

70642

Return to:  
 PHH Mortgage Services Corp.  
 6000 Atrium Way  
 Mt. Laurel, New Jersey  
 08054

ATC 4105-LW

Space Above This Line For Recording Data

LOAN NUMBER: 2264737	100	37010000
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**ORIGINAL****DEED OF TRUST**

THIS DEED OF TRUST ("Security Instrument") is made on JANUARY 18TH, 1999. The grantor is DONALD D. BONER ("Borrower"). The Trustee is FIRST AMERICAN TITLE INSURANCE CO. ("Trustee"). The Beneficiary is PHH MORTGAGE SERVICES CORPORATION, which is organized and existing under the laws of NEW JERSEY, and whose address is 6000 ATRIUM WAY, MT. LAUREL, NEW JERSEY 08054 ("Lender"). Borrower owes Lender the principal sum of SIXTY SEVEN THOUSAND AND 00/100 Dollars (U.S. \$ 67,000.00). This debt is evidenced by Borrower's Note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on FEBRUARY 01ST 2029. This Security Instrument secures to Lender: (a) the repayment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Klamath County, Oregon:

BEING MORE PARTICULARLY DESCRIBED ACCORDING TO A LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREIN:

BEING COMMONLY KNOWN AS: 567 LELAND DRIVE, KELMATH FALLS, OR 97603

BEING THE SAME PREMISES CONVEYED TO THE COUNTY RECORDER'S OFFICE IN DEED BOOK #1000, PAGE 1234, RECORDED IN THE COUNTY RECORDER'S OFFICE ON THE ABOVE DESCRIBED DATE.

PREPARED BY: *Tamara Lloyd*

which has the address of 567 LELAND DRIVE KELMATH FALLS Oregon 97603 ("Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, fixtures, now or hereafter attached to the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWER COVENANTS to defend the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction, to constitute a Uniform security instrument covering real property.

**UNIFORM COVENANTS.**

1. **Payment of Principal and Interest.** Borrower shall pay the principal of and interest on the debt evidenced by the Note at and when due.
2. **Funds for Taxes and Insurance.** Lender on the day monthly payments are due, under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold insurance premiums, if any; (c) yearly mortgage insurance premiums, if any; and (d) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 1, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender amount a lender for a federally related Estate Settlement Procedures Act of 1974, another law that applies to the Funds set amount not to exceed the lesser amount reasonable estimates of expenditures of funds.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge account, or verifying the Escrow Items, Lender to make such a charge. However, estate tax reporting service used by Lender agreement is made or applicable law requires Lender to make such a charge. Lender may require Borrower to pay a one-time charge for an independent real earnings on the Funds. Borrower and Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender an amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve months.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 1, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Fund held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

**3. Application of Payments.** Unless paragraphs 1 and 2 shall be applied: first, under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any, manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender which may attain priority over this Security Instrument. If Lender determines that any part of the Property is subject to a lien next, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

**5. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazard, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sum secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not offer to settle a claim, then Lender may collect the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise postpone the due date of the monthly payment under paragraph 2, the Property is acquired by force of damage to the Property prior to the acquisition immediately prior to the acquisition.

Lender covenants and agrees as follows:

1. **Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note, and any prepayment and late charges due under the Note.

Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender, in accordance with the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly property taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold insurance premiums; (c) yearly mortgage insurance premiums; (d) yearly flood insurance premiums, if any; and (e) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 1, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may collect and hold Funds in an amount not to exceed the maximum mortgage loan it may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974, as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of funds.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to Borrower for holding and applying the Funds annually analyzing the escrow unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender. Unless an interest to be paid, Lender shall not be required to pay Borrower any interest or Lender may agree, in writing, however, that interest shall be paid on the Funds, showing credits and debits to the Funds Funds were made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender an amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve months.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 1, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Fund held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under any prepayment charges due under the Note; second, to amounts payable to principal due; and last, to any late charges due under the Note.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any, manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender which may attain priority over this Security Instrument. If Lender determines that any part of the Property is subject to a lien next, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

**5. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazard, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sum secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not offer to settle a claim, then Lender may collect the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise postpone the due date of the monthly payment under paragraph 2, the Property is acquired by force of damage to the Property prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Use. Borrower shall occupy, maintain and use the Property as Borrower's principal residence within thirty days after the execution of this Security Instrument for a least one year after the date of occupancy, unless otherwise agreed in writing, which consent shall not be unreasonably withheld, or unless excepted by paragraph 18. Borrower shall not destroy, damage or impair the Property. Borrower shall be in default if any forfeiture action or proceeding could result in forfeiture of the instrument or Lender's security interest, causing the action or proceeding to be forfeiture of the Borrower's interest in the instrument or Lender's security interest process, gave materially false or inaccurate material information) in connection with concerning Borrower's occupancy of the Property. Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights. contained in this Security Instrument, or in the event of a proceeding in bankruptcy of the Property (such as a proceeding in bankruptcy), then Lender may do and pay for whatever Lender's actions may include in the instrument, appearing in court, paying, or Lender may take action under this paragraph.

