

Acc. No. 3632684

Placing by and record after recording to  
Merrill Lynch Credit Corporation  
4801 Deer Lake Drive East  
Jacksonville, Florida 32246-6484  
Attention: Legal Closings Department

SPEN 030 8310

(S) is Above Tax Due For Recording Dated

DEED OF TRUST

ORIGINAL

THIS DEED OF TRUST ("Security Instrument") is made on October 20, 1993. The grantor is Walter A. Duckworth and his wife Kathleen S. Duckworth, Initial Trustees of the Walter A. Duckworth Trust dated December 5, 1995 ("Borrower"). The trustee is Transamerica Title Insurance Company, Corporation and/or assignee, which is organized under the laws of Arizona Corporation, as the trustee. The beneficiary is Merrill Lynch Credit Corporation, existing under the laws of Delaware, and whose address is 4801 Deer Lake Drive East, Jacksonville, Florida 32246-6484 ("Lender"). Borrower owes Lender the principal sum of Thirty Six Thousand Two Hundred and 00/100 - Dollars (U.S. \$36,200.00). 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 November 1, 2028. This Security Instrument also contains all renewals, extensions and modifications, paragraph 7 to protect the security of this Security Instrument and the Note. For power of sale, the following described property is

The first 125 feet of Lot 18, LEWIS TRACTS, in

the County of Clatsop, State of Oregon.

which has the address of 1840 Frieda Avenue, McMinnville, Oregon 97101 ("Property Address");

TOGETHER WITH all the more or less fixtures, now or hereafter a part of the Property. All of the foregoing is referred to in this Security Instrument as the "Property".

**BORROWER COVENANTS** that he will convey the Property and that the Property is in general title to the Property against all claims.

**THIS SECURITY INSTRUMENT** creates by jurisdiction to constitute a uniform **UNIFORM COVENANT**. Borrower

1. **Payment of Principal and Interest** of and interest on the debt evidenced by

2. **Funds for Taxes and Insurance**.

Lender on the day monthly payments are due under assessments which may attain priority over the ground rents on the Property, if any; (c) yearly premiums; (d) yearly flood insurance premiums, if any; and (e) any sums payable by Borrower to Lender, in accordance with the provisions of insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless any time, collect and hold Funds in an amount no basis of current data and reasonable estimates of the Funds shall be held in an institution Lender, if Lender is such an institution) or it, any Lender may charge Borrower for holding and items, unless Lender pays Borrower interest; on Lender may require Borrower to pay a one-time fee for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower interest; however, that interest shall be paid on the Funds, showing credits and debits to the Funds 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 report to Borrower amounts 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 the amount necessary to make up the deficiency, at Lender's sole discretion.

Upon payment in full of all sums secured held by Lender. If, under paragraph 21, Lender Property, shall apply any Funds held by Lender at this Security Instrument, Lender shall promptly refund to Borrower any Funds

3. **Application of Payments.** Unless paragraphs 1 and 2 shall be applied: first, to a paragraph 2; third, to interest due; fourth, to principal.

4. **Charges; Liens.** Borrower and Property which may attain priority over this Security pay these obligations in the manner provided in paragraph 1, or if not paid in that manner, Borrower shall pay them on time directly to Lender. Borrower makes these payments directly, Borrower

and his heirs, executors, administrators, and all claimants, assignments, and transfers made on the Property, and all cestuique, assignments, and instruments shall also be covered by this Security Instrument. Owner is lawfully entitled in the estate hereby conveyed and has the right to grant and encumber, except for encumbrances of record. Borrower warrants and will defend as the demand, subject to any encumbrances of record.

Wines uniform covenants for national use and non-uniform covenants with limited security instrument covering real property and Lender covenant and agree as follows:

1. **Payment of Principal and Late Charges.** Borrower shall promptly pay when due the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law, or to a written waiver by Lender, Borrower shall pay to Lender, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and Security Instrument as a lien on the Property; (b) yearly household payments or card or property insurance premium; (c) yearly flood insurance premiums, if any; and (d) any sums payable by Borrower to Lender, in accordance with the provisions of insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless any time, collect and hold Funds in an amount no basis of current data and reasonable estimates of the Funds shall be held in an institution Lender, if Lender is such an institution) or it, any Lender may charge Borrower for holding and items, unless Lender pays Borrower interest; on Lender may require Borrower to pay a one-time fee for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower interest; however, that interest shall be paid on the Funds, showing credits and debits to the Funds 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 report to Borrower amounts 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 the amount necessary to make up the deficiency, in no more than twelve monthly

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

Instrument, Lender shall promptly refund to Borrower any Funds held by Lender prior to the acquisition or sale of the Property, Lender shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security

Instrument, Lender shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security

Borrower shall promptly discharge and satisfy to the payment of the obligation created by filing its against enforcement of the lien in legal action; or (x) secures from the holder of the lien an agreement by Lender determines that any part of the property may give Borrower a notice identifying the lien within 10 days of the giving of notice.

