



200510120143
Skagit County Auditor

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AFTER RECORDING MAIL TO:
API PROPERTIES 375, LLC
4160 Douglas Boulevard 3
Granite Bay, Ca. 95746

Filed for Record at Request of
First American Title Of Skagit County
Escrow Number: B85567

FIRST AMERICAN TITLE CO.

85567-2

Statutory Warranty Deed

Grantor(s): Jack Wallace, Elizabeth Wallace, Wallace Ventures, LLC and Fredonia Farms, L.L.C.
Grantee(s): API PROPERTIES 375, LLC

Section 9, Township 34, Range 3; Ptn. NE ¼ and S ½ lying Nly of Railroad

Additional legal(s) on page: 2

Assessor's Tax Parcel Number(s): P21268, P117970, P21306, P117535, P21310, P21291, P73470, P73471, P21234, P21233, P73473, P73474, P21236, P73478, P73479, P21232, P73481, P73472, P73477, P73480

THE GRANTOR Wallace Ventures, LLC, a Washington limited liability company, as to an undivided 78.38% interest in Parcels 'B', 'C' and Lots 1 through 8, inclusive, for and in consideration of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION and as part of an IRS 1031 Tax Deferred Exchange in hand paid, conveys and warrants to API Properties 375 LLC the following described real estate, situated in the County of Skagit, State of Washington

** a Nevada Limited Liability Company*
SEE ATTACHED EXHIBIT "A" HERETO FOR LEGAL DESCRIPTION

Subject to covenants, conditions, restrictions and easements as per attached Exhibit "B"
ALSO subject to Exhibit "C" attached hereto and made a part hereof

Dated 09/20/05

5704
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

Wallace Ventures

By: Jack Wallace, Manager

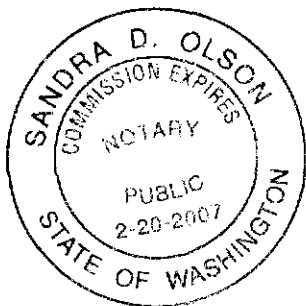
OCT 12 2005

329,305⁰⁰

STATE OF Washington }
COUNTY OF Skagit } SS:

I certify that I know or have satisfactory evidence that Jack Wallace, the persons who appeared before me, and said person(s) acknowledged that he signed this instrumen, on oath stated he is authorized to execute the instrument and is Manager of Wallace Ventures, LLC and acknowledge it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Date: 10-5-05



Sandra D. Olson
Notary Public in and for the State of Washington
Residing at Burkington WA
My appointment expires: 2-20-07

EXHIBIT A

Parcel B:

That portion of the Southwest 1/4 of the Northeast 1/4 of said Section 9, lying North of the following described line:

Commencing at the Southwest corner of the Southwest 1/4 of said Northeast 1/4; thence North 1 degree 09'54" East, along the West line of said Southwest 1/4, a distance of 288.50 feet to the point of beginning of the aforementioned line; thence South 89 degrees 36'55" East, parallel to the South line of said Southwest 1/4, a distance of 778.09 feet; thence North 86 degrees 48'17" East, a distance of 61.27 feet; thence South 89 degrees 36'55" East, a distance of 499.18 feet, to the East line of said Southwest 1/4 and the terminus of the aforementioned line.

Parcel C:

All that portion of Tract 2 of Skagit County Short Plat No. 44-87, approved December 29, 1987 and recorded December 30, 1987 in Volume 8 of Short Plats, page 11, as Auditor's File No. 8712300001, records of Skagit County, Washington, being a portion of the Northwest 1/4 of the Northeast 1/4 of said Section 9, said portion being more particularly described as follows:

Beginning at the Southwest corner of said Tract 2; thence North 01 degrees 09'42" East along the West line thereof, a distance of 19.11 feet to the Southerly margin of that certain oil pipeline easement conveyed to Trans Mountain Oil Pipeline Corp. by instrument dated July 9, 1954 and recorded September 16, 1954 as Auditor's File No. 506571; thence North 78 degrees 23'14" East along said Southerly margin, a distance of 1,374.73 feet to its intersection with the East line of said Tract 2; thence South 01 degrees 15'35" West along said East line, a distance of 307.98 feet to the Southeast corner of said Tract 2; thence North 89 degrees 29'02" West along the South line of said Tract 2, a distance of 1,340.27 feet to the point of beginning.