Any amounts disbursed by Lender under this Security Instrument. Unless Borrower fails to make payment at the Note due date and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage premiums required to obtain coverage substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve insurance coverage (in the amount and again becomes available and is obtained, effective, or to provide a loss reserve, under agreement between Borrower and Lender).

9. Inspection. Lender or its agents shall give Borrower notice at the time of inspection specifying a reasonable cause for the inspection.

10. Condemnation. The proceeds of any condemnation or other taking of a part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with which the fair market value of the Property secured by this Security Instrument from the sums secured by this Security Instrument fraction: (a) the total amount of the sum of the Property immediately before the taking, in which the fair market value secured immediately before the taking, otherwise provides, the proceeds shall be then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages given, Lender is authorized to collect an the sums secured by this Security Instrument.

Unless Lender and Borrower otherwise agree in writing, the due date of the monthly payments shall be the same date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Modification of Amortization of the Sums Secured. Borrower shall not operate to release the sums secured by this Security Instrument, shall not be required to contribute to or otherwise modify amortization of the original Borrower, or Borrower's successors in interest, shall not be a waiver of or preclude the

12. Successors and Assigns. Borrower's covenants and agreements in this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 1. Borrower's interest in the Property, the sums secured by this Security Instrument, for ever or make any modification, except as set forth in paragraph 18.

2001 Rev. 4/93 (DOJO)

Provisions of the property; Borrower's Loan Application; the Property is Borrower's principal residence within thirty days after the execution of the Property as Borrower's principal residence continues to occur, the Property as Borrower's principal residence Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless excepted by paragraph 18. Borrower shall not destroy, damage or impair the Property. Borrower shall not deteriorate, or commit waste on the Property. Borrower where civil or criminal, is begun that in Lender's good faith otherwise materially impair the lien created by this Security instrument may care such a default and reinstate, as provided in paragraph 18, by Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless excepted by paragraph 18. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate material information or statements to Lender (or failed to provide Lender with any information or statements to the Note, including, but not limited to, representations of the loan evidenced by the Note, including, but not limited to, representations of the property as a principal residence. If this Security Instrument is on a leasehold, the lessee shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights. contained in this Security Instrument, or in the event of a proceeding in bankruptcy of the Property (such as a proceeding in bankruptcy), then Lender may do and pay for whatever Lender's actions may include in the instrument, appearing in court, paying, or Lender may take action under this paragraph.

Any amounts disbursed by Lender under this Security Instrument. Unless Borrower fails to make payment at the Note due date and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage premiums required to obtain coverage substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve insurance coverage (in the amount and again becomes available and is obtained, effective, or to provide a loss reserve, under agreement between Borrower and Lender).

9. Inspection. Lender or its agents shall give Borrower notice at the time of inspection specifying a reasonable cause for the inspection.

10. Condemnation. The proceeds of any condemnation or other taking of a part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with which the fair market value of the Property secured by this Security Instrument from the sums secured by this Security Instrument fraction: (a) the total amount of the sum of the Property immediately before the taking, in which the fair market value secured immediately before the taking, divided by (b) the fair market value of the Property, immediately before the taking is less than the amount of the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages given, Lender is authorized to collect an the sums secured by this Security Instrument.

Unless Lender and Borrower otherwise agree in writing, the due date of the monthly payments shall be the same date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Modification of Amortization of the Sums Secured. Borrower shall not operate to release the sums secured by this Security Instrument, shall not be required to contribute to or otherwise modify amortization of the original Borrower, or Borrower's successors in interest, shall not be a waiver of or preclude the

12. Successors and Assigns. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 1. Borrower's interest in the Property, the sums secured by this Security Instrument only to mortgage, grant and convey under the terms of this Security Instrument; (b) is not personally obligated to pay any amount due under this Security Instrument by reason of any demand made by the Lender and Joint and Several Liability; Co-signers. Any Borrower who co-signs this Security Instrument granted by Lender to any successor in interest of the original Borrower or Borrower's successors in interest. Lender any successor in interest or refuse to extend time for payment or exercise of any right or remedy.

13. **Loan Charges.** If the loan charges, and that law is finally interpreted in conjunction with the loan exceed the amount necessary to reduce the charge to the permitted limits, the Lender will be refunded to Borrower under the Note or by making a direct payment partial prepayment without any prepayment fee.

14. **Notice.** Any notice to Borrower mailing, or by first class mail unless applicable Property Address or any other address Borrower first class mail to Lender's address stated herein provided for in this Security Instrument shall be given in this paragraph.

15. **Governing Law; Severability.** jurisdiction in which the Property is located Note conflicts with applicable law, such conflict can be given effect without the conflict Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given a copy of the Note and of this Security Instrument.

17. **Transfer of the Property or a** interest in it is sold or transferred (or if a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument.

