

2012-012748

Klamath County, Oregon



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TRUST DEED

11/15/2012 03:16:57 PM

Fee: \$52.00

Grantors' Names & Address

Robert L. & Brandon W. Kerekes
3400 Coral Leaf Road
Toms River, NJ 08755

Beneficiary's Name & Address

City of Klamath Falls
500 Klamath Avenue
Klamath Falls, OR 97601
Attn: City Attorney

After Recording Return To:

City Recorder
City of Klamath Falls
500 Klamath Avenue
Klamath Falls, OR 97601

THIS TRUST DEED, made this 25th day of October, 2012, between Robert L. Kerekes and Brandon W. Kerekes, hereinafter collectively referred to as Grantors, Joanna Lyons-Antley, City Attorney for Klamath Falls, as Trustee, and City of Klamath Falls, an Oregon municipal corporation, as Beneficiary.

Grantors irrevocably grant, bargain, sell and convey to Trustee in trust, with power of sale, the property in Klamath County, Oregon, described as: Block 104, Lot 699 Mills Addition, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, hereinafter referred to as "Trust Property," together with all tenements, hereditaments and appurtenances and all other rights belonging now or hereafter attached to or used in connection with the Trust Property.

Grantors agree to the following:

1.1 Obligations Secured. This Trust Deed secures the payment of all indebtedness, including but not limited to principal and interest, and the performance of all covenants and obligations of Grantor, under the Note, this Trust Deed, and the other Loan Documents, whether payment and performance is now due or becomes due in the future (collectively, the "Obligations").

1.2 Payment and Performance. This Trust Deed is for the purpose of securing the agreement of Grantors and payment of the sum of Twenty Thousand Dollars (\$20,000.00), according to the terms of a Promissory Note, payable to Beneficiary and made by Grantors.

Grantors will pay and perform all the Obligations when due. The date of maturity of the debt secured by this instrument is **the earliest of the following events:** (1) October 26, 2018 (per the original Trust Deed with Paula Scott aka Paula R. Duty); or (2) 6 months after the death of Paula Scott aka Paula R. Duty.

Should the Grantors either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the property of all (or any part) of Grantor's interest in it without first obtaining the written consent or approval of the Beneficiary, **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.** The execution by Grantor of an earnest money agreement does not constitute a sale, conveyance or assignment.

1.3 Property. Grantors warrant that it holds good and merchantable title to the Trust Property, free and clear of all liens, encumbrances, reservations, restrictions, easements, and adverse claims. Grantors covenant that it will forever defend Beneficiary's and Trustee's rights hereunder and the priority of this Trust Deed against the adverse claims and demands of all persons.

1.4 Further Assurances. Grantors will execute, acknowledge, and deliver, from time to time, any further instruments that Beneficiary or Trustee may require to accomplish the purposes of this Trust Deed.

1.5 Compliance with Laws. Grantors represent, warrant, and covenant that the Trust Property is currently in material compliance with, and will at all times be maintained in material compliance with, all applicable laws and all covenants, conditions, easements, and restrictions affecting the Trust Property.

1.6 Maintenance and Improvements. Grantors will not permit the Trust Property or any part of it to be removed, demolished, or materially altered without Beneficiary's prior written consent. Grantors will maintain the Trust Property, and every portion of it, in good repair and condition, except for reasonable wear and tear, and will at Beneficiary's election restore, replace, or rebuild the Trust Property or any part of it now or hereafter damaged or destroyed by any casualty (whether or not insured against or insurable) or affected by any Condemnation (as defined in Section 2). Grantors will not commit or suffer any waste or strip of the Trust Property.

1.7 Liens. Grantors will pay when due all claims for labor and materials that, if unpaid, might become a lien on the Trust Property. Grantors will not create or suffer any lien, security interest, or encumbrance on the Trust Property that may be prior to, or on a parity with, the lien of this Trust Deed.

1.8 Impositions. Grantors will pay when due all taxes, assessments, fees, and other governmental and nongovernmental charges of every nature now or hereafter assessed against any part of the Trust Property or on the lien or estate of Beneficiary or Trustee therein (collectively, the "Impositions"); however, if by law any such Imposition may be paid in installments, Grantors may pay the same in installments, together with accrued interest on the unpaid balance thereof, as they become due. Grantors will furnish to Beneficiary promptly on request satisfactory evidence of the payment of all Impositions. Beneficiary is hereby authorized to request and receive from the responsible governmental and nongovernmental personnel written statements with respect to the accrual and payment of all Impositions.

1.9 Limitations of Use. Grantors will not initiate or consent to any replatting, partitioning, or rezoning of the Trust Property or any change in any covenant or other public or private restrictions limiting or defining the uses that may be made of the Trust Property without the prior written consent of Beneficiary.

1.10 Insurance

(1) *Property and Other Insurance.* Grantors will obtain and maintain during the term of this Trust Deed Basic Form property insurance and flood insurance, unless waived by Beneficiary, in an amount not less than the full remaining principal balance of the Note or, if greater, in the amount of the full replacement cost of the Trust Property, without reduction for coinsurance.