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Lot 1 of that certain "Record of Survey for Jack & Elizabeth Wallace/Wallace Ventures, LLC" dated April 2004 and recorded May 6, 2004 as Skagit County Auditor's File No. 200405060105; being a portion of the former "Plan of Fredonia" as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington, EXCEPT that portion thereof conveyed to Skagit County for road and utility purposes by deed recorded as Skagit County Auditor's File No. 200107270007.

Lot 2 of that certain "Record of Survey for Jack & Elizabeth Wallace/Wallace Ventures, LLC" dated April 2004 and recorded May 6, 2004 as Skagit County Auditor's File No. 200405060105, TOGETHER WITH a non-exclusive easement for ingress, egress and utilities in favor of Lots 1-6 as delineated on the face of said survey; being a portion of the former "Plan of Fredonia", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington.

Lot 3 of that certain "Record of Survey for Jack & Elizabeth Wallace/Wallace Ventures, LLC" dated April 2004 and recorded May 6, 2004 as Skagit County Auditor's File No. 200405060105, TOGETHER WITH a non-exclusive easement for ingress, egress and utilities in favor of Lots 1-6 as delineated on the face of said survey; being a portion of the former "Plan of Fredonia" as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington.

Lot 4 of that certain "Record of Survey for Jack & Elizabeth Wallace/Wallace Ventures, LLC" dated April 2004 and recorded May 6, 2004 as Skagit County Auditor's File No. 200405060105, TOGETHER WITH a non-exclusive easement for ingress, egress and utilities in favor of Lots 1-6 as delineated on the face of said survey; being a portion of the former "Plan of Fredonia" as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington.

Lot 5 of that certain "Record of Survey for Jack & Elizabeth Wallace/Wallace Ventures, LLC" dated April 2004 and recorded May 6, 2004 as Skagit County Auditor's File No. 200405060105; TOGETHER WITH a non-exclusive easement for ingress, egress and utilities in favor of Lots 1-6 as delineated on the face of said survey; being a portion of the former "Plan of Fredonia" as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington.

Lot 6 of that certain "Record of Survey for Jack & Elizabeth Wallace/Wallace Ventures, LLC" dated April 2004 and recorded May 6, 2004 as Skagit County Auditor's File No. 200405060105, TOGETHER WITH a non-exclusive easement for ingress, egress and utilities in favor of Lots 1-6 as delineated on the face of said survey; being a portion of the former "Plan of Fredonia" as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington and being a portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 9, Township 34 North, Range 3 East, W.M., EXCEPT that portion thereof conveyed to Skagit County for road and utility purposes by deed recorded as Skagit County Auditor's File No. 200107270007.

Lot 7 of that certain "Record of Survey for Jack & Elizabeth Wallace/Wallace Ventures, LLC" dated April 2004 and recorded May 6, 2004 as Skagit County Auditor's File No. 200405060105, being a portion of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$; and of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; and of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$; all in Section 9, Township 34 North, Range 3 East, W.M., EXCEPT that portion thereof conveyed to Skagit County for road and utility purposes by deed recorded as Skagit County Auditor's File No. 200107270007.

Lot 8 of that certain "Record of Survey for Jack & Elizabeth Wallace/Wallace Ventures, LLC" dated April 2004 and recorded May 6, 2004 as Skagit County Auditor's File No. 200405060105; being a portion of the former "Plan of Fredonia" as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington in the South $\frac{1}{2}$ of Section 9, Township 34 North, Range 3 East, W.M., EXCEPT that portion thereof conveyed to Skagit County for road and utility purposes by deed recorded as Skagit County Auditor's File No. 200107270007.



