

AFTER RECORDING RETURN TO:

McCallum Rock Drilling
P.O. Box 599
Chehalis, WA 98532
(360) 748-7259

200208120030
Skagit County Auditor
8/12/2002 Page 1 of 5 9:33AM

DEED OF TRUST

REFERENCE NUMBERS:

GRANTORS:

Berentson, Buehl and Verna, Trustees of The Berentson Family Trust, dated February 18, 1992 Malo, Anthony L., Jr. and Christiane T.

GRANTEE/BENEFICIARY:

McCallum Rock Drilling, Inc.

TRUSTEE:

First American Title Insurance Company of Skagit County

LEGAL DESCRIPTION:

Ptn. Block 1324, "Northern Pacific to Anacortes", aka Lot 2, Short Plat No. 98-004

Complete legal description listed on Pages 1 and 2 of this document.

ASSESSOR'S TAX PARCEL NUMBER(S): 3834-010-007-0200 (P115771)

THIS DEED OF TRUST, made this 24th day of July, 2002, by and between **BUEHL BERENTSON and VERNA BERENTSON, Trustees of The Berentson Family Trust, dated February 18, 1992, and ANTHONY L. MALO, JR. and CHRISTIANE T. MALO, husband and wife, Grantor**, whose address is 3307 N AVE Anacortes, WA 98221, **FIRST AMERICAN TITLE COMPANY OF SKAGIT COUNTY**, a corporation, **Trustee**, whose address is 1301-B Riverside Drive, P. O. Box 1667, Mount Vernon, Washington, 98273, and **McCALLUM ROCK DRILLING, INC., a Washington corporation, Beneficiary**, whose address is P. O. Box 599, Chehalis, Washington, 98532,

WITNESSETH:

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

Lot 2, of Anacortes Short Plat No. 98-004 (entitled Rock Ridge Phase II), as approved May 18, 1999, and recorded May 24, 1999, in Volume 14 of Short Plats, Pages 30 and 31, under Auditor's File No. 9905240012, records of Skagit County, Washington. Being a portion of Block 1324, "Northern Pacific Addition to

Anacortes”, according to the plat thereof recorded in Volume 2 of Plats, Pages 9 through 11, and Blocks 10 and 11, “Plat of Tuttle & Buckley’s Plat of Anacortes”, according to the plat thereof recorded in Volume 2, Page 23. TOGETHER WITH vacated streets;

which real property is not used principally for agricultural or farming purposes, together with all 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 Eighteen Thousand Seven Hundred Sixty-seven and 50/100 Dollars (\$18,767.50), with interest thereon, 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:

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 hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Promissory Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

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

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

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto on written request of the 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, or its authorized agent, 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



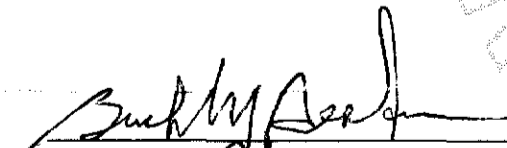
person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale, including a reasonable trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons 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 the execution of this Deed of Trust, and such as it 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 purchasers 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, or disability or resignation of Trustee, Beneficiary shall 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, successors, and assigns. The term Beneficiary shall mean the holder and owner of the Promissory Note secured hereby, whether or not named as Beneficiary herein.



**Buehl Berentson, Trustee of the Berentson
Family Trust**



**Verna Berentson, Trustee of the Berentson
Family Trust**



Anthony L. Malo, Jr.
Anthony L. Malo, Jr.

Christiane T. Malo
Christiane T. Malo

by Anthony Malo, Jr atty in fact

STATE OF WASHINGTON)
COUNTY OF Skagit) :SS

On this day personally appeared before me **BUEHL BERENTSON and VERNA BERENTSON**, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged to me that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 30th day of July, 2002.

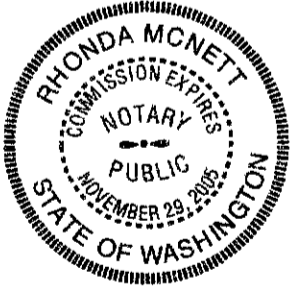


Mary Mansfield
Notary Public in and for the state of
Washington residing at Anacortes
My name is (printed): MARY MANSFIELD
My appointment expires 10-28-05

STATE OF WASHINGTON)
COUNTY OF Skagit) :SS

On this day personally appeared before me **ANTHONY L. MALO, JR. and**
~~**CHRISTIANE T. MALO**~~, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged to me that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 24th day of July, 2002.



Rhonda McNett
Notary Public in and for the state of
Washington residing at Anacortes, Wa.
My name is (printed): Rhonda McNett
My appointment expires 11/29/05