profits and revenue thereof and all land lying in the bed of any street, road or avenue, in front of or adjoining the Real Estate to the center line thereof;

(D) all right, title and interest of Grantor in and to all substitutes and replacements of, and all additions and improvements to, the Real Estate and fixtures, subsequently acquired by or released to Grantor or constructed, assembled or placed by Grantor on the Real Estate, immediately upon such acquisition, release, construction, assembling or placement, including, without limitation, any and all building materials whether stored at the Real Estate or offsite, and, in each such case, without any further Deed of Trust, conveyance, assignment or other act by Grantor;

(E) all right, title and interest of Grantor in, to and under all leases, subleases, underlettings, concession agreements, management agreements, licenses and other agreements relating to the use or occupancy of the Real Estate or any part thereof, now existing or subsequently entered into by Grantor and whether written or oral and all guarantees of any of the foregoing (collectively, as any of the foregoing may be amended, restated, extended, renewed or modified from time to time, the "Leases"), and all rights of Grantor in respect of cash and securities deposited thereunder and the right to receive and collect the revenues, income, rents, issues and profits thereof, together with all other rents, royalties, issues, profits, revenue, income and other benefits arising from the use and enjoyment of the Trust Property (as defined below) (collectively, the "Rents");

(F) all unearned premiums under insurance policies now or subsequently obtained by Grantor relating to the Real Estate and Grantor's interest in and to any such insurance policies and all proceeds of any such insurance policies (including title insurance policies) including the right to collect and receive such proceeds, subject to the provisions relating to insurance proceeds; and all awards and other compensation, including the interest payable thereon and the right to collect and receive the same, made to the present or any subsequent owner of the Real Estate for the taking by eminent domain, condemnation or otherwise, of all or any part of the Real Estate or any easement or other right therein;

(G) all right, title and interest of Grantor in and to (i) all contracts from time to time executed by Grantor or any manager or agent on its behalf relating to the ownership, construction, maintenance, repair, operation, occupancy, sale or financing of the Real Estate or any part thereof and all agreements relating to the purchase or lease of any portion of the Real Estate or any property which is adjacent or peripheral to the Real Estate, together with the right to exercise such options (collectively, the "Contracts"), (ii) all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, completion, occupancy, use or operation of the Real Estate or any part thereof (collectively, the "Permits") and (iii) all drawings, plans, specifications and similar or related items relating to the Real Estate (collectively, the "Plans");

(H) any and all monies now or subsequently on deposit in segregated accounts for the payment of real estate taxes or special assessments again



200109270116

, Skagit County Auditor

premiums on insurance policies covering the foregoing property or otherwise on deposit with or held by Beneficiary as provided in this Deed of Trust; and

(I) all proceeds, both cash and noncash, of the foregoing;

(All of the foregoing property and rights and interests now owned or held or subsequently acquired by Grantor and described in the foregoing clauses (A) and (D) are collectively referred to as the "Premises", and those described in the foregoing clauses (A) through (I) are collectively referred to as the "Trust Property").

TO HAVE AND TO HOLD the Trust Property and the rights and privileges hereby granted unto Trustee, its successors and assigns for the uses and purposes set forth, in trust with power of sale, until the Obligations are fully paid and performed.

Terms and Conditions

Grantor further represents, warrants, covenants and agrees with Beneficiary as follows:

1. Definitions. Capitalized terms used herein which are not otherwise defined shall have the meanings given to them in the Credit Agreement.

2. Warranty of Title. Grantor warrants the title to the Premises, subject only to Liens expressly permitted under the Credit Agreement and the matters set forth on Schedule B to the title insurance policy being issued to Beneficiary to insure the charge of this Deed of Trust (the "Permitted Exceptions").

3. Payment of Taxes and Other Impositions. (a) Nothing herein shall affect any right or remedy of Trustee or Beneficiary under this Deed of Trust or otherwise, without notice or demand to Grantor, to pay any and all taxes of every kind and nature (including, without limitation, all real and personal property, income, franchise, withholding, transfer, gains, profits and gross receipts taxes), all charges for any easement or agreement maintained for the benefit of any of the Trust Property, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, vault taxes, and all other public charges even if unforeseen or extraordinary, imposed upon or assessed against or which may become a charge on any of the Trust Property, or arising in respect of the occupancy, use or possession thereof, together with any penalties or interest on any of the foregoing (all of the foregoing are collectively referred to as the "Impositions") after the date such Imposition shall have become past due, and to add to the Obligations or any other sums secured by this Deed of Trust the amount so paid, together with interest. Any sums paid by Trustee or Beneficiary in discharge of any Impositions shall be a charge on the Premises secured hereby prior to any right or title to, interest in, or claim upon the Premises subordinate to the charge of this Deed of Trust together with interest.

(b) Grantor shall not claim, demand or be entitled to receive any credit or credits toward the satisfaction of this Deed of Trust or on any interest payable thereon for any taxes assessed against the Trust Property or any part thereof, and shall not claim, to the extent any such claim could materially affect the lien of this Deed of Trust, any deduction from the taxable value of the Trust Property by reason of this Deed of Trust.

4. Insurance. (a) If Grantor is in default of its obligations under the Credit Agreement to insure or deliver evidence of payment of any insur



200109270116

, Skagit County Auditor

Beneficiary, at its option and with only such notice as is provided in the Credit Agreement, may effect such insurance from year to year, and pay the premium or premiums therefor, and Grantor shall pay to the Beneficiary on demand such premium or premiums so paid by the Beneficiary with interest and the same shall be deemed to be secured by this Deed of Trust and shall be collectible in the same manner as the Obligations secured by this Deed of Trust.

(b) In the event of foreclosure of this Deed of Trust or other transfer of title to the Trust Property in satisfaction of the Obligations, all right, title and interest of Grantor in and to any insurance policies then in force concerning the Premises shall pass to the purchaser or grantee and Grantor hereby appoints Beneficiary its attorney-in-fact, in Grantor's name, to assign and transfer all such policies and proceeds to such purchaser or grantee.

(c) Upon written notice to Grantor, if and to the extent required under any Requirement of Law (as such term is defined in the Credit Agreement), or if an Event of Default shall have occurred, the Beneficiary shall be entitled to require Grantor to pay monthly in advance to the Beneficiary the equivalent of 1/12th of the estimated annual premiums due on such insurance. The Beneficiary may commingle such funds with its own funds and Grantor shall not be entitled to interest thereon. Any funds so collected by the Beneficiary shall be used to pay insurance premiums as they become due.

