

NN

## SECOND MORTGAGE

2006-022676

Klamath County, Oregon



00008607200600226760020022

11/14/2006 08:12:26 AM

Fee: \$26.00

Joel + Sheila Funkhouser  
2144 Asher Ct.  
St. Peters, MO 63376

Mortgagor's Name and Address

ATRF, Inc.  
P.O. Box 308  
Klamath Falls, OR 97601

Mortgagee's Name and Address

After recording, return to (Name, Address, Zip):

ATRF, Inc.  
P.O. Box 308  
Klamath Falls, OR 97601

SPACE RESI  
FOR  
RECORDER

by \_\_\_\_\_

THIS MORTGAGE, Dated Oct. 14, 2006,  
between Joel + Sheila Funkhouser, husband + wife,  
as mortgagor, and ATRF, Inc. a Nevada Corporation, as mortgagee,

WITNESSETH, That the mortgagor in consideration of Twenty Thousand & no/100 Dollars (\$20,000.00)  
paid to the mortgagee by the mortgagee, does hereby grant, bargain, sell and convey unto the mortgagee, and the mortgagee's personal representatives, successors and assigns, that real property situated in the County of Klamath,  
State of Oregon, described as follows:

Vale Heights TR 1386, Lot 6, 1.9 Acres  
AKA: 2710 Vale Rd, Klamath Falls, OR 97603

SW 1/4, SE 1/4 of Section 6 Township 39 S  
Range 10 E of the Willamette Meridian and  
more specifically described in Volum M04  
Page 61467 in the official records of  
Klamath County.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, and which may hereafter thereto belong or appertain, and the rents, issues and profits therefrom, and any and all fixtures upon the premises at the time of the execution of this mortgage or at any time during the term of this mortgage.

TO HAVE AND TO HOLD the premises with the appurtenances unto the mortgagee and the mortgagee's personal representative, successors and assigns forever.

This mortgage is intended to secure the payment of one (or more) promissory note(s), in substantially the following form(s):

\$ 20,000.00 Klamath Falls, OR 10-14-06  
CITY AND STATE WHERE EXECUTED DATE

One ☐ days ☐ months ☒ years (indicate which) after the above date, I/we, jointly and severally,  
promise to pay to the order of ATRF, Inc.

at (insert place payments to be made) 2636 Bieth Rd Klamath Falls, OR 97601  
the sum of Twenty Thousand & no/100 DOLLARS,  
with interest thereon at the rate of SIX percent per annum from OCT. 15, 2007 until paid. Interest shall be paid  
quarterly. If any payment due is not so paid, all principal and interest shall become immediately due and collectable at the option of the holder of this note.  
Any part hereof may be paid at any time.

If this note is placed in the hands of an attorney or other third party for collection, I/we promise and agree to pay the holder's reasonable attorney fees and/or collection costs, even though no suit or action is filed. If a suit or action is filed, the amount of such reasonable attorney fees shall be fixed by the court(s) in which the suit or action, including any appeal, is tried, heard or decided.

See lease agreement

Joel Funkhouser  
Sheila M Funkhouser

NO PART OF ANY STEVENS-NESS FORM MAY BE REPRODUCED IN ANY FORM OR BY ANY ELECTRONIC OR MECHANICAL MEANS.



The date of maturity of the debt secured by this mortgage is the date on which the last scheduled principal payment becomes due, to-wit: when sold

The mortgagor warrants that the proceeds of the loan represented by the note(s) and this mortgage are:

- (a)\* primarily for mortgagor's personal, family or household purposes (see Important Notice below), or  
 (b) ~~for an organization or (even if mortgagor is a natural person) for business or commercial purposes.~~

This mortgage is inferior, secondary and subject to a prior mortgage on the premises, between ABN Amro Mortgage  
and Flagstar Bank and \_\_\_\_\_, dated \_\_\_\_\_,

and recorded in the mortgage records of the above named county in book/reel/volume No. \_\_\_\_\_, at page \_\_\_\_\_ thereof, and/or as fee/file instrument/microfilm/reception No. \_\_\_\_\_, (indicate which), reference to that prior mortgage and those mortgage records hereby being made. That first mortgage was given to secure a note for the principal sum of \$ 359,000. The unpaid principal balance thereof on the date of the execution of this mortgage is \$ 359,000 and no more. Interest thereon is paid to (date) current. That prior mortgage and the obligations secured thereby are hereinafter referred to as "first mortgage."

This mortgage is further conditioned upon the faithful observance by the mortgagor of the following covenants hereby expressly entered into by the mortgagor, to-wit:

Mortgagor is lawfully seized of the premises, and the same are free from all encumbrances, except the first mortgage, and except (if no further exceptions, so state) 2nd Mortgage - Flagstar Bank and mortgagor will warrant and defend the same against the claims and demands of all persons whomsoever.

Mortgagor will do and perform all things required of mortgagor and pay all obligations due or to become due under the terms of the first mortgage as well as the note(s) thereby secured and secured hereby, principal and interest, according to the terms thereof.

Mortgagor will pay the promissory note(s) and all installments of interest thereon promptly as the same become due, according to the tenor of the note(s).

