

1st
1878652-AF

2012-010200
Klamath County, Oregon



00124277201200102000220225

09/14/2012 03:22:26 PM

Fee: \$142.00

After Recording Return To:
SOUTHWEST STAGE FUNDING,
LLC DBA CASCADE LAND HOME
FINANCING
6816 EAST BROWN ROAD
MESA, AZ 85207
(480) 539-5230

Until a change is requested all tax
statements shall be sent to the
following address:
SOUTHWEST STAGE FUNDING,
LLC DBA CASCADE LAND HOME
FINANCING
14505 TORREY CHASE, SUITE
204
HOUSTON, TX 77014

Consideration: \$177,547.00

[Space Above This Line For Recording Data]

DEED OF TRUST

ESTES
Loan #: 2012031200
MIN: 100605712070043994
PIN: R729288
Case #: 431-5522029-703

"Mortgage Electronic Registration Systems, Inc. (MERS) is the Grantee of this Security Instrument"

THIS DEED OF TRUST ("Security Instrument") is made on **SEPTEMBER 6, 2012**. The Grantor is **PHYLIS KIM ESTES, A MARRIED WOMAN, AS HER SOLE AND SEPARATE PROPERTY**, whose address is **3809 ROUND LAKE ROAD, KLAMATH FALLS, OR 97601** ("Borrower"). The trustee is **FIRST AMERICAN TITLE** ("Trustee"). The beneficiary is Mortgage Electronic Registration Systems, Inc. ("MERS") (solely as nominee for Lender, as hereinafter defined, and Lender's successors and assigns). MERS is organized and existing under the laws of Delaware, and has an address and telephone number of Post Office Box 2026, Flint, Michigan 48501-2026, telephone (888)679-MERS. **SOUTHWEST STAGE FUNDING, LLC DBA CASCADE LAND HOME FINANCING** ("Lender") is organized and existing under the laws of **ARIZONA**, and has an address of **6816 EAST BROWN ROAD, MESA, AZ 85207**. Borrower owes Lender the principal sum of **ONE HUNDRED SEVENTY-SEVEN THOUSAND FIVE HUNDRED FORTY-SEVEN AND 00/100 Dollars (U.S. \$177,547.00)**. 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 **APRIL 1, 2043**. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment 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

FHA OREGON DEED OF TRUST - 01/12

F.
142.00

property located in **KLAMATH** County, Oregon:

MAKE:

MODEL:

YEAR:

SERIAL NUMBER(S):

LENGTH AND WIDTH:

PARCEL 1 OF LAND PARTITION 8-11, SITUATED IN THE SW 1/4 SW 1/4 OF SECTION 8, TOWNSHIP 39 SOUTH, RANGE 8 EAST OF THE WILLIAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

which has the address of **3809 ROUND LAKE ROAD, KLAMATH FALLS, Oregon 97601** ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of 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 understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument; but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing or canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey 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. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. Monthly Payments of Taxes, Insurance and Other Charges. Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum of any (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required by paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either; (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 *et seq.* and implementing regulations, 24 CFR

Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall account to Borrower for the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items, (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installment for items (a), (b), and (c).

3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note; and

Fifth, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal

residence within sixty days after the execution of this Security Instrument (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan 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 evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

7. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, and at the option of Lender shall be immediately due and payable.

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 subordinating the lien to this Security Instrument. If Lender determines that any part of the property is subject to a lien which may attain priority over this Security Instrument, 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.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

(a) Default. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law (including section 341(d) of the Garn-St Germain Depository Institutions Act of 1982, 12 U.S.C. 1701j-3(d)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent) and
- (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) No Waiver. If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) Regulations of HUD Secretary. In many circumstances regulations issued by the Secretary will limit Lender's rights in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) Mortgage Not Insured. Borrower agrees that should this Security Instrument and the Note are not to be eligible for insurance under the National Housing Act within **60 days** from the date hereof, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to **60 days** from the date hereof, declining to insure this Security Instrument and the Note shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender has not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately proceeding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. 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 9(b). Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute 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; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

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

16. 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, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "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 16, "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. Borrower and Lender further covenant and agree as follows:

17. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 17.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

18. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute written notice of the occurrence of an event of default and of Lender's election to cause the Property 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 to Borrower and to other persons prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the 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 therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fee; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 *et seq.*) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Paragraph 18 or applicable law.

19. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing

debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a fee for reconveying the Property, if the fee is paid to a third party Trustee for services rendered and charging of the fee is permitted under applicable law. Such person or persons shall pay any recordation costs.

20. Substitute Trustee. Lender, 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.

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

22. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were in a part of this Security Instrument.

The Following Rider(s) are to be executed by Borrower and are attached hereto and made a part thereof [check box as applicable]:

- ☐ Condominium Rider
 ☐ Growing Equity Rider
 ☐ Adjustable Rate Rider
☐ Planned Unit Development Rider
 ☐ Graduated Payment Rider
☒ Other(s) [specify] **MANUFACTURED HOME RIDER, RESIDENTIAL CONSTRUCTION RIDER**

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in pages 1 through 6 of this Security Instrument and in any rider(s) executed by Borrower and recorded with it.


 - BORROWER - PHYLIS KIM ESTES - DATE -

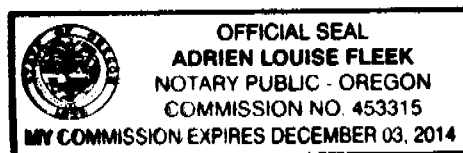
STATE OF OregonCOUNTY OF ClatsopOn this 11 day of Sept, 2012, personally appeared the above named
Phyllis Ann Estes

and acknowledged the foregoing instrument to be his/her/their voluntary act and deed.

(Official Seal)

Adrien Fleeck
Notary Public For Oregon

My Commission Expires:

12-3-14

**MANUFACTURED HOME RIDER
TO THE MORTGAGE/DEED OF TRUST/SECURITY DEED**

ESTES

Loan #: 2012031200

MIN: 100605712070043994

PIN: R729288

Case #: 431-5522029-703

This Rider is made this **6TH** day of **SEPTEMBER, 2012**, and is incorporated into and amends and supplements the Mortgage / Deed of Trust / Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Borrower's Note to **SOUTHWEST STAGE FUNDING, LLC DBA CASCADE LAND HOME FINANCING** (the "Lender") of the same date (the "Note") and covering the Property described in the Security Instrument and located at:

3809 ROUND LAKE ROAD, KLAMATH FALLS, OR 97601
[Property Address]

Borrower and Lender agree that the Security Instrument is amended and supplemented as follows:

A. The Property covered by the Security Instrument (referred to as "Property" in the Security Instrument) includes, but is not limited to, the herein described tract or parcel of land and certain improvements, among which is a Manufactured Home, which will be or already has been affixed to the Property legally described in the Security Instrument, and which Manufactured Home is described as follows:

MAKE:

MODEL:

Manufactured Home Rider

6806.16

2012031200

YEAR:
SERIAL NUMBER(S):
LENGTH AND WIDTH:

PARCEL 1 OF LAND PARTITION 8-11, SITUATED IN THE SW 1/4 SW 1/4 OF
SECTION 8, TOWNSHIP 39 SOUTH, RANGE 8 EAST OF THE WILLIAMETTE
MERIDIAN, KLAMATH COUNTY, OREGON.

New	2012	PALM HARBOR	
New/Used	Year	Manufacturer's Name	Model Name and Model No.
0	0		
Length X Width	Serial Number	HUD #	

B. Additional Covenants of Borrower(s):

1. Borrower will comply with all state and local laws and regulations regarding the affixation of the Manufactured Home to the Property described in the Security Instrument including, but not limited to, surrendering the Certificate of Title (if required) and obtaining the requisite governmental approval and accompanying documentation necessary to classify the Manufactured Home as real property under state and local law.
2. The Manufactured Home described above will be, at all times and for all purposes, a permanent part of the Property described in the Security Instrument which by intention of all parties, shall constitute a part of the realty and shall pass with it and permanently affixed to the realty in accordance with any lender, state, local or other governmental requirements.
3. Affixing the Manufactured Home to the Property described in the Security Instrument

2012031200

does not violate any zoning laws or other state or local requirements applicable to manufactured homes.

By signing below, Borrower(s) accepts and agrees to the terms and covenants contained in this Manufactured Home Rider.

Phyllis Kim Estes 9-14th 12
- BORROWER - PHYLLIS KIM ESTES - DATE -

(Attach to Security Instrument)

RESIDENTIAL CONSTRUCTION RIDER

ESTES

Loan #: 2012031200

MIN: 100605712070043994

Case #: 431-5522029-703

Words used in this Rider are defined below. Words in the singular mean and include the plural and vice versa.