**5. Hazard or Property Insurance.** Property insured against loss by fire, hazards including flooding, for which Lender requires insurance, requires the insurance carrier providing the insurance unreasonably withheld. If Borrower fails to maintain coverage Lender's rights in the Property in accordance with paragraph 5.

All insurance policies and renewals shall have the right to hold the policies and renewals premiums and renewal notices. In the event of damage, proof of loss, if not made promptly by

Unit is Lender and Borrower otherwise Property damaged, if the restoration or repair is repair is not economically feasible or Lender's secured by this Security Instrument, whether or not does not answer within 30 days a notice from Lender the insurance proceeds. Lender may use the period, whether or not then due. The 30-day

Unless Lender and Borrower otherwise postpone the due date of the monthly payments paragraph 21 the Property is acquired by Lender the Property prior to the acquisition shall pass to prior to the acquisition.

**3. Occupancy, Preservation, Non-Leashholds.** Borrower shall occupy, establish, execution of his Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless circumstances exist which are beyond the Property to deteriorate, or commit proceeding, whether civil or criminal, is begun otherwise materially impair the lien created by default and reinstate, as provided in paragraph 1, good faith determination, precludes forfeiture created by this Security Instrument or Lender's application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan. Borrower's occupancy of the Property as a principal residence, if this Security instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower unless Lender agrees to the merger in writing.

**7. Protection of Lender's Rights.** contained in this Security Instrument, or there is a proceeding in bankruptcy, probate, for condemnation, whatever is necessary to protect the value of paying any sums secured by a lien which has priority and entering on the Property to make repairs

**Any amount** disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by his Security Instrument. Unless Borrower and Lender agree otherwise, at the Note rate and shall be payable

in which case (a) over his liability instrument in case Borrower: (a) agrees in the lien in writing to Lender's opinion acceptable to Lender, (b) contests in good faith the lien by, or files a suit in court in Lender's opinion operate to prevent the enforcement of the instrument, (c) Lender sues in court to prevent the lien to this Security Instrument. If subject to a lien which may attach priority over this Security instrument, Lender Borrower shall satisfy the lien or take one or more of the actions set forth above.

Borrower shall keep the improvements now existing or hereafter created on the land within the term "extended coverage" and any other hazards, including floods or his insurance shall be maintained in the amounts and for the periods that Lender and Borrower shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Lender may, at Lender's option, obtain coverage to

be with paragraph 7. All insurance policies and renewals shall include a standard mortgage clause. Lender shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of damage, proof of loss, if not made promptly by

free in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is not economically feasible and Lender's security is not lessened. If the restoration or security would be lessened, the insurance proceeds shall be applied to the sums then due, with any excess paid to Borrower. If Borrower abandons the Property, or agrees in writing, any application of proceeds to principal shall not extend or referred to in paragraphs 1 and 2 of this instrument change the amount of the payment. If under Borrower's right to pay insurance policies and proceeds resulting from damage to Lender to the extent of the sums secured by this Security Instrument immediately

**Maintenance and Protection of the Property; Borrower's Loan Application;** and use the Property as Borrower's principal residence within sixty days after the time to occupy the Property as Borrower's principal residence for at least one year agrees in writing, which consent shall not be unreasonably withheld, or unless Borrower's control. Borrower shall not destroy, damage or impair the Property, asset or the Property. Borrower shall be in default if any forfeiture action or that in Lender's good faith judgment could result in forfeiture of the Property or his Security Instrument or Lender's security interest. Borrower may cure such a by causing the action or proceeding to be dismissed with a ruling that in Lender's the Borrower's interest in the Property or other material impairment of the lien security interest. Borrower shall also be in default if Borrower, during the loan application process, gives materially false or inaccurate information or statements to Lender (or failed to provide Lender with any information or statements to Lender (or failed to provide Lender with any evidence by the Note, including, but not limited to, representations concerning the principal residence. If this Security instrument is on a leasehold, 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

in the Property. If Borrower fails to perform the covenants and agreements contained in this paragraph 7 that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation, whatever is necessary to protect the value of paying any sums secured by a lien which has priority and entering on the Property to make repairs

this paragraph 7 shall become additional debt of Borrower secured by his Security Instrument. This amount shall bear interest from the date of notice from Lender to Borrower requesting payment.