5. Rights of Tenants. This Deed of Trust is subject to the rights of any and all tenants of the Trust Property now or hereafter existing and, for so long as said tenants are not in default under the terms of their respective leases and shall agree to attorn to Beneficiary (or Beneficiary's designee) upon its acquisition of title to the Trust Property, Beneficiary shall not disturb the use or possession by said tenants to all or a portion of the Trust Property, as described in such tenant's lease. If an Event of Default shall have occurred and Beneficiary elects to foreclose this Deed of Trust pursuant to Section 8(a)(i) hereof, so long as said tenants are not in default under the terms of their respective leases, Beneficiary shall take no action or fail to take any action, as the case may be, the effect of which would be to terminate the rights of said tenants under their respective leases; provided that if, in order validly to foreclose the lien of this Deed of Trust such lease must be terminated, Beneficiary may nevertheless proceed with such foreclosure but following the completion of such foreclosure shall enter into a new lease of the Trust Property with such tenant on the same terms and conditions as those set forth in the then terminated lease. Grantor may, in the ordinary course of business and without the consent of the Beneficiary, enter into any new leases or modify, surrender, terminate, extend or renew any lease now existing or hereafter created upon the Trust Property, or any portion thereof, without the consent of Beneficiary or the Beneficiary. Beneficiary agrees to execute such other and further instruments as may be necessary to effectuate the terms of this paragraph.

6. Condemnation/Eminent Domain. If an Event of Default shall have occurred, then (a) Grantor authorizes Beneficiary, at Beneficiary's option and in Beneficiary's sole discretion, as attorney-in-fact for Grantor, to commence, appear in and prosecute, in Beneficiary's or Grantor's name, any action or proceeding relating to any condemnation of the Trust Property, or any portion thereof, and to settle or compromise any claim in connection with such condemnation and (b) if Beneficiary elects not to participate in such condemnation proceeding, then Grantor shall, at its expense, diligently prosecute any such proceeding and shall consult with Beneficiary, its attorneys and experts and cooperate with them in any defense of any such proceedings and Grantor agrees to execute any such assignments of all such awards as Beneficiary may reasonably request.

7. Beneficiary's Right to Perform. Pursuant to Borrower fails to perform certain covenants or agreements of und



the Trust Property, the Beneficiary may, at any time (but shall be under no obligation to) pay or perform the same, provided that (other than in the case of an emergency), the Beneficiary shall have first given ten days' written notice to Borrower of the Beneficiary's intention to do so, and the amount or cost of any such payment or performance, with interest at the Default Rate, shall immediately be due from Borrower to Beneficiary and shall be added to the Obligations, and the same shall be secured by this Deed of Trust and shall be a lien on the Trust Property prior to any right, title to, interest in or claim upon the Trust Property attaching subsequent to the lien of this Deed of Trust.

8. Default; Remedies. (a) The occurrence of an Event of Default under the Credit Agreement shall constitute an "Event of Default" hereunder. Upon the occurrence of any Event of Default, in addition to any other rights and remedies Beneficiary may have pursuant to the Loan Documents, or as provided by law, and without limitation, if such event is an Event of Default specified in clause (i), (ii) or (vi) of Section 8(f) of the Credit Agreement with respect to Borrower, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under the Credit Agreement and the other Loan Documents (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable, and if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Majority Revolving Credit Facility Lenders, Beneficiary may, or upon the request of the Majority Revolving Credit Facility Lenders, Beneficiary shall, by notice to Borrower declare the Revolving Credit Commitments to be terminated forthwith, whereupon the Revolving Credit Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, Beneficiary may, or upon the request of the Required Lenders, Beneficiary shall, by notice to Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under the Credit Agreement and the other Loan Documents (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived. In addition, upon the occurrence and continuance of any Event of Default, Beneficiary, to the extent permitted by applicable law, may immediately take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Grantor and in and to the Trust Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such manner as Beneficiary may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Beneficiary:

(i) To the extent permitted by law, with or without taking possession of the Trust Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon the Indebtedness, all in such order as Beneficiary may reasonably determine. The entering upon and taking possession of the Trust Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Property or the collection, receipt and application of rents, issues or profits, Beneficiary shall be entitled to exercise every right provided for in the Loan Documents or by law.



(ii) Bring an action in any court of competent jurisdiction to foreclose this Deed of Trust against all or any part of the Trust Property or to enforce any of the covenants, terms or conditions hereof and Beneficiary shall have the right to specific performance, injunction and any other equitable right or remedy as though other remedies were not provided in this Deed of Trust.

(iii) Elect to cause the Trust Property or any part thereof to be sold as follows, Grantor hereby expressly waiving any right which it may have to direct the order in which any of the Trust Property may be sold:

(A) Beneficiary may proceed as if all of the Trust Property were real property, in accordance with subparagraph (C) below, or Beneficiary may elect to treat any of the Trust Property which consists of personal property, in accordance with the Section below constituting this Deed of Trust a Security Agreement, separate and apart from the sale of real property, the remainder of the Trust Property being treated as real property;

(B) Beneficiary may cause any such sale or other disposition to be conducted immediately following the expiration of any grace period, if any, herein provided or Beneficiary may delay any such sale or other disposition for such period of time as Beneficiary deems to be in its best interest. Should Beneficiary desire that more than one such sale or other disposition be conducted, Beneficiary may, at its option, cause the same to be conducted simultaneously, or successively on the same day, or at such different days or times and in such order as Beneficiary may deem to be in its best interest;

(C) Should Beneficiary elect to sell the Trust Property upon which Beneficiary elects to proceed under the laws governing foreclosure of or sales pursuant to Deeds of Trust, Beneficiary or Trustee shall give such notice of default and election to sell as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, Trustee, at the time and place specified by the notice of sale, shall sell such Trust Property, or any portion thereof specified by Beneficiary, at public auction to the highest bidder for cash in lawful money of the United States, subject, however, to the provisions of the Section below authorizing Beneficiary to make payment by giving credit against the Obligations. Trustee may, and upon request of Beneficiary shall, from time to time, postpone the sale by public announcement thereof at the time and place noticed therefor. If the Trust Property consists of several lots or parcels, Beneficiary may elect to sell the Trust Property either as a whole or in separate lots or parcels. If Beneficiary elects to sell in separate lots or parcels, Beneficiary may designate the order in which such lots or parcels shall be offered for sale or sold. Any person, including Grantor or Beneficiary, may purchase at the sale. Upon any sale, Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the proper or purchasers a deed or deeds conveying the proper any covenant or warranty whatsoever, express or ir



200109270116
Skagit County Auditor

(D) In the event of a sale or other disposition of any such property, or any part thereof, and the execution of a deed or other conveyance pursuant thereto, the recitals therein of facts, such as an Event of Default, the giving of a notice of default, acceleration and notice of sale, demand that such sale should be made, postponement of sale, terms of sale, sale, purchase, payments of purchase money, and any other fact affecting the regularity or validity of such sale or disposition shall be conclusive proof of the truth of such facts; and any such deed or conveyance shall be conclusive against all persons as to such facts recited therein;

(E) Beneficiary and/or Trustee shall apply the proceeds of any sale or disposition hereunder in the order as provided in the immediately succeeding Section of this Deed of Trust; and

(F) Exercise all other rights and remedies provided herein, in the other Loan Documents or otherwise available at law or equity.