"Borrower" is **PHYLIS KIM ESTES**

"Lender" is **SOUTHWEST STAGE FUNDING, LLC DBA CASCADE LAND HOME FINANCING**, and its successors or assigns.

"Note" means the note in the original principal amount of **\$177,547.00**, signed by Borrower in favor of Lender.

"Property" means the property commonly known as **3809 ROUND LAKE ROAD, KLAMATH FALLS, OR 97601**.

"Security Instrument" means the deed of trust/mortgage/security deed/security instrument signed by Borrower in favor of Lender, securing payment of the Note, to which this Rider is attached.

THIS RESIDENTIAL CONSTRUCTION RIDER shall be deemed to amend and supplement the Security Instrument of the same date given by Borrower to secure Borrower's Note to Lender of the same date and covering the Property described in the Security Instrument. If the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association buys all or some of the Lender's rights under the Security Instrument and Note, the provisions and agreements in this Rider will no longer have any force and

effect.

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

1. Residential Construction Loan Agreement. Borrower agrees to comply with the covenants and conditions of the Construction Loan Agreement ("Loan Agreement") between Borrower and Lender, which is incorporated herein by this reference and made a part of this Security Instrument. Unless otherwise defined in this Security Instrument or this Rider, defined terms shall have the same meanings set forth in the Loan Agreement Security Instrument. The Loan Agreement provides for the construction of certain Improvements ("Improvements") on the Property. All Advances made by Lender pursuant to the Loan Agreement shall be an indebtedness of Borrower secured by this Security Instrument as amended and such Advances may be obligatory under the terms of the Loan Agreement. The Security Instrument secures the payment of all sums and the performance of all covenants, conditions and agreements required by the Lender in the Loan Agreement. Upon the occurrence of a default under the Loan Agreement or any of the other Loan Documents, Lender may seek any and all of the remedies under this Security Agreement and/or the Loan Documents including, without limitation, causing the principal sum and all interest and other charges provided for in the Loan Documents and secured hereby shall become due and payable.

2. Construction Loan Security Instrument. This Security Instrument is a "construction mortgage" securing an obligation incurred for the construction of Improvements on the Property including the acquisition cost of the Property, if any, and any notes issued in extension, renewal, or substitution thereof. Borrower affirms, acknowledges and warrants that prior to the recordation of this Security Instrument, as amended, in the Official Records of the county or the recording district where the Property is located, no Improvements contemplated by the Loan Agreement have been constructed, no work has been performed, and no materials have been ordered or delivered.

3. Future Advances. In addition to the sum evidenced by the Note, this Security Instrument shall secure all funds hereafter advanced by Lender to or for the benefit of Borrower, as contained in the Loan Agreement for the construction of Improvements on the Property or for any other purpose contemplated by the Loan Agreement and the other Loan Documents. All future Advances shall be made within the time limit authorized by the laws of the State. To the extent that moneys advances by Lender are used to pay for the costs of acquiring the Property, this Security Instrument shall be a purchase money security interest.

4. Disbursements to Protect Security. All sums disbursed by Lender prior to completion of the Improvements to protect the security of this Security Instrument, up to the principal amount of the Note and any future advances, shall be treated as Advances pursuant to the Loan Agreement. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless the collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law and shall be payable upon notice from Lender to Borrower requesting payment therefore.

5. Assignment of Rights or Claims. From time to time as Lender deems necessary to protect Lender's interest, Borrower shall, upon request of Lender, execute, acknowledge before a notary, and deliver to Lender, assignments of any and all rights or claims which relate to the construction on the Property.

6. Breach by Borrower. In case of breach by Borrower of the covenants and conditions of the Loan

Agreement, Lender, at Lender's option, with or without entry upon the Property, (a) may invoke any of the rights or remedies provided in the Loan Agreement, (b) may accelerate the sums secured by this Security Instrument and invoke any of those remedies provided for in this Security Instrument or any of the other Loan Documents, or (c) may do both although failure to exercise any of its rights and remedies at any one time does not constitute a waiver or modification of any conditions, rights or remedies.