**8. Mortgage Insurance.** If Lender requires Borrower shall pay the mortgage insurance coverage required by Lender to insure substantially equivalent to the amount of the original mortgage insurance previously in effect, mortgage insurance coverage is not yet fully equivalent to the original mortgage insurance premium being paid will accept use and retain these payments as a requirement, at the option of Lender, if mortgage insurance approved by Lender again becomes a mortgage insurance in effect, or to provide a written agreement between Borrower and Lender.

**9. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to inspection specifying reasonable cause for the inspection.

**10. Condemnation.** The proceeds of any award or claim for damage, direct or consequential, in connection with any property, or for convenience in lieu of condemnation, are hereby assigned and shall be

In the event of a total taking of the Property or not then due, with any excess paid to value of the Property immediately before the instrument immediately before the taking, the instrument shall be reduced by the amount of the secured immediately before the taking, divided balance shall be paid to Borrower. In the event immediately before the taking is less than the amount otherwise agreed in writing or unless applicable Security Instrument whether or not the sums are

If the Property is abandoned by Borrower or settle a claim for damages, Borrower is authorized to collect and apply the proceeds, as in this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments.

**11. Borrower Not Released; Non-modification of amortization of the sums secured.** Borrower shall not operate to release the liability required to commence proceedings against any amortization of the sums secured by this Security Instrument by any successor in interest, by forbearance by Lender, or by any other means.

**12. Successors and Assigns Bound.** Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall not extend to the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; and (c) agrees that Lender and any other person with regard to the terms of this Security Instrument.

**13. Loan Charges.** If the loan fees charged, and that law is finally interpreted so that the loan exceed the permitted limits, then: (a) any such permitted limit; and (b) any sums already collected by Lender may choose to make this refund by reducing the refund reflects principal, the reduction will be rea-

sonable condition of making the loan secured by this security instrument, if for any reason, the Borrower shall pay the premiums required to obtain the insurance in effect as a cost substantially equivalent to the cost to obtain a mortgage insurance approved by Lender. If substantially available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the sum reserved for the insurance coverage listed or stated to be in effect. Lender may make reasonable entries upon and inspections of the Property. Lender shall inspect specifying reasonable cause for the inspection.

or applicable law.

of any award or claim for damage, direct or consequential, in connection with any property, or for convenience in lieu of condemnation, are hereby assigned and shall be

erty, the proceeds shall be applied to the sums secured by this Security Instrument, Borrower. In the event of a partial taking of the Property in which the fair market value is equal to or greater than the amount of the sums secured by this Security instrument and Lender otherwise agree in writing, the sums secured by this Security instrument shall be applied by the following fraction: (a) the total amount of the sums secured by the property (b) the fair market value of the property immediately before the taking. Any partial taking of the Property in which the fair market value of the property immediately before the taking, unless Borrower and Lender otherwise agree in writing, the proceeds shall be applied to the sums secured by this instrument.

or if, after notice by Lender to Borrower that the condemnor offers to make an option, either to restoration or repair of the Property or to the sums secured by

agreed in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments.

**14. Waiver of Waiver.** Extension of the time for payment or by this Security Instrument granted by Lender to any successor in interest of the original Borrower or Borrower's successors in interest. Lender shall not be successor in interest or refuse to extend time for payment or otherwise modify instrument by reason of any demand made by the original Borrower or Borrower's exercising any right or remedy shall not be a waiver of or preclude the exercise of

**Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the joint and several. Any Borrower who co-signs this Security Instrument but does not extend to the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's exercising any right or remedy shall not be a waiver of or preclude the exercise of

subject to a law which sets maximum loan interest or other fees charged collected in connection with the loan charge shall be imposed by the amount necessary to reduce the charge to the amount reflected in the Note will be reflected to Borrower, by making a prepayment to Borrower. If a partial repayment without a prepayment charge under the Note.

**14. Notices.** Any notice to Borrower shall be first class mail unless it consists of a facsimile or any other address Borrower designates in London, a address stated herein or any other address set forth in this Security Instrument shall be deemed to have been given to Borrower when given to Borrower by notice to such address.