So long as this mortgage remains in force, mortgagor will pay all taxes, assessments, and other charges of every nature levied or assessed upon or against the premises when due and payable, according to law, and before the same becomes delinquent, and will also pay all taxes levied or assessed on this mortgage or the debt thereby secured, and will promptly pay and satisfy any mechanics' liens or other encumbrances that, by operation of law or otherwise, become a lien upon the mortgaged premises superior to the lien of this mortgage.

Mortgagor will keep the improvements erected on the premises in good order and repair and will not commit or suffer any waste of the premises. At the request of the mortgagee, the mortgagor shall join with the mortgagee in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to the mortgagee and will pay for filing the same in the proper public office(s), as well as the cost of any lien search made by filing officers or searching agencies as may be deemed desirable by the mortgagee.

So long as this mortgage shall remain in force, mortgagor will keep the buildings now erected, or any which may hereafter be erected on the premises, insured against loss or damage by fire, with extended coverage, to the extent of \$ 350,000 in some company or companies acceptable to the mortgagee and for the benefit of both parties hereto as their interests may appear, and will deliver all the policies and renewals thereof to the mortgagee.

**WARNING:** Unless mortgagor provides mortgagee with evidence of insurance coverage as required by the contract or loan agreement between them, mortgagee may purchase insurance at mortgagor's expense to protect mortgagee's interest. This insurance may, but need not, also protect mortgagor's interest. If the collateral becomes damaged, the coverage purchased by mortgagee may not pay any claim made by or against mortgagor. Mortgagor may later cancel the coverage by providing evidence that mortgagor has obtained property coverage elsewhere. Mortgagor is responsible for the cost of any insurance coverage purchased by mortgagee, which cost may be added to mortgagor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date mortgagor's prior coverage lapsed or the date mortgagor failed to provide proof of coverage. The coverage mortgagee purchases may be considerably more expensive than insurance mortgagor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

NOW THEREFORE, if the mortgagor shall pay the promissory note(s) and shall fully satisfy and comply with the covenants hereinbefore set forth, then this conveyance shall be void, but otherwise it shall remain in full force and virtue as a mortgage to secure the payment of the promissory note(s) in accordance with the terms thereof and the performance of the covenants and agreements herein contained. Any failure to make any of the payments provided for in the note(s) or this mortgage when the same shall become due or payable, or to perform any agreement herein contained, shall give to the mortgagee the option to declare the whole amount due on the note(s), or unpaid thereon or on this mortgage, at once due and payable, and this mortgage by reason thereof may be foreclosed at any time thereafter. If the mortgagor shall fail to pay any taxes or other charges or any lien or insurance premium as herein provided to be done, the mortgagee shall have the option to pay the same. Any payment so made shall be added to and become a part of the debt secured by this mortgage, and draw interest at the same rate as the note(s) without waiver, however, of any right arising from breach of any of the covenants herein. Time is of the essence with respect to all sums due hereunder, and the promissory note(s).

In case a suit or action is brought to foreclose this mortgage, the court may, upon motion of the holder of the mortgage, without respect to the condition of the property, appoint a receiver to collect the rents and profits arising out of the premises and direct the receiver to apply such rents and profits to the payment and satisfaction of the amount due under this mortgage, first deducting all proper charges and expenses of the receivership, including a reasonable charge for attorney fees.

In the event any suit or action to foreclose this mortgage is commenced, the losing party therein agrees to pay the attorney fees, costs and disbursements of the prevailing party, including statutory costs and disbursements and costs of title report(s) and/or title search. If any appeal is taken from any judgment or decree entered pursuant to such suit or action, the losing party on appeal therein promises to pay the attorney fees, costs and disbursements, including all statutory costs and disbursements, of the prevailing party. To the extent permitted by law, all such sums shall be and are secured by the lien of this mortgage and shall be included in the judgment or decree of foreclosure.

Each and all of the covenants and agreements herein contained shall apply to, inure to the benefit of, and bind the personal representatives, successors and/or assigns of the mortgagor and of the mortgagee respectively.

In construing this mortgage and related note(s), it is understood that the mortgagor or mortgagee may be more than one person. If the context so requires, the singular shall be taken to mean and include the plural. Generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the mortgagor has executed this instrument the day and year first above written. If the mortgagor is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

\* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is inapplicable. If warranty (a) is applicable, and if the mortgagee is a creditor, as such word is defined in the Truth-in-Lending Act and Regulation Z, the mortgagee MUST comply with the Act and Regulation by making required disclosures. For this purpose, use Stevens-Ness Form No. 1319 or equivalent.

Jul E. Suber  
Shirley M. Gunther

STATE OF OREGON, County of Klamath ss.  
 This instrument was acknowledged before me on Oct 12, 2006  
 by Danee Mortensen  
 This instrument was acknowledged before me on \_\_\_\_\_  
 by \_\_\_\_\_  
 as \_\_\_\_\_  
 of \_\_\_\_\_

Danee Mortensen  
 Notary Public for Oregon  
 My commission expires Oct 28, 2008