7. Property. For purposes of this Security Agreement, the term "Property" shall mean and include all of Borrower's right, title and interest in and to the following:

Any and all buildings, improvements (provided in the Loan Agreement or otherwise), and tenements now or hereafter erected on the Property; any and all heretofore and hereafter vacated alleys and streets abutting the Property; easements, rights, appurtenances, rents (subject however to any assignment of rents to Lender), leases, royalties, mineral, oil and gas rights and profits; water, water rights and water stock appurtenant to the Property (to the extent they are included in Borrower's fee simple title); any and all fixtures, machinery, equipment, building materials, appliances, and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property and all replacements and accessions of them, including, but not limited to those for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air and light; security and access control apparatus; plumbing and plumbing fixtures, refrigerating, cooking and laundry equipment; carpet, floor coverings and interior and exterior window treatments; furniture and cabinets; interior and exterior sprinkler plant and lawn maintenance equipment; fire prevention and extinguishing apparatus and equipment, water tanks, swimming pool, compressor, vacuum cleaning system, disposal, dishwasher, range, and oven; any shrubbery and landscaping; any and all plans and specifications for development of or construction of Improvements upon the Property; any and all contracts and subcontracts relating to the Property; any and all accounts, contract rights, instruments, documents, general intangibles, and chattel paper arising from or by virtue of any transactions related to the Property; any and all permits, licenses, franchises, certifications, and other rights and privileges obtained in connection with the Property; any and all products and proceeds arising from or by virtue of the sale, lease, or other disposition of any of the Property; any and all proceeds payable or to be payable under each policy of insurance relating to the Property; any and all proceeds arising from the taking of all or part of the Property for any public or quasi-public use under any law, or by right of eminent domain, or by private or other purchase in lieu thereof; all building permits, certificates of occupancy, and certificates of compliance; any right to use utilities of any kind including water, sewage, drainage and any other utility rights, however arising whether private or public, present or future, including any reservation, permit, building permits, letter, certificate, license, order, contract or otherwise and any other permit, letter, certificate, license, order, contract or other document or approval received from or issued by any governmental entity, quasi-governmental entity, common carrier, or public utility in any way relating to any part of the Property or the Improvements, fixtures and equipment thereon; all other interests of every kind and character which Borrower now has or at any time hereafter acquires in and to the Property, including all other items of property and rights described elsewhere in this Security Instrument.

8. Security Agreement and Financing Statement. Borrower and each and every guarantor, if any, waives, to the fullest extent permitted by law, (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any portion of the Property, and (b) all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare all amounts due and marshaling in the event of foreclosure of the liens hereby created, and (c) all rights and remedies that Borrower and/or each and every guarantor, if any, may have or be able to assert by reason of the laws of the State pertaining to the rights and remedies of sureties in general.

This Security Instrument constitutes and shall be deemed to be a "security agreement" for all purposes of the Uniform Commercial Code ("UCC") and Lender shall be entitled to all the rights and remedies of a "secured party" under such UCC as to the Property. Borrower shall, upon demand by or on behalf of Lender and at the sole cost of Borrower, and without expense to Lender, do, execute, authorize, authenticate, prepare, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, assignments, UCC security agreements and/or financing statements, control agreements, notices of assignments, transfers and assurances as Lender shall from time to time require, for the better assuring, conveying, perfecting, assigning, renewing, transferring and confirming unto Lender the Property, the security interest hereby granted, all rights and benefits hereby granted or conferred, and all rights hereby conveyed or assigned or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention of facilitating the performance of the terms of this Security Instrument and, on demand, shall authenticate, authorize, execute or deliver one or more financing statements, control agreements, security agreements, chattel mortgages or comparable security instruments, to evidence secure or perfect more effectively the lien hereof upon the Property.

Upon the recording in the real property records, this Security Instrument shall be effective as a financing statement filed as a fixture filing. The address of Borrower, as debtor, is as set forth on page one of this Security Instrument. In addition, a carbon, photographic or other reproduced copy of this Security Instrument and/or any financing statement related hereto shall be sufficient for filing and/or recording as a financing statement.

Borrower agrees that all property of every nature and description, whether real or personal, covered by this Security Instrument, together with all personal property in which Lender has a security interest by reason of a separate agreement or instrument, are encumbered as one unit, and that, upon the occurrence of any default under this Security Instrument or a default under any of the other Loan Documents, Lender may, at Lender's option, foreclose and sell all such property in the same proceeding, and all such property may, at Lender's option, be sold as such in one unit as a going business, subject to the provisions of applicable law. The filing or recording of any financing statement relating to the fixtures, the personalty or any other rights or interests generally or specifically described herein shall not be construed to diminish or alter any of Lender's rights or priorities hereunder.

