

TRUST DEED

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THIS TRUST DEED, made this 20 day of June, 1978, between
DONALD P. PARILLO, BETTY J. PARILLO and KENNETH V. OLSEN, as Grantor,
SUTTON FINANCIAL CORPORATION, as Trustee,
RAYMOND A. PARKS, as Beneficiary,

WITNESSETH:

WITNESSETH:
Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Deschutes County, Oregon, described as:

Lot 1, Block 11, FIRST ADDITION TO RIVER PINE ESTATES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

LEONEL DEED

[illegible]

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of _____ Dollars, with interest

sum of Five thousand two hundred fifty and no/100-----Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable as per note-----19

then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

shall become immediately due and payable.
The above described real property is not currently used for agricultural purposes.
To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and such other risks as the beneficiary may from time to time require, insured in an amount not less than \$ _____, written in the name of _____, companies acceptable to the beneficiary, with loss payable to _____, policies of insurance shall be delivered to the beneficiary at _____, and if the grantor shall fail for the beneficiary at least fifteen days prior to the expiration of the policy of insurance now or hereafter placed on said buildings, then the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied to the payment of any indebtedness secured hereby, or such amount as the beneficiary may determine, or, at option of the beneficiary, the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not constitute a waiver of default or notice of default hereunder or invalidate any right due pursuant to such notice.

not cure or waive an act or omission of either party to act and act pursuant to such notice.

5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly make payment of any taxes, assessments; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by causing the lending beneficiary with funds with which to make such payment, the beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from breach or any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinafter described, as well as the grantor, the payment of the obligation herein same extent that they are bound to make the same payment of and payable without described, and all such payments shall be immediately due and payable without notice, and the amount of the same hereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and shall be a part of the debt secured by this trust deed.

6. To pay all costs, fees and expenses of this trust including the cost of title search as well as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the assets, rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay or cause to be paid, the costs and expenses of the beneficiary or trustee's attorney's fees; the including evidence of the attorney's fees mentioned in this paragraph 7 in all cases shall be filed with the trial court and in the event of an appeal from the trial court, the beneficiary or trustee shall further agree to pay such sum as the Appellate Court of the trial court shall determine reasonable as the beneficiary's or trustee's attorney's fees in such appeal.

It is mutually agreed that:

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1. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to receive the full and complete proceeds of the taking, if any, of all or any portion of the monies payable under the right of eminent domain or such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary, and the balance, applied by the appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance, applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as may be necessary in obtaining such compensation for beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may

(a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) recover any warranty, all or any part of the property. The grantor or grantors, if more than one, shall be deemed to be the "person or persons" referred to in the foregoing recitals, and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for all of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by the court, without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise enforce the payment of the indebtedness hereby secured, and may apply the same, less costs and expenses of collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event and if the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may proceed to foreclose this trust deed in equity and to foreclose this mortgage in the manner provided by law for mortgage deed in equity. However if said real property is not so currently used, the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee at his election to sell the cause to be recorded his written notice of default and the obligations secured hereby, whereupon the said described real property shall be sold at public sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided by law and DRS.86-140 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale under ORS 86.740 to 86.795, the beneficiary shall, prior to five days before the date set by the beneficiary for the trustee's sale, the grantor or other person so privileged by the beneficiary to sell the property, pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the obligation, including the principal and interest, and the costs and expenses actually incurred in connection with the obligation and trustee's and attorney's fees not exceeding \$50 each other than such portion of the principal amount of the obligation as may be due had no default occurred. Any deficiency, in which event the deficiency shall be determined by the court, shall be dismissed by the trustee.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either in one parcel or in separate parcels and the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property sold, but without any covenant or warranty. There shall be no conclusive proof of the truthfulness of the foregoing recitals, and the trustee, but including the beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the date of the trust deed in the trust deed as their interest may appear in the order of their priority; and (4), the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. For any reason permitted by law beneficiary may from time to time appoint a successor in any trust named herein or to my time appoint a successor to be appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all the powers and duties conferred upon any trustee of the trust. No written instrument executed by beneficiary, containing reference to this trust deed and to the instrument appointing the successor trustee, shall be valid unless it is recorded in the office of the County Clerk of the County in which the property is situated, and the recording of such instrument shall constitute conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. 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, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, or the United States or any agency thereof.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

and that he will warrant and forever defend the same against all persons whomsoever.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:

(a)* primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below),
(b)- for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor or such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act not required, disregard this notice.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

(ORS 93.490)

STATE OF OREGON,

County of Deschutes

June 19, 1978

Personally appeared the above named

DONALD P. PARILLO, BETTY J. PARILLO and KENNETH V. OLSEN

and acknowledged the foregoing instrument to be their voluntary act and deed.

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 5/23/82

STATE OF OREGON, County of _____ ss.

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Personally appeared _____ and

who, being duly sworn, each for himself and not one for the other, did say that the former is the _____ president and that the latter is the _____ secretary of _____

_____ a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Notary Public for Oregon

My commission expires:

(OFFICIAL SEAL)

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to _____

DATED: _____, 19

Beneficiary

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

TRUST DEED

(FORM No. 881)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Grantor

SPACE RESERVED

FOR

RECORDER'S USE

Beneficiary

AFTER RECORDING RETURN TO

SUTTON FINANCIAL CORPORATION
1002 N. W. BOND STREET
BEND, OREGON 97701

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 23rd day of June, 1978, at 11:21 o'clock A.M., and recorded in book _____ M78 on page 13463 or as file/reel number 50561.

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk

By _____ Deputy

Title

Deputy

Fee \$6.00