9. Sale of the Properties; Application of Proceeds. Subject to the requirements of applicable law, the proceeds or avails of any foreclosure sale and all moneys received by Beneficiary pursuant to any right given or action taken under the provisions of this Deed of Trust shall be applied as follows:

First: To the payment of the costs and expenses of any such sale or other enforcement proceedings in accordance with the terms hereof and of any judicial proceeding wherein the same may be made, and in addition thereto, reasonable compensation to Beneficiary, its agents and counsel, and all actual out of pocket expenses, advances, liabilities and sums made or furnished or incurred by Beneficiary or the holder of this Deed of Trust under this Deed of Trust and the other Loan Documents, together with interest at the Default Rate (or such lesser amount as may be the maximum amount permitted by law), and all taxes, assessments or other charges, except any taxes, assessments or other charges subject to which the Trust Property shall have been sold;

Second: To the payment of the whole amount when due, owing and unpaid (whether by acceleration or otherwise) upon the Obligations for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid, then first, to the payment of all amounts of interest at the time due and payable in respect of the Obligations, without preference or priority of any installment of interest over any other installment of interest, and second, to the payment of all amounts of principal, all such payments of principal and interest to be made ratably to the holders entitled thereto;

Third: To the payment of any other sums required to be paid by Grantor pursuant to any provision of this Deed of Trust, or any other Loan Document; and.

Fourth: To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.



200109270116

Skagit County Auditor

Trustee is not obligated to notify any party hereto of any pending sale under any other deed of trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party, unless brought by Trustee.

10. Trustee. Trustee shall be entitled to reasonable compensation for all services rendered or expenses incurred in the administration or execution of the trusts hereby created and Grantor hereby agrees to pay the same. Trustee shall be indemnified, held harmless and reimbursed by Grantor for any liability, damage or expense, including reasonable attorneys' fees and amounts paid in settlement, which Trustee may incur or sustain in connection with this Deed of Trust or in the doing of any act which Trustee is required or permitted to do by the terms hereof or by law. The acceptance by Trustee of this trust shall be evidenced when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law and the trust created hereby is irrevocable by Grantor. A request is hereby made by Grantor that a copy of any notice of sale under this Deed of Trust be mailed to Grantor at Grantor's address set forth in the first paragraph of this Deed of Trust.

11. Successor Grantor. In the event ownership of the Trust Property or any portion thereof becomes vested in a person other than the Grantor herein named, Beneficiary may, without notice to the Grantor herein named, whether or not Beneficiary has given written consent to such change in ownership, deal with such successor or successors in interest with reference to this Deed of Trust and the Obligations, and in the same manner as with the Grantor herein named, without in any way vitiating or discharging Grantor's liability hereunder or in respect of the Obligations.

12. Right of Beneficiary to Credit Sale. Upon the occurrence of any sale made under this Deed of Trust, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Trust Property or any part thereof. In lieu of paying cash therefor, Beneficiary may make settlement for the purchase price by crediting upon the Obligations or other sums secured by this Deed of Trust the net sales price after deducting therefrom the expenses of sale and the cost of the action and any other sums which Beneficiary is authorized to deduct under this Deed of Trust. In such event, this Deed of Trust, and documents evidencing the Obligations and the other expenditures secured hereby may be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon the Obligations as having been paid.

13. Appointment of Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary as a matter of right and without notice to Grantor, unless otherwise required by applicable law, and without regard to the adequacy or inadequacy of the Trust Property or any other collateral as security for the Obligations or the interest of Grantor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers or other manager of the Trust Property, and Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor (except as may be required by law). Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided in this Deed of Trust, including, without limitation and to the extent permitted by law, the right to enter into leases of all or any part of the Trust Property and exercise all such powers until the date of confirmation of sale of the Trust Property unless such receivership is sooner terminated.

14. Extension, Release, etc. (a) Without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Property not then or theretofore released as security for the full amount of the Obligations, Beneficiary or any of the Lenders may from time to time and at will agree to (i) release any person liable for any portion of the Obligations or (ii) modify any of the terms of the indebtedness guaranteed by the Guarantor.



indebtedness secured hereby, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel, portion or all of the Trust Property, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

(b) No recovery of any judgment by Beneficiary and no levy of an execution under any judgment upon the Trust Property or upon any other property of Grantor shall affect the lien of this Deed of Trust or any liens, rights, powers or remedies of Beneficiary hereunder, and such liens, rights, powers and remedies shall continue unimpaired.

(c) If Beneficiary shall have the right to foreclose this Deed of Trust or to direct the Trustee to exercise its power of sale, Grantor authorizes Beneficiary at its option to foreclose the lien of this Deed of Trust (or to direct the trustee to sell the Trust Property, as the case may be) subject to the rights of any tenants of the Trust Property. To the extent permitted by applicable law, the failure to make any such tenants parties defendant to any such foreclosure proceeding and to foreclose their rights, or to provide notice to such tenants as required in any statutory procedure governing a sale of the Trust Property by Trustee, or to terminate such tenant's rights in such sale will not be asserted by Grantor as a defense to any proceeding instituted by Beneficiary to collect the Obligations or to foreclose this Deed of Trust.

(d) Unless expressly provided otherwise, in the event that ownership of this Deed of Trust and title to the Trust Property or any estate therein shall become vested in the same person or entity, this Deed of Trust shall not merge in such title but shall continue as a valid charge on the Trust Property for the amount secured hereby.

