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Vol M02 Page 50018

State of Oregon, County of Klamath
Recorded 09/04/2002 10:58 a.m.
Vol M02, Pg 50018-24
Linda Smith, County Clerk
Fee \$ 5/00 # of Pgs 7

Until a change is requested all tax statements shall be sent to the following address:
COUNTRYWIDE HOME LOANS, INC.
400 COUNTRYWIDE WAY
SIMI VALLEY, CA 93068-2698

WHEN RECORDED MAIL TO:
JANE LUCHAN

MSN SV-79 / DOCUMENT CONTROL DEPT.
P.O. BOX 10266
VAN NUYS, CALIFORNIA 91410-0266

DOC ID #: 000329625152109

ESCROW/CLOSING #: 166953

Tax Account Number
1943394

SPACE ABOVE FOR RECORDERS USE

Prepared by: D. GUERRERO

TRUST DEED
(LINE OF CREDIT TRUST DEED)

THIS TRUST DEED, dated August 28, 2002, is between
ARGLE L HOBBS,

residing at
2455 REDWOOD DRIVE, KLAMATH FALLS, OR 97601
the person or persons signing as "Grantor(s)" below and hereinafter referred to as "we" or "us" and
FIDELITY NATIONAL TITLE INSURANCE COMPANY
as trustee and hereinafter referred to as the "Trustee," with an address at
15661 REDHILL AVE SUITE #200 TUSTIN, CA 92780
for the benefit of
FULL SPECTRUM LENDING, INC.
with an address at
4500 Park Granada, Calabasas, CA 91302
and hereinafter referred to as "you" or the "Beneficiary."

PREMISES: In consideration of the loan hereinafter described, we hereby mortgage, grant and convey to the Trustee the premises located at:
2455 REDWOOD DRIVE, KLAMATH FALLS

KLAMATH County, Oregon 97601
and further described as:

Street, Municipality
(the "Premises").

nELCC - Mortgage
2047910R (03/01)

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LOT 7, BLOCK 3, WEST HILLS HOMES, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE CLERK OF KLAMATH COUNTY, OREGON.

The Premises includes all buildings and other improvements now or in the future on the Premises and all rights and interests which derive from our ownership, use or possession of the Premises and all appurtenances thereto.

TERM: The maximum term of the Note is 30 years, including any renewals or extensions thereof.

LOAN: The Trust Deed will secure your loan in the principal amount of \$ 92,000.00 or so much thereof as may be advanced and readvanced from time to time to
ARGLE L. HOBBS

the Borrower(s) under the Home Equity Credit Line Agreement And Disclosure Statement (the "Note") dated 08/28/2002, plus interest and costs, late charges and all other charges related to the loan, all of which sums are repayable according to the Note. This Trust Deed will also secure the performance of all of the promises and agreements made by us and each Borrower and Co-Signer in the Note, all of our promises and agreements in this Trust Deed, any extensions, renewals, amendments, supplements and other modifications of the Note, and any amounts advanced by you under the terms of the section of this Trust Deed entitled "Our Authority To You." Loans under the Note may be made, repaid and remade from time to time in accordance with the terms of the Note and subject to the Credit Limit set forth in the Note.

OWNERSHIP: We are the sole owner(s) of the Premises. We have the legal right to mortgage, grant and convey the Premises to the Trustee.

BORROWER'S IMPORTANT OBLIGATIONS:

(a) PAYMENT AND PERFORMANCE: We will pay to you all amounts secured by this Trust Deed as they become due, and shall strictly perform our obligations.

(b) TAXES: We will pay all real estate taxes, assessments, water charges and sewer rents relating to the Premises when they become due. We will not claim any credit on, or make deduction from, the loan under the Note because we pay these taxes and charges. We will provide you with proof of payment upon request.

(c) MAINTENANCE: We will maintain the building(s) on the Premises in good condition. We will not make major changes in the building(s) except for normal repairs. We will not tear down any of the building(s) on the Premises without first getting your consent. (We will not conduct or permit any nuisance or waste on or to the Premises.) We will not use the Premises illegally. If this Trust Deed is on a unit in a condominium or a planned unit development, we shall perform all of our obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development and constituent documents.