**15. Governing Law; Severability.** jurisdiction in which the Property is located. In the event of any conflict with applicable law, such conflict shall be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

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

**17. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred to a Borrower is not a natural person) without Lender's prior written consent, Lender may, at 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 shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed with which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums or to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days or such other period as 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 enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (c) takes such action as Lender may reasonably require to assure that the ten of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligation secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

**19. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If 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 not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, 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 written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns of removal or other remediation of any Hazardous Substance affecting the Property it 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 and materials, volatile solvents, materials containing asbestos or asbestos, and other flammable or toxic petroleum products, toxic pesticides, debride, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and environmental protection.

**NOT-UNIFORM COVENANTS** Borrower and Lender shall have the following covenants:

21. Acceleration; Remedies. Lender may accelerate all or any part of the debt if there is a breach of any covenant or agreement in this Security Instrument or any other instrument or document executed by Borrower and Lender which is in conflict with this Security Instrument, or if Borrower fails to pay any sum due under this Security Instrument when it is due. Lender may give notice of acceleration to Borrower at any time after the date of acceleration is specified in this Security Instrument and before the date of sale of the Property. The notice shall specify (a) the date given to Borrower, (b) the action required to cure the default; (c) a date by which the default must be cured; and (d) that failure to cure the default on or before such date will result in acceleration of the sums secured by this Security Instrument and sale of the Property. Lender may exercise the right to resume after acceleration and the right to bring a court action to assert the existence of a default or any other defense of Borrower to acceleration or sale. If the default is not cured or if before the date of acceleration payment in full of all sums secured by this Security Instrument and any other remedies provided by applicable law, Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence. Lender may invoke the power of sale, Lender shall exercise all collection rights available to it, including, but not limited to, reasonable attorneys' fees and costs of title evidence, if Lender exercises a written notice of the occurrence of an event of default and of Lender's election to cause the county in which any part of the Property is located to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law. After the time required by applicable law, Lender or Trustee shall sell the Property at public auction to the highest bidder at the time and place and under terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees for the person or persons legally entitled to it;

22. Reconveyance. Upon payment of sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recording costs.

23. Successive Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

25. Riders to this Security Instrument. If any rider to this Security Instrument, the covenants and agreements of this Security Instrument, are executed by Borrower and recorded together with this Security Instrument, they shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if they were a part of this Security Instrument.

#### WARNING

If Lender provides Borrower with evidence of the insurance coverage as required by Borrower's contract, Lender may purchase insurance at Borrower's expense to protect Lender's interest. This insurance may, but need not, also protect Borrower's interest. Lender may not pay any claim Borrower makes or any claim if Borrower has obtained property coverage elsewhere.

Borrower is responsible for the cost of any insurance purchased by Lender. The cost of this insurance may be added to the underlying contract will apply to this added amount. The effective date of coverage may be the date that the attorney's fees are paid. Coverage of this insurance may be terminated if Borrower failed to provide proof of coverage.

The coverage Lender purchases may be less than the insurance Borrower can obtain in Borrower's own name and may not satisfy any need for property damage coverage under applicable law.

If Lender provides Borrower with evidence of the insurance coverage as required by Borrower's contract, Lender may purchase insurance at Borrower's expense to protect Lender's interest. This insurance may, but need not, also protect Borrower's interest. Lender may not pay any claim Borrower makes or any claim if Borrower has obtained property coverage elsewhere.

Insurance purchased by Lender. The cost of this insurance may be added to the underlying contract will apply to this added amount. Coverage of this insurance may be terminated if Borrower failed to provide proof of coverage.

The coverage Lender purchases may be less than the insurance Borrower can obtain in Borrower's own name and may not satisfy any need for property damage coverage under applicable law.

Adjustable Rate Rider

Baldwin Rider

1-4 Family Rider

Second Home Rider

Index Conversion Option Rider

Index/Conversion Option / Periodic Rate Rider

Credit(s) I specify

BY SIGNING BELOW, Borrower agrees to any rider(s) executed by Borrower and executed

Witnesses:


Walter A. Duckworth, Initial Trustee of the Wal-

ter and Kathleen

Duckworth Trust dated December 5, 1995.

R. Phillip Clegg, S. Duckworth, Initial Trustee of the W-

alter and Kathleen

Duckworth Trust dated December 5, 1995.