15. Security Agreement under Uniform Commercial Code. (a) It is the intention of the parties hereto that this Deed of Trust shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the State in which the Trust Property is located. If an Event of Default shall be in effect, then in addition to having any other right or remedy available at law or in equity, Beneficiary shall have the option of either (i) proceeding under the Code and exercising such rights and remedies as may be provided to a secured party by the Code with respect to all or any portion of the Trust Property which is personal property (including, without limitation, taking possession of and selling such property), if any, or (ii) treating such property as real property and proceeding with respect to both the real and personal property constituting the Trust Property in accordance with Beneficiary's rights, powers and remedies with respect to the real property (in which event the default provisions of the Code shall not apply). If Beneficiary shall elect to proceed under the Code, then ten days' notice of sale of the personal property shall be deemed reasonable notice, and the reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Beneficiary shall include, but not be limited to, reasonable attorneys' fees and legal expenses. At Beneficiary's request, Grantor shall assemble the personal property and make it available to Beneficiary at a place designated by Beneficiary which is reasonably convenient to both parties.

(b) Grantor and Beneficiary agree, to the extent permitted by law, that: (i) all of the goods described within the definition of the word "Equipment" are or are to become fixtures on the Real Estate; (ii) this Deed of Trust upon recording or registration in the real estate records of the proper office shall constitute a financing statement filed as a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Code; (iii) Grantor is the record owner of the Real Estate; and (iv) the addresses of Grantor and Beneficiary are as set forth on the first page of this Deed of Trust.



16. Assignment of Rents. Grantor hereby assigns to Trustee, for the benefit of Beneficiary, the Rents as further security for the payment and performance of all of the Obligations, and Grantor grants to Trustee and Beneficiary the right to enter the Trust Property for the purpose of collecting the same and to let the Trust Property or any part thereof, and to apply the Rents on account of the Obligations. The foregoing assignment and grant is present and absolute and shall continue in effect until the Obligations are paid and performed in full, but Beneficiary and Trustee hereby waive the right to enter the Trust Property for the purpose of collecting the Rents and Grantor shall be entitled to collect, receive, use and retain the Rents unless an Event of Default shall be in effect; such right of Grantor to collect, receive, use and retain the Rents may be revoked by Beneficiary if an Event of Default shall have occurred by giving not less than ten days' written notice of such revocation to Grantor; in the event such notice is given, Grantor shall pay over to Beneficiary, or to any receiver appointed to collect the Rents, the Rents and any lease security deposits. Grantor shall not accept prepayments of installments of Rent to become due for a period of more than one month in advance (except for security deposits and estimated payments of percentage rent, if any).

17. Trust Funds. To the extent required under applicable law, all lease security deposits of the Real Estate shall be treated as trust funds not to be commingled with any other funds of Grantor. Within 10 days after request by Beneficiary, Grantor shall furnish the Beneficiary satisfactory evidence of compliance with this section, together with a statement of all lease security deposits by lessees and copies of all Leases not previously delivered to the Beneficiary, which statement shall be certified by Grantor.

18. Additional Rights. The holder of any subordinate lien or subordinate deed of trust on the Trust Property shall have no right to terminate any Lease whether or not such Lease is subordinate to this Deed of Trust, nor shall Grantor consent to any holder of any subordinate lien or subordinate deed of trust joining any tenant under any Lease in any trustee's sale or action to foreclose such lien or modify, interfere with, disturb or terminate the rights of any tenant under any Lease. By recordation of this Deed of Trust all subordinate lienholders and the trustees and beneficiaries under subordinate deeds of trust are subject to and notified of this provision, and any action taken by any such lienholder or trustee or beneficiary contrary to this provision shall be null and void. Upon the occurrence of any Event of Default, Beneficiary may, in its sole discretion and without regard to the adequacy of its security under this Deed of Trust, apply all or any part of any amounts on deposit with Beneficiary under this Deed of Trust against all or any part of the Obligations.

19. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses determined under Credit Agreement.

20. No Oral Modification. This Deed of Trust may not be changed or terminated orally. Any agreement made by Grantor and Beneficiary after the date of this Deed of Trust relating to this Deed of Trust shall be superior to the rights of the holder of any intervening or subordinate lien or encumbrance. Trustee's execution of any written agreement between Grantor and Beneficiary shall not be required for the effectiveness thereof as between Grantor and Beneficiary.

21. Partial Invalidity. In the event any one or more of the provisions contained in this Deed of Trust shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included. Notwithstanding anything to the contrary contained in this Deed of Trust or in any provisions of the Credit Agreement or the Security Documents, the obligations of Guarantor under the Obligations shall be subject to the limitation



Lenders shall charge, take or receive, nor shall Grantor or any other Subsidiary Guarantor be obligated to pay to Beneficiary or any of the Lenders, any amounts constituting interest in excess of the maximum rate permitted by law to be charged by Beneficiary or any of the Lenders, as the case may be.

22. Grantor's Waiver of Rights. To the fullest extent permitted by law, Grantor waives the benefit of all laws now existing or that may subsequently be enacted providing for (i) any appraisal before sale of any portion of the Trust Property, (ii) any extension of the time for the enforcement of the collection of the Obligations or the creation or extension of a period of redemption from any sale made in collecting such debt and (iii) exemption of the Trust Property from attachment, levy or sale under execution or exemption from civil process. To the full extent Grantor may do so, Grantor agrees that Grantor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay of execution, exemption, extension or redemption, or requiring foreclosure of this Deed of Trust before exercising any other remedy granted hereunder and Grantor, for Grantor and its successors and assigns, and for any and all persons ever claiming any interest in the Trust Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of exercise by Trustee or Beneficiary of the power of sale or other rights hereby created.

23. Remedies Not Exclusive. Beneficiary and Trustee shall be entitled to enforce payment and performance of all of the Obligations and to exercise all rights and powers under this Deed of Trust, the Security Documents, the Credit Agreement, or other agreement or any laws now or hereafter in force, notwithstanding some or all of the Obligations may now or hereafter be otherwise secured, whether by deed of trust, mortgage, security agreement, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, shall prejudice or in any manner affect Beneficiary's or Trustee's right to realize upon or enforce any other security now or hereafter held by Beneficiary or Trustee, it being agreed that Beneficiary and Trustee shall, to the extent permitted by applicable law, be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as Beneficiary may determine in its absolute discretion. No remedy herein conferred upon or reserved to Beneficiary or Trustee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. To the extent permitted by applicable law, every power or remedy given by any of the Loan Documents to Beneficiary or Trustee or to which either may otherwise be entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Beneficiary or Trustee, as the case may be. In no event shall Beneficiary or Trustee, in the exercise of the remedies provided in this Deed of Trust (including, without limitation, in connection with the assignment of Rents to Beneficiary, or the appointment of a receiver and the entry of such receiver on to all or any part of the Trust Property), be deemed a "mortgagee in possession," and neither Beneficiary nor Trustee shall in any way be made liable for any act, either of commission or omission, in connection with the exercise of such remedies.