(2) *Insurance Companies and Policies.* All insurance must (a) be written by a company or companies reasonably acceptable to Beneficiary, (b) contain a long-form mortgagee endorsement in favor of Beneficiary with proceeds under any policy payable to Beneficiary, subject to the terms of this Trust Deed, (c) require 10 days' prior written notice to Beneficiary of cancellation or reduction in coverage, and (d) contain a waiver of subrogation. Grantors will furnish to Beneficiary on request a certificate evidencing the coverage required under this Trust Deed and a copy of each policy.

1.11 Casualty/Loss Restoration

(1) After the occurrence of any casualty to the Trust Property, whether or not covered by insurance, Grantors will give prompt written notice thereof to Beneficiary. Beneficiary may make proof of loss if Grantors fails to do so promptly and to Beneficiary's satisfaction.

(2) All insurance proceeds with respect to the Trust Property must be payable to Beneficiary. At Beneficiary's discretion, insurance proceeds may be applied to the Obligations or may be released to Grantors, on any terms and conditions that Beneficiary elects, for restoration of the Trust Property.

1.12 Actions to Protect Trust Property; Reserves

(1) If Grantors fail to pay, perform, or observe any of its covenants hereunder, Beneficiary may, but will not be required to, take any actions it deems appropriate to remedy the failure. All sums, including reasonable attorney fees, so expended, or expended to maintain the lien or estate of this Trust Deed or its priority, or to protect or enforce any of Beneficiary's rights hereunder, will be a lien on the Trust Property, will be secured by this Trust Deed, and will be paid by Grantors on demand, together with interest thereon at the rate provided in the Note. No payment or other action by Beneficiary under this section will impair any other right or remedy available to Beneficiary or constitute a waiver of any Event of Default. The following notice is provided pursuant to ORS 746.201(1):

Grantor is responsible for the cost of any insurance purchased by Beneficiary. The cost of this insurance may be added to Grantor's loan balance. If the cost is added to Grantor's loan balance, the interest rate on the underlying

loan will apply to this added amount. The effective date of coverage may be the date Grantor's prior coverage lapsed or the date Grantor failed to provide proof of coverage.

(2) If Grantors fail to promptly perform any of its obligations under this Trust Deed, Beneficiary may require Grantors thereafter to pay and maintain with Beneficiary reserves for paying those obligations. In that event, Grantors will pay to Beneficiary each month a sum estimated by Beneficiary to be sufficient to produce, at least 20 days before due, an amount equal to the Impositions, insurance premiums, or both. If the sums so paid are insufficient to satisfy any Imposition or insurance premium when due, Grantors will pay any deficiency to Beneficiary on demand. The reserves may be commingled with Beneficiary's other funds. Beneficiary will credit to Grantor interest on those reserves at the minimum rate required from time to time by applicable law. Beneficiary will not hold the reserves in trust for Grantors, and Beneficiary will not be the agent of Grantor for payment of the taxes and assessments required to be paid by Grantors.

1.13 Estoppel Certificates. Grantors, within five days of request therefor, will furnish to Trustee and Beneficiary a written statement, duly acknowledged, of the amount of the Obligations secured by this Trust Deed and whether any offsets or defenses exist against the Obligations secured hereby. If Grantors fail to furnish this statement within the time allowed, Beneficiary will be authorized, as Grantors' attorney-in-fact, to execute and deliver the statement.

IN WITNESS WHEREOF, said Grantors have hereunto set their hands the day and year first above written.

GRANTOR:

By: Robert L. Kerekes
Robert L. Kerekes

STATE OF NEW Jersey)
County of OCEAN)ss.

This instrument was acknowledged before me on Sept. 14, 2012, by Robert L. Kerekes, as property owner of the above-described property.

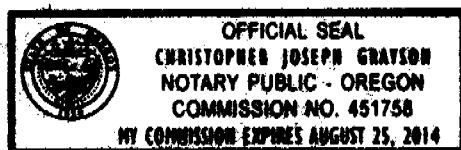
Dolores E. Miller
Notary Public for _____
My Commission Expires: _____
DOLORES E. MILLER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 5, 2015

GRANTOR:

By: Brandon W. Kerekes
Brandon W. Kerekes

STATE OF Oregon)
County of Washington)ss.

This instrument was acknowledged before me on Oct 25th, 2012, by Brandon W. Kerekes, as property owner of the above-described property.



Christopher Joseph Grayson
Notary Public for Washington
My Commission Expires: 8-25-14

REQUEST FOR FULL CONVEYANCE
(To be used only when obligations have been paid)

To: City Attorney, Joanna Lyons-Antley, Trustee

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

Mail reconveyance and documents to: City Attorney, City of Klamath Falls, 500 Klamath Avenue, Klamath Falls, Oregon 97601.

DATED: _____

CITY OF KLAMATH FALLS, Beneficiary

By: _____
Title: _____