Form 24-B9/90

page 7 of 8 pages S. 1995

STATE OF OREGON  
COUNTY OF [Redacted]

The foregoing instrument was acknowledged before me  
this 22 day of October, 19  
by John Lee Notary Public for Oregon

Notary Public for Oregon

My Commission Expires: Aug 24 2001

STATE OF OREGON  
COUNTY OF [Redacted]

The foregoing instrument was acknowledged before me  
this day of [Redacted]  
by [Redacted]

Notary Public for Oregon

My Commission Expires: [Redacted]

STATE OF OREGON  
COUNTY OF [Redacted]

The foregoing instrument was acknowledged before me  
this day of [Redacted]  
by [Redacted]

Notary Public for Oregon

My Commission Expires: [Redacted]

STATE OF OREGON  
COUNTY OF [Redacted]

The foregoing instrument was acknowledged before me  
this day of [Redacted]  
by [Redacted]

Notary Public for Oregon

My Commission Expires: [Redacted]

## REQUEST FOR FULL RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the indebtedness secured by this Deed of Trust, has Trust, which are delivered hereby, and to reconvey or persons lawfully entitled thereto.

payment secured  
been paid in full. You  
by, without warranty

this Deed of Trust. Said Agreement, together with all other  
are herby attached to and made a part of this Deed of  
all the estate now held by you under this Deed of Trust to the

Dated: [Redacted]

## **FIXED/ADJUSTABLE RATE RIDER**

**LIBOR 6 Month**

**THIS FIXED/ADJUSTABLE RATE RIDER** is made on the 10th day of October, 1998 and is incorporated by reference into and shall be deemed to amend and supplement the Note (the "Instrument") of the same date given by the Borrower ("the Borrower") to Merrill Lynch & Co., Inc., a New York corporation, whose street address is 100 University Place, Deer Lake Drive East, Jacksonville, Florida 32246-6184, (the "Lender") of the same date and covering the property described in the Security Instrument.

**THE NOTE PROVIDES FOR AN INITIAL FIXED RATE TO AN ADJUSTABLE RATE. THE BORROWER MAY PAY.**

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

### **A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial fixed rate to an adjustable interest rate.

### **B. ADJUSTABLE INTEREST RATE**

#### **(A) Change Dates**

The initial fixed interest rate is November 1, 1998 and the adjustable interest rate on which my initial fixed interest rate could change, is

#### **(B) The Index**

Beginning with the first Change Date, the average of interbank offered rates ("LIBOR"), as published in The Wall Street Journal each Change Date is added the "Index".

If the Index is no longer available, the Note Holder will give

**TE RIDER** is made his 10th day of October, 1998 and is incorporated by reference into and shall be deemed to amend and supplement the Note (the "Instrument") of the same date given by the Borrower ("the Borrower") to Merrill Lynch & Co., Inc., a New York corporation, whose street address is 100 University Place, Deer Lake Drive East, Jacksonville, Florida 32246-6184, (the "Lender") of the same date and covering the property described in the Security Instrument.

**CHANGE IN THE BORROWER'S FIXED INTEREST RATE. THE NOTE LIMITS THE MAXIMUM RATE PAY.**

covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

### **LIBRARY PAYMENT CHANGES**

The Note provides for an initial fixed interest rate of 6.525%. The Note also provides for a change in the interest rate as follows:

### **MONTHLY PAYMENT CHANGES**

I will pay will change to an adjustable interest rate on the first day of the month following the date of the last payment, or if the last payment date falls on a day other than the first day of the month, on the first day of the month following the date of the last payment. The Note provides for an initial fixed interest rate of 6.525%.

will pay will change to an adjustable interest rate on the first day of the month following the date of the last payment. The Note provides for an initial fixed interest rate of 6.525%.

### **MULTISTATE FIXED/ADJUSTABLE RATE**

**ARM STANDBY RIDER**  
(07-14-98) LAR STR  
305-1584

**DEUT-1530 U. S. DX Single Family LAR Multistate Uniform Instrument**

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**(C) Calculation of Changes**

Before each Change Date the Note Holder will calculate my new interest rate by adding two percentage points (2.00%) to the Current Index. Then one-eighth of one percentage point (0.125%) will be added to or subtracted from the new interest rate until it is within the limits stated in section 4(C) below.

The Note Holder will then determine the unpaid principal that I am expected to pay at the next Change Date in full on the Maturity Date at my new interest rate in substantially equal monthly payments.