24. Multiple Security. If (a) the Premises shall consist of one or more parcels, whether or not contiguous and whether or not located in the same county, or (b) in addition to this Deed of Trust, Beneficiary shall now or hereafter hold or be the beneficiary of one or more additional mortgages, liens, deeds of trust or other security (directly or indirectly) for the Obligations upon other property in the State of Washington (whether or not such property is owned by Grantor or by others) or (c) both the circumstances described in clauses (a) and (b) shall be permitted by law, Beneficiary may, at its election, commence or



200109270116

, Skagit County Auditor

foreclosure action all trustee's sale or foreclosure proceedings against all such collateral (the "Deed of Trust Collateral") securing the Obligations (including the Trust Property), which action may be brought or consolidated in the courts of, or sale conducted in, any county in which any of such Deed of Trust Collateral is located. Grantor acknowledges that the right to maintain a consolidated trustee's sale or foreclosure action is a specific inducement to Beneficiary and the Lenders to enter into the Credit Agreement and to extend the indebtedness guaranteed under the Guarantee and Collateral Agreement, and Grantor expressly and irrevocably waives any objections to the commencement or consolidation of the foreclosure proceedings in a single action and any objections to the laying of venue or based on the grounds of forum non conveniens which it may now or hereafter have. Grantor further agrees that if Trustee or Beneficiary shall be prosecuting one or more foreclosure or other proceedings against a portion of the Trust Property or against any collateral other than the Trust Property, which collateral directly or indirectly secures the Obligations, or if Beneficiary shall have obtained a judgment of foreclosure and sale or similar judgment against such collateral (or, in the case of a trustee's sale, shall have met the statutory requirements therefor with respect to such collateral), then, whether or not such proceedings are being maintained or judgments were obtained in or outside the State in which the Premises are located, Beneficiary may commence or continue any trustee's sale or foreclosure proceedings and exercise its other remedies granted in this Deed of Trust against all or any part of the Trust Property and Grantor waives any objections to the commencement or continuation of a foreclosure of this Deed of Trust or exercise of any other remedies hereunder based on such other proceedings or judgments, and waives any right to seek to dismiss, stay the execution of, remove, transfer or consolidate either any action under this Deed of Trust or such other proceedings on such basis. The commencement or continuation of proceedings to sell the Trust Property in a trustee's sale, to foreclose this Deed of Trust or the exercise of any other rights hereunder or the recovery of any judgment by Beneficiary or the occurrence of any sale by the Trustee in any such proceedings shall not prejudice, limit or preclude Beneficiary's right to commence or continue one or more trustee's sales, foreclosure or other proceedings or obtain a judgment against (or, in the case of a trustee's sale, to meet the statutory requirements for, any such sale of) any other collateral (either in or outside the State of Washington) which directly or indirectly secures the Obligations, and Grantor expressly waives any objections to the commencement of, continuation of, or entry of a judgment in such other sales or proceedings or exercise of any remedies in such sales or proceedings based upon any action or judgment connected to this Deed of Trust, and Grantor also waives any right to seek to dismiss, stay the execution of, remove, transfer or consolidate either such other sales or proceedings or any sale or action under this Deed of Trust on such basis. It is expressly understood and agreed that the foreclosure and realization statutes of Washington (including, without limitation, RCW Chapters 61.12 and 61.24) shall apply only to the Deed of Trust Collateral that is located in the State of Washington and shall not be understood to have application to any actions or proceedings in other jurisdictions, nor shall such extraterritorial actions or proceedings limit, bar or prejudice Beneficiary's right to realize upon the Deed of Trust Collateral in the State of Washington. As an example, and without in any way limiting the rights granted in this Section, RCW 61.12.120 and 61.24.030(4) do not bar foreclosure in Washington because of the pendency of any actions or proceedings in other states, and RCW 61.24.100 shall not in any way limit Beneficiary's rights with respect to the collection of the Obligations or the realization upon the Deed of Trust that is located in other states. It is expressly understood and agreed that to the fullest extent permitted by law, Beneficiary may, at its election, cause the sale of all of the Deed of Trust Collateral which is the subject of a single trustee's sale or foreclosure action at either a single sale or at multiple sales conducted simultaneously and take such other measures as are appropriate in order to effect the agreement of the parties to dispose of and administer all of the Deed of Trust Collateral securing the Obligations (directly or indirectly) in the most economical and least time-consuming manner.



25. Successors and Assigns. All covenants of Grantor contained in this Deed of Trust are imposed solely and exclusively for the benefit of Beneficiary, Trustee and the Lenders and their respective successors and assigns, and no other persons or entities shall have standing to require compliance with such covenants or be deemed, under any circumstances, to be a beneficiary of such covenants. All such covenants of Grantor shall run with the land and bind Grantor, the successors and assigns of Grantor (and each of them) and all subsequent owners, encumbrancers and tenants of the Trust Property, and shall inure to the benefit of Beneficiary, Trustee and the Lenders and their respective successors and assigns. The word "Grantor" shall be construed as if it read "Grantors" whenever the sense of this Deed of Trust so requires, and if there shall be more than one Grantor, the obligations of the Grantors shall be joint and several.

26. No Waivers, etc. Any failure by Beneficiary to insist upon the strict performance by Grantor of any of the terms and provisions of this Deed of Trust shall not be deemed to be a waiver of any of the terms and provisions hereof, and Beneficiary or Trustee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Grantor of any and all of the terms and provisions of this Deed of Trust to be performed by Grantor. Beneficiary may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Trust Property, any part of the security held for the obligations secured by this Deed of Trust without, as to the remainder of the security, in any way impairing or affecting the lien of this Deed of Trust or the priority of such lien over any subordinate lien or deed of trust.

27. Governing Law, etc. This Deed of Trust shall be governed by and construed in accordance with the laws of the State in which the Premises are located, except that Grantor expressly acknowledges that by its terms the Credit Agreement shall be governed and construed, to the extent provided for therein, in accordance with the laws of the State of New York, and for purposes of consistency, Grantor agrees that in any *in personam* proceeding related to this Deed of Trust the rights of the parties to this Deed of Trust shall also be governed by and construed in accordance with the laws of the State of New York governing contracts made and to be performed in that State.

28. Waiver of Trial by Jury. Grantor and Beneficiary each hereby irrevocably and unconditionally waive trial by jury in any action, claim, suit or proceeding relating to this Deed of Trust and for any counterclaim brought therein. Grantor hereby waives all rights to interpose any counterclaim in any suit brought by Beneficiary for foreclosure hereunder and all rights to have any such suit consolidated with any separate suit, action or proceeding. Such waiver shall not be construed so as to prevent Grantor or Borrower from interposing a counterclaim against Beneficiary concerning the Obligations.

29. Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Deed of Trust shall be used interchangeably in singular or plural form and the word "Grantor" shall mean "each Grantor or any subsequent owner or owners of the Trust Property or any part thereof or interest therein," the term "Trustee" shall mean "Trustee and any successor trustee hereunder", the term "Obligations" shall mean "the Obligations and any other obligations secured by this Deed of Trust," the word "person" shall include any individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity, and the words "Trust Property" shall include any portion of the Trust Property or interest therein. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. The captions in this Deed of Trust are for convenience of reference only and in no way limit or amplify the provisions:



200109270116

, Skagit County Auditor

30. Last Dollars Secured. This Deed of Trust secures only a portion of the indebtedness owing or which may become owing by the Grantor to the Lenders. The parties agree that any payments or repayments of such indebtedness shall be and be deemed to be applied first to the portion of the indebtedness that is not secured hereby, it being the parties' intent that the portion of the indebtedness last remaining unpaid shall be secured hereby.

31. Receipt of Copy. Grantor acknowledges that it has received a true copy of this Deed of Trust.

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

IN WITNESS WHEREOF, the undersigned, by its duly elected officers and pursuant to proper authority of its board of directors has duly executed, acknowledged and delivered this instrument on September 5, 2001, which instrument is intended to be effective as of September 6, 2001.

TESORO WEST COAST COMPANY,
d/b/a Tesoro Northwest Company

By: Sharon L. Layman
Name Sharon L. Layman
Title Vice President and Treasurer



200109270116
, Skagit County Auditor

9/27/2001 Page 17 of 26 1:32:21PM

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the 9th day of September in the year 2001, before me, the undersigned, personally appeared Sharon L. Layman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]
Notary Public

[affix stamp and seal]

ALICE JED...
10/25/01
-50223-8
...
2002



200109270116

, Skagit County Auditor

9/27/2001 Page 18 of 26 1:32:21PM

SCHEDULE A

The land referred to is situated in the State of Washington, County of Skagit, and is described as follows:

Parcel "A-1":

Government Lot 1; the Southwest 1/4 of the Northwest 1/4; the East 1/2 of the Northwest 1/4; and the Southwest 1/4 of Section 28, Township 35 North, Range 2 East, W.M., EXCEPT County Road right-of-way known as the March's Point Road.

ALSO EXCEPT Kavanaugh Road right-of-way, if any, established on May 20, 1892.

ALSO EXCEPT road Deeds conveyed to Skagit County under Auditor's File Nos. 430783, 430784 and 340431.

ALSO TOGETHER WITH tidelands, in front of and abutting said Government Lot 1, as conveyed by the State of Washington in Deeds dated June 8, 1911, and April 16, 1915, and recorded May 21, 1912, and June 24, 1915, as Auditor's File Nos. 91418 and 108593, respectively.

ALSO TOGETHER WITH tidelands conveyed by the State of Washington, by Deed dated August 22, 1906, and recorded February 25, 1910, as Auditor's File No. 78068, which tidelands were mislabelled as First Class Tidelands and excepted from the above described tideland Deeds.

Parcel "A-2":

Government Lots 2 and 3, of Section 28, Township 35 North, Range 2 East, W.M., EXCEPT County Road right-of-way known as the March's Point Road; ALSO EXCEPT that portion of Government Lot 3, conveyed to David J. Bost by Deed recorded as Auditor's File No. 8607110070.

TOGETHER WITH tidelands lying in front of and abutting said Government Lot 2, as conveyed by the State of Washington in Deeds dated June 8, 1911, and April 5, 1916, then recorded on May 21, 1912, and April 25, 1916, as Auditor's File Nos. 91418 and 112958, respectively.

Parcel "A-3":

Government Lots 4 and 5, and the Southwest 1/4 of the Southeast 1/4 of Section 28, Township 35 North, Range 2 East, W.M., EXCEPT the County Road right-of-way known as the March's Point Road.



200109270116

, Skagit County Auditor

UNRECORDED
ALSO EXCEPT Kavanaugh Road right-of-way, if any, established on May 20, 1892, and not vacated under Auditor's File No. 9204220013, AND ALSO EXCEPT unvacated road widening Deeds to Skagit County recorded under Auditor's File Nos. 340425 through 340431, inclusive.

ALSO EXCEPT those portions of Government Lot 4, conveyed to the following described parties:

- a.) David J. Bost by Deeds recorded as Auditor's File Nos. 8607110070 and 9304140064;
- b.) John R. Watcher, et ux, by Deed recorded as Auditor's File No. 745889;
- c.) Harold M. Yeoman, et ux, by Deed recorded as Auditor's File No. 616035;
- d.) Thomas A. McCormick, et ux, by Deed recorded as Auditor's File No. 563786.

ALSO EXCEPT that portion of Government Lot 5, conveyed to Robert W. Evans and Joanne B. Evans, husband and wife, by Deed recorded as Auditor's File No. 8211090017.

ALSO EXCEPT that portion of Government Lot 5, conveyed to William R. Kiesser, et ux, by Deed recorded as Auditor's File No. 547521.

Parcel "B-1":

That portion of Government Lot 8, of Section 32, Township 35 North, Range 2 East, W.M., lying Easterly of that certain tract of land conveyed to The Texas Company by Deed recorded as Auditor's File No. 556825.

Parcel "B-2":

The North 1/2 of Government Lot 7, of Section 32, Township 35 North, Range 2 East, W.M., lying Easterly of the County Road right-of-way known as the March's Point Road; EXCEPT that portion thereof conveyed to The Texas Company by Deed recorded as Auditor's File No. 556825, ALSO EXCEPT any portion thereof lying South of the South line of the vacated plat of "BURDON'S FIRST ADDITION TO ANACORTES, WASHINGTON", as per plat recorded in Volume 3 of Plats, Page 22.

