

WHEN RECORDED MAIL TO:

The CIT Group/Sales Financing, Inc.

P.O. Box 24610

Oklahoma City OK 73124-3610

96 JUN -7 P 3:30

K-48786-S

SPACE ABOVE THIS LINE FOR RECORDER'S USE

TRUST DEED

(Including Security Agreement and Assignment)

Grantor(s) Name(s) and Address(es)	GERARDO L. PEREZ ANA LUISA PEREZ AKA: GERARDO L. PEREZCOTO 4826 DOUGLAS AVE KLAMATH FALLS, OR 97601 (Borrower)	Beneficiary Name and Address	THE CIT GROUP/SALES FINANCING, INC. 3700 PACIFIC HWY. EAST SUITE 111 TACOMA, WA 98424 ("Lender")
TRUSTEE'S NAME AND ADDRESS	KLAMATH COUNTY TITLE COMPANY, MAIN ST, KLAMATH FALLS, OR 97601		
LOAN NUMBER DATE	MAY 31, 1996	INTEREST RATE 08.250 % per annum	LOAN AMOUNT \$57,931.86 MATURITY DATE JUNE 1, 2026

Grant of Lien and Security Interest

For value, the current receipt and reasonable equivalence of which is hereby acknowledged, Grantor hereby:

- (1) conveys to Trustee in trust, WITH POWER OF SALE, for the benefit of Beneficiary the real property (land, buildings, improvements, minerals, hydrocarbons, easements, access and similar rights, appurtenances, tenements and hereditaments) located at **4826 DOUGLAS AVE, KLAMATH FALLS, OR 97601** which is legally described on Exhibit A, which is attached hereto and by this reference incorporated herein, licenses, rents, royalties, products and proceeds thereof (the "real property"),
- (2) grants to Beneficiary a security interest pursuant to Article 9 of the Uniform Commercial Code in all present and after-acquired tangible personal property (specifically including any trailer, mobile home or manufactured housing now on or to be brought onto the real property and generally described as: **19 95 KARSTEN KS 48001F 48 L x 27 W KS0147AB**) (the "Manufactured Home"), fixtures, accessions, parts, contract rights, accounts, and general intangibles including leases, rents, insurance and condemnation proceeds and awards (the "personal property"), and
- (3) assigns and conveys to Beneficiary all present and future leases, rental agreements and executory contracts and all rents, profits, rights and entitlements arising from or related thereto (the "leases and contracts") subject to Grantor's limited right to collect rents, profits and proceeds prior to Grantor's default hereunder to secure prompt and complete performance of the obligations hereby secured.

Obligations Secured

The lien and security interest granted in this trust deed secure and complete (a) payment by Grantor of a note even dated, (b) performance of Grantor's obligations under this trust deed and (c) reimbursement by Grantor upon Beneficiary's demand of any and all amounts advanced by Beneficiary to protect the validity of this trust deed, the priority or value of the lien of this trust deed or the condition or value of the real property, including principal, interest, penalties, fees and costs related to prior liens or encumbrances, insurance premiums, taxes and assessments and repair and maintenance costs and expenses paid by Beneficiary.

Grantor Covenants

Grantor promises (covenants) that Grantor will do the following things for Beneficiary's benefit:

1. Grantor will pay the financial obligations secured by this trust deed when due.
2. Grantor will pay all taxes, assessments and similar governmental impositions levied and assessed against the real property when due; provided, however, that Grantors may pay taxes and assessments in accordance with any available installment method as long as Grantor makes the installment payments when due. Grantor will annually provide proof to Beneficiary that Grantor has paid taxes, assessments and similar charges when due.

SEE PAGES 2 AND 3 FOR ADDITIONAL IMPORTANT TERMS.

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5. Grantor becomes the subject of insolvency proceedings.

In the event of Grantor's default, Beneficiary may, but shall not be obligated to, accelerate (i.e., make immediately due and payable) all financial obligations secured by this trust deed and foreclose this trust deed by advertisement and sale or by judicial proceedings as a mortgage and may repossess and dispose of personal property as a part of that proceeding.

In the event the real property is in the possession of a third person under a lease or rental agreement at the time of a default, Beneficiary shall be entitled to collect all rents and other income payable with respect to the real property from the third person following Grantor's default and all such income, net of collection costs, shall be applied against the obligations secured. Grantor hereby irrevocably authorizes and instructs the third person to make payment to Beneficiary whether or not Grantor then disputes Beneficiary's right to receive such payments. All amounts so paid shall be credited against the third person's obligations to Grantor as though paid directly to Grantor. Beneficiary may cause a receiver to be appointed for the real property and the rents and other income upon Grantor's default whether or not the value of the real property exceeds the obligations secured and whether or not a receiver could be appointed under the rules of civil procedure.