(d) INSURANCE: We will keep the building(s) on the Premises insured at all times against loss by fire, flood and any other hazards you may specify. We may choose the insurance company, but our choice is subject to your reasonable approval. The policies must be for at least the amounts and the time periods that you specify. We will deliver to you upon your request the policies or other proof of the insurance. The policies must name you as "mortgagee" and "loss-payee" so that you will receive payment on all insurance claims, to the extent of your interest under this Trust Deed, before we do. The insurance policies must also provide that you be given not less than 10 days prior written notice of any cancellation or reduction in coverage, for any reason. Upon request, we shall deliver the policies, certificates or other evidence of insurance to you. In the event of loss or damage to the Premises, we will immediately notify you in writing and file a proof of loss with the insurer. You may file a proof of loss on our behalf if we fail or refuse to do so. You may also sign our name in any check, draft or other order for the payment of insurance proceeds in the event of loss or damage to the Premises. If you receive payment of a claim, you will have the right to choose to use the money either to repair the Premises or to reduce the amount owing on the Note.

(e) CONDEMNATION: We assign to you the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Premises, or part thereof, or for conveyance in lieu of condemnation, all of which shall be paid to you, subject to the terms of any Prior Trust Deed or Deed of Trust.

(f) GOVERNMENTAL REQUIREMENTS: We will comply with all laws, ordinances and regulations applicable to the use or occupancy of the Premises.



(g) **SECURITY INTEREST:** We will join with you in signing and filing documents and, at our expense, in doing whatever you believe is necessary to perfect and continue the perfection of your lien and security interest in the Premises.

(h) **OUR AUTHORITY TO YOU:** If we fail to perform our obligations under this Trust Deed, you may, if you choose, perform our obligations and pay such costs and expenses. You will add the amounts you advance to the sums owing on the Note, on which you will charge interest at the interest rate set forth in the Note. If, for example, we fail to honor our promises to maintain insurance in effect, or to pay filing fees, taxes or the costs necessary to keep the Premises in good condition and repair or to perform any of our other agreements with you, you may, if you choose, advance any sums to satisfy any of our agreements with you and charge us interest on such advances at the interest rate set forth in the Note. This Trust Deed secures all such advances. Your payments on our behalf will not cure our failure to perform our promises in this Trust Deed. Any replacement insurance that you obtain to cover loss or damages to the Premises may be limited to the amount owing on the Note plus the amount of any Prior Trust Deed or Deeds of Trust.

(i) **PRIOR TRUST DEED OR DEED OF TRUST:** If the provisions of this paragraph are completed, this Trust Deed is subject and subordinate to a Prior Trust Deed dated 06/02/1999 and given by us for the benefit of COUNTRYWIDE HOME LOANS, INC.

as beneficiary, in the original amount of \$ 28,000.00 (the "Prior Trust Deed or Deed of Trust"). We shall not increase, amend or modify the Prior Deed of Trust without your prior written consent and shall upon receipt of any written notice from the holder of the Prior Deed of Trust promptly deliver a copy of such notice to you. We shall pay and perform all of our obligations under the Prior Deed of Trust as and when required under the Prior Deed of Trust.

(j) **HAZARDOUS SUBSTANCES:** We shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Premises. We shall not do, nor allow anyone else to do, anything affecting the Premises that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Premises of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Premises. As used in this paragraph, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph, "Environmental Law" means federal laws and laws of the jurisdiction where the Premises are located that relate to health, safety or environmental protection.

(k) **SALE OF PREMISES:** We will not sell, transfer ownership of, mortgage or otherwise dispose of our interest in the Premises, in whole or in part, or permit any other lien or claim against the Premises without your prior written consent.

(l) **INSPECTION:** We will permit you to inspect the Premises at any reasonable time.

NO LOSS OF RIGHTS: The Note and this Trust Deed may be negotiated or assigned by you without releasing us or the Premises. You may add or release any person or property obligated under the Note and this Trust Deed without losing your rights in the Premises.