TOGETHER WITH those rights to a 50 foot wide strip of land in Government Lots 6 and 7, of Section 32, and in the Northwest 1/4 of the Southwest 1/4 of Section 33, all in Township 35 North, Range 2 East, W.M., as conveyed to Shell Oil Company by the Great Northern Railway Company by Deed recorded as Auditor's File No. 556825



200109270116

Skagit County Auditor

Parcel "C-1":

Those portions of Government Lots 2, 3 and 4, of Section 29, Township 35 North, Range 2 East, W.M., lying Easterly of the County Road right-of-way known as the March's Point Road, EXCEPT the three following described portions thereof:

- 1.) That portion of Government Lots 3 and 4, conveyed to The Texas Company by Auditor's File No. 556825;
- 2.) That portion of Government Lot 2, lying Westerly and Northerly of the following described line:

Beginning at a point South 17 degrees 21' East, 300 feet from the Southwest corner of the plat of "MARCH'S POINT TRACTS", according to the recorded plat thereof in the Office of the Auditor of Skagit County, Washington, in Volume 5 of Plats, Page 25, said point being in Government Lot 1 of said Section 29; thence South 11 degrees 23' 45" West, 365.67 feet to a point on the Northerly line of that certain tract conveyed to R.C. Cannon and Vera V. Cannon, husband and wife, by Deed dated July 23, 1951, and recorded August 1, 1951, under Auditor's File No. 463956, records of said County; thence North 77 degrees 23' West along the North line of said Cannon Tract to the Easterly right-of-way line of the County Road right-of-way known as the March's Point Road, the terminus of this line description.

- 3.) Kavanaugh Road right-of-way, if any, established on May 20, 1892.

Parcel "C-2":

That portion of Government Lot 1, of Section 29, Township 35 North, Range 2 East, W.M., lying Easterly of the following described line:

Begin at the Southeast corner of Government Lot 2, of said Section 29; thence North 1 degree 55' 40" East along the East line of said subdivision, a distance of 527.54 feet; thence North 17 degrees 20' West to a point on the meander line along the Northwesternly line of said subdivision, the terminus of this line description.

EXCEPT that portion thereof lying within the County Road right-of-way known as the March's Point Road.

ALSO TOGETHER WITH that portion of said Government Lot 1, lying Westerly of the above described line and within those premises conveyed to Shell Oil Company by Deed recorded in Volume 260 of Deeds, Page 271, under Auditor's File No. 496851.

ALSO TOGETHER WITH tidelands, in front of and abutting said premises, as conveyed by the State of Washington by Deeds dated June 6, 1911, and April 16, 1915, then recorded May 21, 1912, and June 24, 1915 as Auditor's File No. 108592 and 108593, respectively.



UNRECORDED
ALSO TOGETHER WITH tidelands conveyed by the State of Washington, by Deed dated August 22, 1906, and recorded February 25, 1910, as Auditor's File No. 78068, which tidelands were mislabelled as First Class Tidelands and excepted from the above described tideland Deeds.

Parcel "C-3":

That portion of Government Lot 1, of Section 29, Township 35 North, Range 2 East, W.M., described as follows:

Begin at a point on the East line of Government Lot 2, which is 522.5 feet North of the Southeast corner of said Government Lot 2; thence North 17 degrees 21' West, 1,697.8 feet, more or less, to the meander line along the Northwestern line of said Government Lot 1, said point being the true point of beginning; thence South 17 degrees 21' East to a point which is 200 feet Southeasterly of the Southeasterly line of the County Road right-of-way known as the March's Point Road; thence Southwesterly parallel with the Southeasterly line of the March's Point Road, a distance of 100 feet; thence North 17 degrees 21' West to the meander line; thence Northeasterly along the meander line to the true point of beginning; EXCEPT the following described portion thereof:

Commencing at a point which bears South 17 degrees 21' East, a distance of 300 feet from the Southwest corner of the plat of "MARCH'S POINT TRACTS" (platted South 17 degrees 20' East), according to the recorded plat thereof, in Volume 5 of Plats, Page 25, records of Skagit County, Washington, also being the most Northerly corner of that certain tract of land conveyed to Shell Oil Company by Warranty Deed recorded in Volume 260 of Deeds, Page 271, under Auditor's File No. 496851, records of said County; thence North 17 degrees 21' West, a distance of 667.48 feet to the intersection with the South margin of the County Road and said point being the true point of beginning; thence South 17 degrees 21' East, a distance of 200 feet; thence South 36 degrees 55' West, parallel with the South road margin of said County Road, a distance of 100 feet; thence North 17 degrees 21' West, a distance of 200 feet to the intersection with the South margin of the County Road; thence North 36 degrees 55' East along the said margin, a distance of 100 feet to the true point of beginning.

ALSO EXCEPT that portion thereof lying within the County Road right-of-way known as the March's Point Road.

TOGETHER WITH those portions of the following described tidelands, lying between the Easterly and Westerly lines of said premises extended Northerly, those tidelands conveyed by the State of Washington by Deeds dated June 6, 1911, and April 16, 1915, then recorded May 21, 1912, and June 24, 1915, as Auditor's File Nos. 91418 and 108593, respectively.



200109270116
Skagit County Auditor

Parcel "C-4":

That portion of Government Lots 1 and 2, of Section 29, Township 35 North, Range 2 East, W.M., described as follows:

Commencing at a point South 17 degrees 21' East, a distance of 300 feet from the Southwest corner of the plat of "MARCH'S POINT TRACTS" (platted South 17 degrees 20' East), according to the recorded plat thereof in Volume 5 of Plats, Page 25, records of Skagit County, Washington, also being the most Northerly corner of that certain tract of land conveyed to the Shell Oil Company by Warranty Deed, recorded in Volume 260 of Deeds, Page 271, under Auditor's File No. 496851, records of said County; thence South 11 degrees 25' 30" West (Deed South 11 degrees 23' 45" West) along the Westerly line of said Shell Tract, a distance of 122.25 feet to the true point of beginning; thence North 57 degrees 30' 45" West to the intersection with the Easterly margin of the County Road; thence Southerly along the said road margin, a distance of 440.27 feet to the Northwest corner of that certain tract conveyed to Shell Oil Company by Statutory Warranty Deed recorded under Auditor's File No. 605021, records of said County; thence South 77 degrees 23' 00" East along the North line of said tract, a distance of 353.69 feet to the most Northerly corner of that certain tract conveyed to Shell Oil Company by Statutory Warranty Deed recorded under Auditor's File No. 496862, records of said County; thence South 77 degrees 20' 12" East along the North line of said tract, a distance of 256.11 feet to the intersection with the West line of that certain tract conveyed under Auditor's File No. 496851; thence North 11 degrees 25' 30" East along said West line, a distance of 242.69 feet to the true point of beginning.