18. **Borrower's Right to Reinstate.** enforcement of this Security Instrument by applicable law may specify for reinstatement before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment pays Lender all sums which then would have been due under this Security Instrument; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, and (d) takes such action as Lender may deem necessary to assure that the new obligation to pay the sums secured by this Security Instrument and the Note as if no acceleration had occurred. However, this right to reinstate reasonably require to assure that the new obligation to pay the sums secured by this Security Instrument and the Note as if no acceleration had occurred. Upon reinstatement by Lender, the rights in the Property and Borrower's rights in the Note shall continue unchanged. Upon reinstatement by Lender, the rights in the Property and Borrower's rights in the Note as if no acceleration had occurred. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

19. **Sale of Note; Change of Loan Servicer.** Borrower may be sold one or more times (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. **Hazardous Substances.** Borrower shall promptly give Lender notice of any Hazardous Substances on or in the Property that is in violation of any Environmental Law or use, or storage, on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender notice of any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances:

pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

"Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS.

21. **Acceleration; Remedies.** Lender further covenant and agree as follows:

Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 below). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date that notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default by the date specified in the notice may result in acceleration of the note and sale of the Property. The notice shall further inform Borrower of the right to bring a court action to assert the non-existence of a default or to require immediate payment in full of all sums secured by this Security Instrument and may require the power of sale and any other remedies permitted by law to collect all expenses incurred in pursuing the remedies provided in this instrument, including, but not limited to, reasonable fees and costs of title evidence.

If Lender invokes the power of sale by reason of occurrence of an event of default and notice to be recorded in each county, notice of sale in the manner prescribed law. After the time required by applicable public auction to the highest bidder at one or more parcels and in any order Trustee public announcement at the time and place of any previous public announcement at the time and place of any previous

Trustee shall deliver to the purchaser expressed or implied. The recitals in made therein. Trustee shall apply the including, but not limited to, reasonable instrument; and (c) any excess to the price.

**12. Reconveyance.** Upon payment reconvey the Property and shall surrender instrument to Trustee. Trustee shall receive it from time to time remove Trustee and appoint a successor trustee to any conveyance of the Property, the successor trustee shall succeed to all the title, herein and by applicable law,

**13. Substitute Trustee.** Lender is Trustee appointed hereunder. Without power and duties conferred upon Trustee

**14. Attorneys' Fees.** As used in this Security Instrument, the covenants of supplement the covenants and agreements of this Security Instrument as if the rider(s) were apart of this Security Instrument.

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- Other(s) [specify]

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and to any rider(s) executed by

Witnesses:

Lender shall cause the Trustee to execute a written notice of the property to be sold and shall cause such notice to be recorded in the county in which any part of the Property is located. Lender or Trustee shall give notice to Borrower and to other persons prescribed by applicable law, Trustee, without demand on Borrower, shall sell the Property at time and place and under the terms designated in the notice of sale in one or two or more parcels. Trustee may postpone sale of all or any parcel of the Property by notice of any previous schedule of sale. Lender or its designee may purchase

or Trustee's deed conveying the Property without any covenant or warranty, Trustee's deed shall be prima facie evidence of the truth of the statements proceeds of the sale in the following order: (a) to all expense of the sale, to Trustee's and attorneys' fees; (b) to all sums secured by this Security instrument and in the Note, "attorneys' fees shall include any

of all sums secured by this Security instrument, Lender shall request Trustee to this Security instrument and all notes evidencing debt secured by this Security instrument and the Property without warranty and without charge to the person or persons as shall pay any recordation costs.

by from time to time remove Trustee and appoint a successor trustee to any conveyance of the Property, the successor trustee shall succeed to all the title, herein and by applicable law,

this Security instrument and in the Note, "attorneys' fees shall include any

of one or more riders executed by Borrower and recorded together with agreements of each such rider shall be incorporated into and shall amend and of this Security Instrument as if the rider(s) were apart of this Security

- |   |   |
|---|---|
| <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> 1-4 Family Rider       |
| <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Rate Improvement Rider         | <input type="checkbox"/> Second Home Rider      |

I accept and agree to the terms and covenants contained in this Security Instrument and to any rider(s) executed by

DONALD D. BONER

(Seal)

Borrower

(Seal)

Borrower

(Seal)

Borrower

(Seal)

Borrower

[Space Below for Acknowledgments]

COPY OF

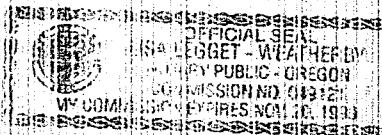
21st

wledged before me this 18<sup>th</sup> day of JANUARY, 1999, by DONALD D.

SIGNATURE

TITLE OR NAME OF OFFICER

SEAL NUMBER IF ANY



Seal

Order No.: 4701 JLM

2580

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

Lot 5 in Block 1 of Re-survey  
extending therefrom the S  
tong purposes by Deed V  
Oregon.

division of Tract 2B and 3 of HOMEDALE,  
lutherly 3 feet the rest converted to Klamath County for  
Volume 362 at page 561, Deed Records of Klamath County,

STATE OF OREGON : COUNTY OF KLAMATH

Filed for record at request of \_\_\_\_\_ fine  
of \_\_\_\_\_ January A.D. 1993  
of \_\_\_\_\_

FEE \$35.00

35.	is/are	clock	11:31	the	27th	day
	or gages	on		and duly recorded in Vol.	MSS	
				2825		
		b)		Linda Smith, County Clerk.		
				15th day of August 1993		