Grantor promises to pay all reasonable costs and expenses, including the trustee, attorney fees, foreclosure report (trustee sale guaranty) and environmental audit report costs, incurred by Beneficiary in enforcing the obligations secured by this trust deed whether or not a civil action (or similar proceeding including claims and proceeding in bankruptcy) is commenced, prosecuted or appealed and in enforcing, interpreting and protecting this trust deed and in foreclosing this trust deed by advertisement and sale or by judicial means.

Financing Statement

This Trust Deed shall constitute a Financing Statement filed as a fixture filing and shall perfect any security interest in the Manufactured Home granted or assigned to the Beneficiary hereunder or pursuant to the Note or any other agreement or assignment whatsoever under the Uniform Commercial Code as adopted in the state in which the real property so secured by this Trust Deed is located, from the date of its recording. The Grantor hereby grants to Beneficiary and Beneficiary has and may enforce a security interest in and to the Manufactured Home together with all appliances, fixtures, furniture, equipment and skirting and additions thereto, all proceeds thereof and accretions thereto, under the Uniform Commercial Code, in addition to the lien hereby imposed upon the same as part of the real estate.

Forced Placed Insurance

Grantor agrees that Beneficiary may, in its sole discretion, choose to purchase insurance on the real property, including but not limited to flood insurance, if applicable, protecting Grantor's, Beneficiary's, or Grantor's and Beneficiary's interest, if Beneficiary determines that there is no such insurance coverage currently in effect. The cost of obtaining such forced placed insurance shall be added to the indebtedness secured by this Trust Deed and shall bear interest at the rate set forth in the Note.

Original and True Copies of This Trust Deed

This trust deed may be executed and then multiple copies made thereof as necessary, but only the trust deed bearing the original signatures shall be deemed the Original. No security interest in the subject real estate may be created other than through possession and recording of the Original.

Miscellaneous

The obligations of each person herein called Grantor shall be joint and several. The terms of this trust deed shall bind and inure to the benefit of the respective successors and assigns of Grantor, Trustee and Beneficiary; provided, however, that the foregoing does not grant to Grantor the right of conveyance or assignment without the prior written consent of Beneficiary in each instance.

The original or a photocopy of this trust deed may be filed and/or recorded as a financing statement in state and county UCC records. Grantor covenants to execute any application for certificate of title or similar document which may be necessary in connection with perfection of the security interest in personal property. The parties intend that all of the tangible personal property be treated as real property to the maximum extent allowed by law.

No term or condition of this trust deed shall be deemed waived unless it is expressly waived in a writing signed by Beneficiary. Forbearance will not constitute a waiver or the grounds for the claim of estoppel under any circumstances. If a notice or demand is required, it shall be given by certified mail, return receipt requested, with a copy by regular first class mail to the last address of Grantor known to Beneficiary by reason of this trust deed or a notice received from Grantor. If Grantor refuses to accept certified mail, then notice shall be deemed to have been given by regular first class mail.

SEE PAGES 1 AND 2 FOR ADDITIONAL IMPORTANT TERMS

GERARDO R. PEREZ

AKA: GERARDO R. PEREZCOTO
STATE OF OREGON

COUNTY OF Klamath

The foregoing instrument was acknowledged before me this 31st day of May, 1996, by
GERARDO R. PEREZ AND ANA LUISA PEREZ

Notary Public for Oregon

My commission expires: June 8, 1999

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05/28/98 17:22
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Sue Nova

Ana L. Perez
ANA LUISA PEREZ

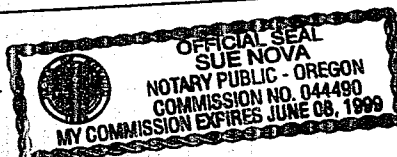


EXHIBIT "A"

Lot 19 of Tract 1233, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PEREZ
4826 DOUGLAS AVE
KLAMATH FALLS, OR 97601
7 952891308180

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 7th day
of June A.D. 19 96 at 3:30 o'clock P M., and duly recorded in Vol. M96
of Mortgages on Page 16812

FEE \$25.00

By Bernetha G. Letsch, County Clerk
Bernetha G. Letsch