DEFAULT: Except as may be prohibited by applicable law, and subject to any advance notice and cure period if required by applicable law, if any event or condition described in Paragraph 12.A. of the Note occurs, the Trustee may foreclose upon this Trust Deed by notice and sale or you may foreclose judicially, in either case in accordance with and to the extent provided by law. You may bid at any public sale on all or any portion of the property. In addition, you or the Trustee may, in accordance with applicable law, (i) enter on and take possession of the Premises; (ii) collect the rental payments, including over-due rental payments, directly from tenants; (iii) manage the Premises; and (iv) sign, cancel and change leases. We agree that the interest rate set forth in the Note will continue before and after a default, entry of a judgment and foreclosure or public sale. In addition, you shall be entitled to collect all reasonable fees and costs actually incurred by you in proceeding to foreclosure or to public sale, including, but not limited to, trustee's fees, reasonable attorneys fees (whether or not there is a judicial proceeding) and costs of documentary evidence, abstracts and title reports.

ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER: As additional security, we assign to you the rents of the Premises. You or a receiver appointed by the courts shall be entitled to enter upon, take possession of and manage the Premises and collect the rents of the Premises including those past due.

WAIVERS: To the extent permitted by applicable law, we waive and release any error or defects in proceedings to enforce this Trust Deed and hereby waive the benefit of any present or future laws providing for stay of execution, extension of time, exemption from attachment, levy and sale and homestead exemption.

BINDING EFFECT: Each of us shall be fully responsible for all of the promises and agreements in this Trust Deed. Until the Note has been paid in full and your obligation to make further advances under the Note has been terminated, the provisions of this Trust Deed will be binding on us, our legal representatives, our heirs and all future owners of the Premises. This Trust Deed is for your benefit and for the benefit of anyone to whom you may assign it. Upon payment in full of all amounts owing to you under the Note and this Trust Deed, and provided any obligation to make further advances under the Note has terminated, this Trust Deed and your rights in the Premises shall end.

NOTICE: Except for any notice required under applicable law to be given in another manner, (a) any notice to us provided for in this Trust Deed shall be given by delivering it or by mailing such notice by regular first class mail addressed to us at the last address appearing in your records or at such other address as we may designate by notice to you as provided herein, and (b) any notice to you shall be given by certified mail, return receipt requested, to your address at

FULL SPECTRUM LENDING, INC.

4500 Park Granada, Calabasas, CA 91302

or to such other address as you may designate by notice to us. Any notice provided for in this Trust Deed shall be deemed to have been given to us or you when given in the manner designated herein.

RELEASE: Upon payment of all sums secured by this Trust Deed and provided your obligation to make further advances under the Note has terminated, the Trustee shall discharge this Trust Deed without charge to us, except that we shall pay any fees for recording of a reconveyance of this Trust Deed.

SEVERABILITY: If any provision in this Trust Deed is held invalid or unenforceable, the remaining provisions shall continue in full force and effect.

GENERAL: You (or the Trustee) can waive or delay enforcing any of your rights under this Trust Deed without losing them. Any waiver by you of any provisions of this Trust Deed will not be a waiver of that or any other provision on any other occasion.

SUBSTITUTE TRUSTEE: Beneficiary may, from time to time, appoint a successor trustee by an instrument executed and acknowledged by Beneficiary and recorded in the county in which this Trust Deed is recorded, and upon such recordation the successor trustee shall become vested with the same powers, rights, duties and authority of the Trustee with the same effect as if originally made Trustee hereunder.

MERGER: There shall be no merger of the interest or estate created by this Trust Deed with any other estate or interest in the Premises at any time held by you or for your benefit without your written consent.

THIS TRUST DEED has been signed by each of us under seal on the date first above written.

Angie L. Hobbs (SEAL)
Grantor: ANGIE L. HOBBS

Grantor: (SEAL)

Grantor: (SEAL)

Grantor: (SEAL)

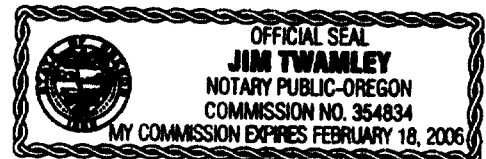
STATE OF OREGON

On this 28th day of August, 2002, personally appeared the above named Angie L. Hobbs aka Angie Hobbs

and acknowledged the foregoing instrument to be Trust Deed voluntary act and deed.

