

AFTER RECORDING MAIL TO:  
Sierra Pacific Industries  
19794 Riverside Avenue  
Anderson, Ca. 96007



200510120145  
Skagit County Auditor

10/12/2005 Page 1 of 5 3:36PM

Reference No.: Jack Frost

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

FIRST AMERICAN TITLE CO.

85567-4

### DEED OF TRUST

(For use in the State of Washington only)

Grantor(s): API Properties 375 LLC, a Nevada limited liability company  
Beneficiary: Sierra Pacific Industries, a California Corporation  
Trustee: First American Title Of Skagit County  
Abbreviated Legal:  
Section 9, Township 34, Range 3; Ptn. NE ¼ and S ½ lying Nly of Railroad  
Additional legal(s) on page:  
Assessor's Tax Parcel Number(s): P21265, P21268, P117970, P21306, P117535, P21310, P21291,  
P73470, P73471, P21234, P21233, P73473, P73474, P21236, P73478, P73479, P21232, P73481, P73472,  
P73477, P73480

THIS DEED OF TRUST, made this 4th day of October, 2005 between API Properties 375 LLC API PROPERTIES 375, LLC, GRANTOR, whose address is 4160 Douglas Boulevard, Granite Bay, Ca., 95746, First American Title of Skagit County TRUSTEE, whose address is 1301-B Riverside Drive, Mount Vernon, WA 98273 and Sierra Pacific Industries, a California Corporation BENEFICIARY, whose address is 19794 Riverside Avenue, Anderson, Ca. 96007.

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

Complete legal description attached hereto and made a part hereof as Exhibit "A"

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

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of, ~~Thirteen Million Three Hundred Eighty Four Thousand Seven Hundred Ninety Five & 33/100~~ interest, in accordance with the terms of a promissory note or even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

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

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

5. To pay all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property herein above described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

**IT IS MUTUALLY AGREED THAT:**

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; and (3) the surplus, if any, shall be distributed to the persons entitled thereto.

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

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

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

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

API Properties 375 LLC, a Nevada limited liability company

By: API Properties Nevada, Inc., sole member

By: Diane Fox, Vice President

Title:



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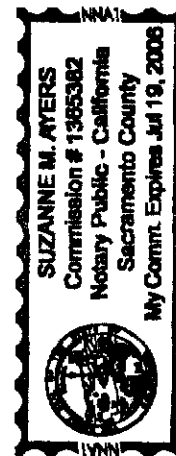
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State of California  
County of Placer ) SS:

I certify that I know or have satisfactory evidence that Diane Fox the  
persons who appeared before me, and said persons acknowledge that he/she signed this instrument on oath  
stated that he/she was authorized to execute the instrument and acknowledged it as the  
Vice President of API Properties Nevada, Inc. to be the free and voluntary act of  
such party for the uses and purposes mentioned in this instrument.

Dated: 10-6-05

Suzanne M. Ayers  
Notary Public in and for the State of California  
Residing at: 17 Addis Ct. Sacramento, CA  
My appointment expires: 7-19-06



**REQUEST FOR FULL RECONVEYANCE**

*Do not record. To be used only when note has been paid.*

**TO: TRUSTEE**

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

Dated \_\_\_\_\_,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Mail Reconveyance to: \_\_\_\_\_

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the  
Trustee before cancellation will be made.



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EXHIBIT "A"

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

Parcel A:

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, under Auditor's File No. 8712300001, records of Skagit County, Washington, being a portion of the Northwest 1/4 of the Northeast 1/4 of Section 9, Township 34 North, Range 3 East, W.M.; EXCEPT the West 495 feet of the North 660 feet thereof lying East of and adjacent to Tract 1 of said Short Plat No. 44-87;

EXCEPT that portion thereof lying Southerly of the Trans Mountain Oil Pipeline Corp. easement as more particularly described on that certain deed in favor of G & D Wallace, Inc., et al, dated December 19, 2000 and recorded as Auditor's File No. 200103280104.

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.

CONTINUED



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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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