TOGETHER WITH tidelands, as conveyed by the State of Washington, by Deeds dated June 6, 1911, and April 16, 1915, then recorded May 21, 1912, and June 24, 1915, as Auditor's File Nos. 91418 and 108593, respectively, lying Northerly of the following line:

Commencing at the Southeast corner of Government Lot 2, said Section 29; thence North along the East line of said Lot 2, a distance of 522.5 feet; thence North 17 degrees 21' West, 1697.8 feet, more or less, to the North meander line of Government Lot 1; thence Southwesterly along the meander line in front of Government Lot 1, a distance of 509.0 feet; thence continuing along said meander line, South 35 degrees 48' 30" West, 70 feet to the true point of beginning of this line description; thence at right angles North 54 degrees 11' 30" West to the line of extreme low tide, and Westerly of that certain parcel conveyed to Shell Oil Company, a Delaware Corporation, by Warranty Deed dated November 8, 1963, recorded November 12, 1963, under Auditor's File No. 643083.

Parcel "D":

Government Lots 1, 2 and 3, of Section 21, Township 35 North, Range 2 East, W.M., EXCEPT the County Road right-of-way known as the March's Point Road.

TOGETHER WITH tidelands, in front of and abutting:



200109270116

, Skagit County Auditor

State of Washington by Deeds dated June 6, 1911, and April 5, 1916, then recorded May 21, 1912, and April 25, 1916, as Auditor's File Nos. 91418 and 112958, respectively.

ALSO TOGETHER WITH tidelands conveyed by the State of Washington, by Deed dated August 22, 1906, and recorded February 25, 1910, as Auditor's File No. 78068, which tidelands were mislabelled as First Class Tidelands and excepted from the above described tideland Deeds.

Parcel "E-1":

The North 1/2 of the Northwest 1/4 and the North 1/2 of the South 1/2 of the Northwest 1/4 of Section 33, Township 35 North, Range 2 East, W.M., EXCEPT that portion thereof, if any, lying within the County Road right-of-way known as the North Texas County Road, AND ALSO EXCEPT road Deeds conveyed to Skagit County under Auditor's File Nos. 210768 and 210769.

Parcel "E-2":

The Northwest 1/4 of the Northeast 1/4 and the North 1/2 of the Southwest 1/4 of the Northeast 1/4 of Section 33, Township 35 North, Range 2 East, W.M., EXCEPT that portion of said North 1/2 of the Southwest 1/4 of the Northeast 1/4 lying Southerly of the North line of the County Road known as the North Texas County Road, AND ALSO EXCEPT road Deeds conveyed to Skagit County under Auditor's File Nos. 186857 and 186858, AND ALSO EXCEPT that portion of said North 1/2 lying Easterly of the following described line:

Beginning at a point on the Northerly line of the North Texas Road (also known as County Road No. 591), which point is distant 15.68 feet North and 194.49 feet East of the Southwest corner of said subdivision (the Westerly line of said subdivision bears North 1 degree 12' 30" East); thence North 1 degree 34' East, a distance of 639.7 feet to a point on the North line of said subdivision, the terminus of this line description.

Parcel "E-3":

The Northeast 1/4 of the Northeast 1/4 of Section 33, Township 35 North, Range 2 East, W.M., EXCEPT that portion thereof lying Easterly and Southerly of the following described line:

Begin at the Southeast corner of that certain tract of land conveyed to the Shell Oil Company by Deed recorded June 20, 1994, as Auditor's File No. 9406200099, said point being on the South line of the subdivision; thence North 00 degrees 42' 12" East, a distance of 150.18 feet to the Northeast corner of said Shell Tract; thence South 89 degrees 18' 40" East along the North line of those tracts conveyed to Denzil E. Stam, et al, by Deeds recorded as Auditor's File Nos. 724698 ; line along the East line of Government Lot 1, of Sectic



200109270116

, Skagit County Auditor

2 East, W.M., the terminus of this line description; ALSO EXCEPT that certain Northeasterly portion thereof as conveyed to William R. Kiesser, et ux, by Deed recorded as Auditor's File No. 547521.

Parcel "E-4":

The North 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 33, Township 35 North, Range 2 East, W.M., EXCEPT that portion thereof lying Southerly of the North line of the County Road known as the North Texas County Road; ALSO EXCEPT that Westerly portion thereof lying within the County Road known as the Betterton Extension Road.

Parcel "F-1":

Government Lot 1, of Section 34, Township 35 North, Range 2 East, W.M., EXCEPT those Southerly portions thereof lying within those certain tracts conveyed to Denzil E. Stam, et al, by Auditor's File Nos. 724698 and 9406200100; ALSO EXCEPT the County Road right-of-way known as the March's Point Road; ALSO EXCEPT that portion thereof conveyed to William R. Kiesser, et ux, by Deed recorded as Auditor's File No. 547521.

Parcel "F-2":

The North 5 acres of Government Lot 2, of Section 34, Township 35 North, Range 2 East, W.M., EXCEPT the as built and existing March's Point County Road running through said 5 acres, AND ALSO EXCEPT that portion of the North 16 feet thereof lying West of the March's Point Road being reserved for road purposes by Deed recorded October 21, 1903, under Auditor's File No. 43848, in Volume 52 of Deeds, Page 599, records of Skagit County, Washington.

Parcel "G":

Government Lot 1, of Section 27, Township 35 North, Range 2 East, W.M., EXCEPT the County Road right-of-way known as the March's Point Road; ALSO EXCEPT that portion thereof conveyed to William R. Kiesser, et ux, by Deed recorded as Auditor's File No. 547521.

Parcel "H":

That portion of the following described Parcel "A" lying Northerly of the following described line, being a portion of Government Lot 2, Section 34, Township 35 North, Range 2 East, W.M.

Commencing at the West one quarter corner, said Section 34; thence North 0 degrees 40' 40" East along the West line of said Section 34, a distance of 825.70 feet to the point of beginning of said line description; then



200109270116

, Skagit County Auditor

690.22 feet to the East line of said Government Lot 2, and the terminus of said described line.

Parcel "A":

That portion of Government Lot 2, Section 34, Township 35 North, Range 2 East, W.M., described as follows:

Beginning at a point on the West line of said Lot 2, 132 feet South of the Southwest corner of the North 5 acres of said Lot 2, (said point being the Southwest corner of that certain tract conveyed to Annabel Erickson by Deed dated March 19, 1930, and recorded April 7, 1930, under Auditor's File No. 232619); thence South along the West line of said Lot 2, to a point 231 feet North of the Northwest corner of the South 5 acres of said Lot 2 (said point being the Northwest corner of that certain tract conveyed to Henry B. Myren and Betty Myren, his wife, by Deed dated June 3, 1947, and recorded November 10, 1947, under Auditor's File No. 410978); thence East along the North line of said Myren Tract to Padilla Bay; thence Northerly along said Padilla Bay to the South line of the Annabel Erickson Tract; thence West along the South line of said Erickson Tract to the point of beginning.



200109270116
Skagit County Auditor