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EXHIBIT "B"

EXCEPTIONS:

A. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee: Trans Mountain Oil Pipe Line Corporation
Dated: July 9, 1954
Recorded: September 16, 1954
Auditor's No.: 506571
Purpose: Oil pipe line
Area Affected: A 50-foot wide strip of land in Parcel "A"

B. EASEMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF:

Grantee: Puget Sound Power & Light Company, a Washington corporation
Dated: July 21, 1982
Recorded: August 11, 1982
Auditor's No.: 8208110050
Purpose: Pipeline, ingress, egress and right to trim or cut trees
Area Affected: The North 50 feet of Parcel "A"

Said easement was partially assigned to Cascade Natural Gas Corporation by instrument recorded August 30, 1983, under Auditor's File No. 8308300046, for gas line purposes.

Said easement was further partially assigned to the City of Burlington by instrument recorded August 22, 1984 under Auditor's File No. 8408220016 for sanitary sewer purposes.

C. TERMS, COVENANTS, CONDITIONS, NOTES AND RESTRICTIONS CONTAINED IN SAID SHORT PLAT:

Short Plat No.: 44-87
As Follows:

1. All maintenance and construction of private roads are the responsibility of the lot owners and the responsibility of maintenance shall be in direct relationship to usage of road.
2. Short Plat Number and Date of Approval shall be included in all Deeds and Contracts.
3. Sewage Disposal - Alternate Individual Septic Systems. Alternate on-site sewage disposal systems may have special design, construction and maintenance requirements. See Skagit County Health Officer for details.
4. Water - P.U.D. No. 2 (See special water note)
5. A complete drainage plan will be required by Skagit County prior to issuing a building permit on any of the lots in this Short Plat. For details, see the Skagit County Permit Center, the "Skagit County Water Drainage and Erosion/Sedimentation Control Ordinance No. 9763" and the "Procedures Manual".

(Affects Parcels "A" and "C")



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D. SPECIAL WATER NOTE AS SET FORTH ON THE FACE OF THE SHORT PLAT:

Short Plat No. 44-87
As Follows:

1. No Public Utility District waterline front Lots 1 and 2.
2. A water main extension will be required to serve the two tracts.
3. Design and cost estimates can be provided by the District upon request.

(Affects Parcels "A" and "C")

E. EASEMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF:

Grantee: Olympic Pipeline Company, a Delaware corporation
Dated: May 8, 1964
Recorded: June 3, 1964
Auditor's No: 651364
Purpose: Pipe line
Area Affected: Lots 6, 7 and 8

F. EASEMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF:

Grantee: Public Utility District No. 1 of Skagit County, Washington, a municipal corporation
Dated: October 1, 1982
Recorded: January 12, 1983
Auditor's No: 8301120041
Purpose: Pipeline for transportation of water, together with rights of ingress and egress and right to cut trees if necessary
Area Affected: South 20 feet Lots 6, 7 and 8

G. AGREEMENT, AND THE TERMS AND CONDITIONS THEREOF:

Between: Puget Sound Power & Light Company, Inc., a Washington corporation
And: Public Utility District No. 1 of Skagit County, a municipal corporation
Dated: May 31, 1983
Recorded: August 19, 1983
Auditor's No: 8308190027
Regarding: Reimbursement of construction costs for water line

Said Agreement was also recorded under Auditor's File No. 8311140034.



