

## TRUST DEED

This Trust Deed is made this 31st day of October, 1989, between **JAMES L. LANKFORD** and **PATRICIA M. LANKFORD**, husband and wife, Grantors, whose address is M.P. 45.93R State Highway 14, County of Skamania, State of Washington; **Morrow County Abstract Title Insurance Co., Inc.**, an Oregon corporation, as Trustee, whose address is 269 N. Main Street, P.O. Box 576, Heppner, OR 97836 and **IAN M. LOW** and **AIKO A. LOW**, husband and wife, as tenants in common, as Beneficiaries, whose address is 45.93R State Highway 14, Stevenson, WA 98648.

Grantors hereby bargain, sell and convey to Trustee in trust, with power of sale, the following described real property in Morrow County, Oregon:

Parcel No. 1

Beginning at the Northwest corner of South half of Lot 4, in Block 7, Original Town of Heppner, thence East 70 feet to a point, thence South 45 feet to a point, thence West 70 feet to a point, thence North 45 feet to a place of beginning. The description being a portion of Lots 4 and 5, in Block 7, Original Town of Heppner, Morrow County, Oregon.

Parcel No. 2

South half of Lot 4, Block 7, Original Town of Heppner, Morrow County, Oregon, excepting the following:

Beginning at the Northwest corner of the South half of Lot Four (4) block Seven (7), Original Town of Heppner; thence East 70 feet to a point; thence South 45 feet to a point; thence West 70 feet to a point; thence North 45 feet to the place of beginning. The description being a portion of Lots 4 and 5, in Block 7, Original Town of Heppner, Morrow County, Oregon.

The North 49.5 feet of Lot Five (5); that portion of the North 49.5 feet of Lot 18, lying West of the center of Willow Creek and the South 33 feet of Lot Nineteen (19) lying West of Willow Creek, all in Block Seven (7) in the City of Heppner, County of Morrow, State of Oregon.

This Trust Deed is for the purpose of securing performance of each agreement of Grantors herein contained and payment of Thirty-eight Thousand and No/100 Dollars (\$38,000.00) with interest, in accordance with the terms of a promissory note of even date herewith payable to Beneficiaries or order and made by Grantors, and all renewals, modifications and extensions thereof.

To protect the security of this Trust Deed, Grantors covenant and agree:

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; 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 and upon this Deed of Trust or upon the money or debt secured hereby; to keep the property free and clear of all other 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 Trust Deed. All policies shall be held by the Beneficiaries and be in such companies as the Beneficiaries may

approve and shall have loss payable first to the Beneficiaries as their interest may appear and then to the Grantors. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiaries shall determine. Such application by the Beneficiaries shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure all rights of the Grantors 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 Beneficiaries 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 Beneficiaries to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses of this trust, including the expenses of the Trustee incurred in enforcing this obligation, and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantors fail to pay any taxes, assessments, insurance premiums, liens or other charges payable by Grantors, Beneficiaries 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 by this Deed of Trust Deed.

7. That the real property hereby conveyed is not used principally for agricultural or farming purposes.

It is Further 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 shall be paid to Beneficiaries to be applied to the obligation secured hereby.

2. By accepting payment of any sum secured hereby after its due date, Beneficiaries do not waive their right to require prompt payments 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 Grantors and the Beneficiaries, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiaries or the person entitled thereto.

4. Upon default by Grantors 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 Beneficiaries. In such event and upon written request of Beneficiaries, Trustee shall sell the trust property, in accordance with ORS 86.705 et seq., 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: (a) to the expense of sale, including a reasonable Trustee's fee and attorney's fee; (b) to the obligation secured by this Trust Deed; (c) 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 Grantors had or had the power to convey at the time of their execution of this Trust Deed, 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 Trust Deed, 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 Trust Deed and by ORS 86.705 et seq. is not an exclusive remedy and when not exercised, Beneficiaries may foreclose this Trust Deed as a mortgage.

7. In the event of the death, incapacity or disability or resignation of Trustee, Beneficiaries may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Trust Deed 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 Trust Deed or of any action or proceeding in which Grantors, Trustee, or Beneficiaries shall be a party unless such action or proceeding is brought by the Trustee.

8. This Trust Deed 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 Beneficiaries shall mean the holder and owner of the role secured hereby, whether or not names as Beneficiaries herein.

Witness the hands of the Grantors on the day and year first above written.

FILED FOR RECORD  
SKAMANIA CO. WASH  
BY *Kulposki House*

Nov 16 4 23 PM '89

*P. Lowry*  
NOTARY  
GARY M. OLSON

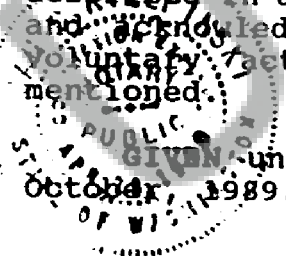
*James L. Lankford*  
JAMES L. LANKFORD

*Patricia M. Lankford*  
PATRICIA M. LANKFORD

STATE OF WASHINGTON )  
 ) ss.  
County of Skamania )

On this day personally appeared before me JAMES L. LANKFORD and PATRICIA M. LANKFORD to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged 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 31st day of October, 1989.



*Jan C. Kulposki*  
Notary Public in and for the  
State of Washington, residing  
at Stevenson

Commission expires: 4-28-90

RECORDED  
INDEXED  
11-17-89

REQUEST FOR RECONVEYANCE

TO THE TRUSTEE;

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust tot he person or persons legally entitled thereto.

Date: \_\_\_\_\_