Borrower shall, upon demand, pay to Lender the amount of any and all expenses, including the fees and disbursements of Lender's legal counsel and of any experts and agents which Lender may incur in connection with: (i) the making and/or administration of this Security Instrument; (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon any property, real and/or personal, described in this Security Instrument; (iii) the exercise or enforcement of any of the rights of Lender under this Security Instrument; (iv) the failure by Borrower to perform or observe any of the provisions or covenants in this Security Instrument; or (v) any actions taken by Lender for any reason whatsoever in any case or proceeding under Chapter 7, 11, or 13 of the Bankruptcy Code or any successor statute thereto, including, but not limited to, action taken with respect to issues particular to federal bankruptcy law.

9. Completion. Lender shall not be responsible for the completion of the Improvements, and shall not in any way be considered a guarantor or surety of performance by Borrower or any contractor or any subcontractor. In the event the Improvements are not completed according to the Plans and Specifications approved by the Lender, and it is determined for whatever reason the Lender does not have a lien arising by or through Borrower, then Lender shall have a valid lien for its loan amount, less the amount reasonably necessary to complete the Improvements, or in such event Lender, at its option, shall have the right to

complete the Improvements, and the lien shall be valid for the loan amount.

10. Invalid Provisions. If any provision of this Security Instrument is declared invalid, illegal, or unenforceable by a court of competent jurisdiction, then such invalid, illegal or unenforceable provision shall be severed from this Security Instrument and the remainder enforced as if such invalid, illegal or unenforceable provision is not a part of this Security Instrument.

11. Address. The name and address of Borrower during construction of the Improvements is:

PHYLIS KIM ESTES
3815 ROUND LAKE ROAD, KLAMATH FALLS, OR 97601

The name and address of Lender is:

SOUTHWEST STAGE FUNDING, LLC DBA CASCADE LAND HOME FINANCING
6816 EAST BROWN ROAD, MESA, AZ 85207

12. IMPORTANT INFORMATION REGARDING THE CONSTRUCTION, REPAIR OR IMPROVEMENT TO YOUR PROPERTY.

ANY PERSON PERFORMING LABOR ON YOUR PROPERTY OR FURNISHING MATERIALS FOR THE CONSTRUCTION, REPAIR, OR IMPROVEMENT OF YOUR PROPERTY MAY BE ENTITLED TO A LIEN AGAINST YOUR PROPERTY. THIS LIEN MAY BE ENFORCED BY THE SALE OF YOUR PROPERTY. TO AVOID THIS RESULT, YOU MAY REQUEST FROM CONTRACTOR LIEN WAIVERS FROM ALL PERSONS PERFORMING LABOR OR FURNISHING MATERIALS FOR THE WORK ON YOUR PROPERTY. YOU MAY BE ABLE TO WITHHOLD PAYMENT FROM CONTRACTOR IN THE AMOUNT OF ANY UNPAID CLAIMS FOR LABOR OR MATERIALS. SEEK THE ADVICE OF YOUR ATTORNEY.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Residential Construction Rider.

Phylis Kim Estes 9-11-12
- BORROWER - PHYLIS KIM ESTES - DATE -

MANUFACTURED HOME AFFIXATION AFFIDAVIT

ESTES

Loan #: 2012031200

MFN: 100605712070043994

Before me, the undersigned authority, on this day personally appeared **PHYLIS KIM ESTES**. Known to me to be the person(s) who's Name(s) is/are subscribed below, and who, being by me first duly sworn, did each on his/her oath state as follows:

- 1) The manufactured home located at the below-referenced address, is permanently affixed to a foundation and will assume the characteristics of site-built housing.
- 2) The wheels, axles, tow bar or hitch were removed when said manufactured home was placed on the permanent site.
- 3) All foundation, both perimeter and pier for said manufactured home, have footings that are located below the frost line.
- 4) If piers are used for said manufactured home, they will be placed where said home manufacturer recommends.
- 5) If state law so requires, anchors for said manufactured home have been provided.
- 6) The manufactured home is permanently connected to a septic tank or sewage system and other utilities such as electricity, water and natural gas.
- 7) No other lien or financing affects said manufactured home, other than those disclosed in writing to Lender.
- 8) Said manufactured home has been built under the Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976.
- 9) The foundation system of the manufactured home has been designed by an engineer to meet the site condition of the site.
- 10) It is my intent that said manufactured home becomes immovable property and part of the real property securing the security instrument.
- 11) The manufactured home will be assessed and taxed as an improvement to the real property. I/We understand that if Lender does not escrow for these taxes that I/We will be responsible for payment of such taxes.
- 12) If the land is being purchased, such purchase and said manufactured home represent a single real estate transaction, under applicable state law.
- 13) All permits required by governmental authorities have been obtained.
- 14) I agree to surrender the Certificate of Title.

Description of Manufactured Home

Make	PALM HARBOR
Model	
Length & Width	
Serial Number(s)	
Year	2012
New or Used	NEW
Property Address	3809 ROUND LAKE ROAD, KLAMATH FALLS, OR 97601

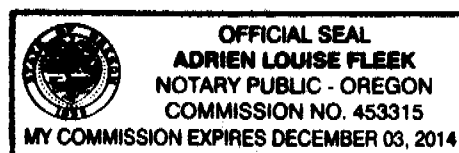
On the 11 day of Sept 2012 before me, the undersigned, a Notary Public in and for said State, personally appeared

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Phylis Kim Estes 9-11-12
- BORROWER - PHYLIS KIM ESTES - DATE -

Notary Public; State of
County of
My Commission Expires:

Adrien Fleek
Notary Public



Cascade Financial Services / Title

On the _____ day of _____ before me, the undersigned, a Notary Public in and for said State, personally appeared

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Notary Public; State of
County of
My Commission Expires:

Notary Public

MANUFACTURED HOUSING LIMITED POWER OF ATTORNEY

ESTES

Loan #: 2012031200

MIN: 100605712070043994

Case #: 431-5522029-703

THE UNDERSIGNED hereby appoints **SOUTHWEST STAGE FUNDING, LLC DBA CASCADE LAND HOME FINANCING**, and its successor and/or assigns, as Lender Name my/our true and lawful Attorney-in-Fact, with power of substitution and revocations, to apply for a certificate of title or duplicate certificate of title to or record a lien and register and/or to transfer or assign the title to any person the below ("Collateral"); along with the following actions as though executed by me/us.

- (1) To execute in my/our behalf as my/our Attorney-in-Fact whatever documents are necessary to effectuate the sale of the Collateral in the event of a default by me/us under my/our Manufactured Home Installment Note, Security Agreement and Disclosure Statement, as applicable (the "Contract") which results in a repossession and sale of the Collateral securing the Contract, subject to the terms of the Contract and applicable state law governing disposition of the Collateral; or
- (2) For said purpose(s) to sign my/our name(s) and to do all things necessary to appointment, and to transfer or assign title to any property taken in trade or consideration for the purchase of the below described Collateral.
- (3) Re-title the Collateral to correct any errors or to ensure the proper perfection security interest in the Collateral.
- (4) To execute documents necessary to obtain and maintain insurance on the property and to receive, complete, execute or endorse, and deliver in my name or Lender's name any and all claim forms, agreements, assignments, releases, checks, drafts or other instruments and vehicles for the payment of money, relating to any insurance covering the Manufactured Home, the indebtedness secured by the Manufactured Home or the Real Property.

This limited Power of Attorney ("POA") shall be durable and not be affected by subsequent disability or incapacity of the principal, or by the lapse of time. This POA shall not be construed as a waiver of my/our rights under the Contract or applicable state law governing the Contract and the sale of Collateral.

2012031200

Description of Collateral:

Manufacturer: **PALM HARBOR**
Model:
Year: **2012**
Width/Length: **0 / 0**
Serial Number:
New/Used: **New**
Hud Data Plate #:

Phylis Kim Estes 9/1/12
- BORROWER - PHYLIS KIM ESTES - DATE -

2012031200

State of Oregon
County of Klamath

On this the 11 day of Sept 2012, before me personally
appeared

Phyllis Kim Estes

known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and
acknowledged that he/she/they voluntarily executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and Official Seal.

(Seal)

Adrien Fleeck
Notary Public

Adrien Fleeck
Printed Name

My commission expires: 12-3-14