Before me: Jim Twanley
My Commission Expires: Feb 18, 2006
(Official Seal)

Jim Twanley
Notary Public for Oregon



Prepared by: D. GUERRERO

FULL SPECTRUM LENDING, INC.

BRANCH #843
 1515 WALNUT GROVE RM843-2
 ROSEMEAD, CA 91770-
 (800)932-8896
 Br Fax No.: (800)929-9690

DATE: 08/28/2002
 BORROWER: ARGLE L HOBBS
 CASE #:
 LOAN #: 3296251
 PROPERTY ADDRESS: 2455 REDWOOD DRIVE
 KLAHATH FALLS. OR 97601

This notice of my billing rights is a Rider to and supplements my/our Home Equity Credit Line Agreement and Disclosure Statement.

MY BILLING RIGHTS - I SHOULD KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about my rights and your responsibilities under the Fair Credit Billing Act.

I Must Notify You In Case of Errors Or Questions About My Bill.

If I think my bill is wrong, or I need more information about a transaction on my bill, I must write you on a separate sheet at the address listed on my bill. I must write to you as soon as possible. You must hear from me no later than 60 days after you sent me the first bill on which the error or problem appeared. I can telephone you, but doing so will not preserve my rights.

In my letter, I must give you the following information:

- My name and account number.
- The dollar amount of the suspected error.
- I must describe the error and explain, if I can, why I believe there is an error. If I need more information, I must describe the item I am not sure about.

**My Rights and Your Responsibilities
After You Receive My Written Notice**

You must acknowledge my letter within 30 days, unless you have corrected the error by then. Within 90 days, you must either correct the error or explain why you believe the bill was correct.

After you receive my letter, you cannot try to collect any amount I question, or report me as delinquent. You can continue to bill me for the amount I question, including finance charges, and you can apply any unpaid amount against my credit limit. I do not have to pay any questioned amount while you are investigating, but I am still obligated to pay the parts of my bill that are not in question.

If you find that you made a mistake on my bill, I will not have to pay any finance charges related to any questioned amount. If you didn't make a mistake, I may have to pay finance charges, and I will have to make up any missed payments on the questioned amount. In either case, you will send me a statement of the amount I owe and the date that it is due.

If I fail to pay the amount that you think I owe, you may report me as delinquent. However, if your explanation does not satisfy me and I write to you within ten days telling you that I still refuse to pay, you must tell anyone you report me to that I have a question about my bill. And, you must tell me the name of anyone you reported me to. You must tell anyone you report me to that the matter has been settled between us when it finally is.

If you don't follow these rules, you can't collect the first \$50 of the questioned amount, even if my bill was correct.

50023

[Space Above This Line For Recording Data]

SECOND HOME RIDER

After Recording Return To:
JANE DOCHAN
MS SV-79 DOCUMENT PROCESSING
1800 Tapo Canyon
Simi Valley, CA 93063-6712

PARCEL ID #:
1943394

Prepared By:
D. GUERRERO

156953
[Escrow/Closing #]

000329625152109
[Doc ID #]

THIS SECOND HOME RIDER is made this TWENTY-EIGHTH day of AUGUST, 2002, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower," whether there are one or more persons undersigned) to secure Borrower's Note to FULL SPECTRUM LENDING, INC. (the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at:
2455 REDWOOD DRIVE, KLAMATH FALLS, OR 97601
[Property Address]

MULTISTATE SECOND HOME RIDER - Single Family - Freddie Mac UNIFORM INSTRUMENT
Page 1 of 2

365R (0011) CHL (11/00) VMP MORTGAGE FORMS - (800)821-7281
CONVVA

Initials: 

Form 3890 1/01

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DOC ID # 000329625152109

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Sections 6 and 8 of the Security Instrument are deleted and are replaced by the following:

6. **Occupancy.** Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

8. **Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's second home.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Second Home Rider.

 (Seal)
 ARGLE L. HOBBS - Borrower

____ (Seal)
 - Borrower

____ (Seal)
 - Borrower

____ (Seal)
 - Borrower