**(D) Limits of Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than 13.00% or less than 2.00%. My interest rate will never be greater than 13.00%.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment due after the Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of the change in my initial fixed interest rate to an adjustable interest rate and of my change in my adjustable interest rate before the effective date of any change in my monthly payment, and information required by law to be given me and also the telephone number of a person who will answer any question I may have regarding the notice.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

**1. UNTIL BORROWER'S INITIAL FIXED INTEREST RATE UNDER THE TERM STATED SECTION A ABOVE, UNIFORM COVENANT 17 OF THE SECURITY INSTRUMENT SHALL BE IN EFFECT AS FOLLOWS:**

Transfer of the Property or any interest in it is sold or transferred. Borrower is not a natural person. Lender may require immediate payment in full. Lender shall not be exercised by Lender.

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

He or she will calculate my new interest rate by adding two percentage points (2.00%) to the Current Index. Then one-eighth of one percentage point (0.125%) will be added to or subtracted from the new interest rate until it is within the limits stated in section 4(C) below. This rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay me at the next Change Date in full on the Maturity Date at my new interest rate.

The result of this calculation will be the new amount of my monthly payment.

My new interest rate will not be greater than 13.00% or less than 2.00%. My interest rate will never be greater than 13.00%.

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment due after the Change Date until the amount of my monthly payment changes again.

I will deliver or mail to me a notice of the change in my initial fixed interest rate to an adjustable interest rate and of my change in my adjustable interest rate before the effective date of any change in my monthly payment, and information required by law to be given me and also the telephone number of a person who will answer any question I may have regarding the notice.

or a Beneficial Interest in Borrower. If all or any part of the Property or real (or if a beneficial interest in) Borrower is sold or transferred and without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option if exercise is prohibited by federal law as of the date of the Security Instrument.

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

**2. WHEN BORROWER'S INTEREST IS LOST UNDER THE SECURITY INSTRUMENT DUE TO EFFECT, AND THE PROVISIONS OF WHICH SHALL BE AMENDED TO READ AS**

Transfer of the Property sold or transferred (or if a natural person) without Lender payment in full of all sums secured. Lender's exercise is prohibited if not exercise the option if: (a) Borrower reasonably determines that Lender

To the extent permitted Lender's consent to the loan assumption agreement that is acceptable to agreements made in the Note and the Note and the Security Instru-

If Lender exercises the notice of acceleration. The notice delivered or mailed within which Borrower fails to pay these sums permitted by the Security Instru-

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TAKED FIXED INTEREST RATES CHANGES TO AN ADJUSTABLE STATED IN SECTION A ABOVE; UNIFORM COVENANT 17 OF FIXED IN SECTION B ABOVE SHALL THEN CEASE TO BE ENFORCED; UNIFORM COVENANT 17 OF THE SECURITY INSTRUMENT FOLLOWS:

or a Beneficial Interest in Borrower. If all or any part of any interest in it is sold or transferred and Borrower is not a prior written consent, Lender may, at its option, require immediate by the Security instrument. However, this option shall not be exercised by federal law as of the date of the Security instrument. Lender also shall cause to be submitted to Lender information required by Lender to s if a new loan were being made to the transferee; and (b) Lender security will not be impaired by the loan assumption and that the risk of a nt in the Security instrument is acceptable to Lender.

applicable law, Lender may charge a reasonable fee as a condition to option. Lender also may require the transferee to sign an assumption Lender and that obligates the transferee to keep all the promises and the Security instrument. Borrower will continue to be obligated under it unless Lender releases Borrower in writing.

tion to require immediate payment in full, Lender shall give Borrower shall provide a period of not less than 30 days from the date the notice is Borrower must pay all sums secured by the Security instrument. If prior to the expiration of this period, Lender may invoke any remedies without further notice or demand on Borrower.

THIS SPACE INTENTIONALLY LEFT BLANK]

BY SIGNING BELOW, Borrower agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

Borrower	(Seal)

Walter A. Duckworth, Initial Trustee of  
the Walter and Kathleen Duckworth Trust dated December 5, 1995.

Kathleen S. Duckworth, Initial Trustee of  
the Walter and Kathleen Duckworth Trust dated December 5, 1995.

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STATE OF OREGON - COUNTY OF Klamath

Filed for record at request of \_\_\_\_\_  
of \_\_\_\_\_ on January 12, 1996

Attorney  
A.D. 12/9  
or  
Notary  
Seal

Title \_\_\_\_\_  
3:25 P.M., a duly recorded in Vol. 199  
on Page 1736

Linda Smith, County Clerk

by Linda Smith, Clerk

Fee \$65.00