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H. AGREEMENT, AND THE TERMS AND CONDITIONS THEREOF:

Between: Mark Vorobik
And: Shirley A. McFarland, et al
Dated: September 9, 1992
Recorded: September 14, 1992
Auditor's No: 9209140053
Regarding: Access and utility and drainage easements including maintenance of the same 20, 30 and possible 40-foot wide strips with Parcel "A".
Reference to the record being made for full particulars

I. DECLARATION OF EASEMENT, INCLUDING THE TERMS AND CONDITIONS THEREOF:

Recorded: June 19, 1995
Auditor's No: 9506190110
Purpose: Ingress, egress and utilities
Area Affected: South 60 feet of Lots 1, 6 and 8

J. EASEMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF:

Grantee: RLGM Wallace Ventures, LLC and G & D Wallace, Inc., or assigns
Dated: February 18, 2000
Recorded: April 28, 2000
Auditor's No: 200004280089
Purpose: Utility easement
Area Affected: Parcel "B" and Lots 1 through 8

K. Deleted.

L. REGULATORY NOTICE/AGREEMENT THAT MAY INCLUDE COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE SUBJECT PROPERTY:

Executed By: Fredonia Farms, LLC
Recorded: March 28, 2001
Auditor's No: 200103280104
Affects: Parcels "B" and "C"

Reference is hereby made to the record for the full particulars of said notice/agreement. However, said notice/agreement may have changed or may in the future change without recorded notice.

M. EASEMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF:

Grantee: Skagit County
Dated: June 19, 2001
Recorded: July 27, 2001
Auditor's No: 200107270007
Purpose: Roadway purposes and franchise access to any utilities
Affects: A 60-foot wide portion of the subject property



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N. EASEMENT, INCLUDING THE TERMS AND PROVISIONS THEREOF:

Grantee City of Burlington
Dated: December 30, 2001
Recorded: January 7, 2002
Auditor's No. 200201070173
Purpose: Sewer system
Affects: A 20-foot wide portion of the subject property

O. Drainage District No. 19 right of way as appropriated in Skagit County Superior Court Cause No. 8889 by court order entered December 4, 1922.

(Affects Parcel "B" and Lot 6)

P. MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING RECORDED SURVEY:

Recorded: June 2, 2000
Auditor's No.: 200006020092
Survey Affects: Plan of Fredonia and other property

Said matters include but are not limited to the following:

1. Mislocated fencelines

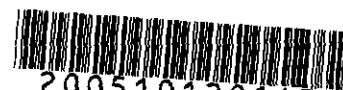
Q. MATTERS AS DISCLOSED AND/OR DELINEATED ON THE FACE OF THE FOLLOWING RECORDED SURVEY:

Recorded: May 6, 2004
Auditor's No.: 200405060105

Said matters include but are not limited to the following:

1. No property or lot corners have been set during this survey and no occupational indicators, if any exist, have been located.
2. Stormwater runoff from Lots 1-6, shown hereon, will drain into the existing stormwater pond located within a portion of Lot 6.
3. Before building permit(s) are issued to the owner(s) of Lots 1 through 6, the access road to each lot will be constructed. Any access road constructed will conform to County standards in effect at that time. The owner(s) of Lots 1-6 shall equally be responsible for the construction and maintenance of the road to access said lots. The road easement shown hereon may be moved at the discretion of the property owner at a future date; however, the owner(s) of Lots 1 through 6 will still be equally responsible for the construction and maintenance of the road regardless of where it is constructed.
4. The access road to serve Lots 1 through 6 shall be a private road until such time that the property owner(s) successfully petition the County to accept the road.
5. 60-foot wide easement for ingress, egress and utilities as delineated thereon.
6. Proposed McFarland Road as delineated thereon.

(Affects: Lots 1 through 8)



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R. EASEMENT, INCLUDING TERMS AND PROVISIONS THEREOF:

Grantee:	Port of Skagit County
Dated:	January 18, 2005
Recorded:	March 17, 2005
Auditor's No.:	200503170064
Purpose:	Avigation Easement
Area Affected:	Subject property



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EXHIBIT "C"

1. Subject to any encroachments or claims of adverse possession.
2. Subject to a unrecorded Voluntary Assessment Agreement and Mortgage with Skagit County dated July 24th, 2001 between G & D Wallace, Inc, RLGM Wallace Ventures, LLC, as Mortgagors and Skagit County, as Mortgagee which carries an unattributed reference number of 005382. The Mortgagors Liabilities for said Agreement and Mortgage are hereby completely assumed by API



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