

Exhibit 8: Farrington Financial loans TreOil Industries \$5 million.

 <p>First American Title Insurance Company</p>	THIS SPACE PROVIDED FOR RECORDER'S USE:
	WHATCOM COUNTY BELLINGHAM, WA 06/20/91 4:15 PM REQUEST OF: /FAT Shirlew Forslof: AUDITOR BY: RD, DEPUTY \$8.00 D/T Vol: 200 Page: 259 File No: 910620227
Filed for Record at Request of Name <u>FARRINGTON FINANCIAL CORPRATION</u> Address <u>100 EAST WILLIAMS, STE 100</u> City and State <u>CARSON CITY, NEVADA 89701</u>	

Deed of Trust

(For Use in the State of Washington Only)

THIS DEED OF TRUST, made this 20 day of JUNE, 19 91, between TREOIL INDUSTRIES LTD, A WASHINGTON CORPORATION, GRANTOR, whose address is PO BOX 2399, FERNDALE, WA 98248 and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation TRUSTEE, whose address is 215 N. COMMERCIAL, BELLINGHAM, WA 98225 and FARRINGTON FINANCIAL CORPORATION BENEFICIARY, whose address is 100 EAST WILLIAMS, STE 100, CARSON CITY, NEVADA 89701

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

The Southeast quarter of the Southeast quarter of Section 8, T39N, R1E of W.M., Whatcom County, Washington

EXCEPT the South 120 feet thereof. 4 26, 27

Also EXCEPT: commencing at the Southeast corner of the Southwest quarter of the Southeast quarter; thence North 00°53'56" East along said North-South 1/4-1/4 line distant 120.02 feet to the true Point of Beginning; thence continuing North 00°53'56" East distant 719.98 feet; thence North 89°06'04" West distant 25.00 feet; thence South 00°53'56" West distant 46.25 feet to the beginning of curve, the radial line of which lies North 89°06'04" West; thence Southwesterly along an 8°39'58" curve to the right distant 1049.91 feet to end of curve, the radial line of which lies North 01°53'07" East; thence South 88°05'53" East distant 698.28 feet along a line which lies 120.00 feet Northerly of the South Section line of said Section 2 to the Point of Beginning and end of this description.

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 FIVE MILLION Dollars (\$ 5,000,000.00)

the sum of _____ with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

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

- 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.
- 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.
- 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.
- 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.
- 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.

Exhibit 8: Farrington Financial loans TreOil Industries \$5 million continued.

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

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.
3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
4. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.
5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.
6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.
7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.
8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

J. S. GILL

PRESIDENT, TROIL INDUSTRIES LTD, A WASHINGTON CORPORATION

STATE OF WASHINGTON
COUNTY OF _____
On this day personally appeared before me

STATE OF WASHINGTON
COUNTY OF Whatcom
On this 20th day of June, 1991
before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared J.S. Gill

to me known to be the individual(s) described in and who executed the within and foregoing instrument and acknowledged that _____ signed _____ free and voluntary act and deed and that the contents therein mentioned.

and _____
to me known to be the _____ President and _____ Secretary respectively of TreOil Industries LTD the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

GIVEN under my hand and official seal this _____ day of _____
Notary Public in and for the State of Washington, residing at _____

Witness my hand and official seal hereto affixed the day and year first above written.
Debra K. Hio
Notary Public in and for the State of Washington, residing at Bellingham WA
My commission expires 5-10-94



