

## MORTGAGE

THE MORTGAGORS, GENEVIEVE MAULE, a single person, and  
HALFWAY HOUSE, INC., an Oregon corporation, hereby mortgage to  
RIDDLESBARGER, PEDERSON, BROWNHILL & YOUNG, a partnership,  
Mortgagee, the following described real property;

The Southwest quarter of the Southeast quarter  
(SW 1/4 SE 1/4) of Section 19, Township 25  
South, Range 8, E.W.M., in Klamath County,  
Oregon. EXCEPTING that portion of the property  
deed to the State of Oregon for Highway purposes.

and all interest therein which the Mortgagors may hereafter acquire;  
and all buildings, improvements, fixtures or appurtenances now or  
hereafter erected thereon or used in connection with the property,  
including but not limited to, all apparatus, equipment, fixtures  
or articles whether in single units or centrally controlled, used  
to supply heat, gas, air conditioning, water, light, power,  
refrigeration, ventilation, or other services; all built-in  
appliances, and any other thing now or hereafter therein or there-  
on, the furnishing of which by lessors to lessees is customary or  
appropriate, including screens, window shades, storm doors and  
windows, floor coverings, screen doors, awnings, tanks, shrubbery,  
trees, stoves, and water heaters; all of which are intended to be  
and are hereby declared to be a part of said real estate whether  
physically attached thereto or not; and all easements, water rights,  
and other rights or privileges now or hereafter appurtenant to the  
land; and all of the rents, issues, and profits of the premises,  
which are hereby pledged, assigned and transferred to the Mortgagee,  
whether now due or hereafter to become due.

I. This mortgage is to secure the payment of a note  
executed this date by the Mortgagors to the order of the Mortgagee,  
of which the following is a substantial copy:

## PROMISSORY NOTE

\$3,746.35

Eugene, Oregon, April 11, 1967

FOR VALUE RECEIVED, each of the undersigned jointly  
and severally promise to pay to the order of RIDDLESBARGER,  
PEDERSON, BROWNHILL & YOUNG, a partnership, at Eugene, Oregon,  
Three Thousand Seven Hundred Forty-six and 35/100 Dollars  
(\$3,746.35) in lawful money of the United States of America,  
payable as follows:

This note shall be secured by a mortgage of that certain  
real property described as:

The Southwest quarter of the Southeast quarter  
(SW 1/4 SE 1/4) of Section 19, Township 25  
South, Range 8, E.W.M., in Klamath County,  
Oregon, EXCEPTING that portion of the property  
deed to the State of Oregon for Highway purposes.

This note and all accrued interest thereon shall be paid in full  
on or before April 11, 1972, or the date that the premises above



described or any part thereof shall be sold or conveyed to a third party, whichever event shall first occur. All or any portion of the debt evidenced hereby may be prepaid at any time without interest penalty. This note shall bear interest at the rate of six percent (6%) per annum from date until paid, and interest shall be paid at maturity.

If this note is placed in the hands of an attorney for collection, the undersigned promise and agree to pay the reasonable collection costs of the holder hereof; and if suit or action is instituted hereon, also promise to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's reasonable attorney's fees in the appellate court.

/s/ Genevieve Maule  
Genevieve Maule

HALFWAY HOUSE, INC., an Oregon  
corporation

By /s/ Genevieve Maule  
President

By /s/ Charlene K. Maule  
Secretary

and to secure the payment of any future or additional advances made by Mortgagee to Mortgagors or either of them and of the performance of all the covenants and obligations of the Mortgagors herein contained.

II. The Mortgagors covenant:

The Mortgagors will pay the note and any and all notes evidencing future advances and any and all extensions or renewals thereof, if any, together with all interest accrued thereon, promptly as the same become due.

The Mortgagors will pay when due all taxes, assessments and other governmental rates and charges against the property (including those heretofore due), and will furnish the Mortgagee, upon request, duplicate receipts therefor, and all items extended against said property shall be conclusively deemed valid for the purpose of this requirement.

The Mortgagor, Halfway House, Inc., is the owner in fee simple of the real property above described and is entitled to possession thereof; the Mortgagors have the right to mortgage the same; the real property is free from encumbrances; the Mortgagors will keep the same free from all other encumbrances, including those of record, whether legal or otherwise; the Mortgagors will warrant and defend the same against all claims and demands whatsoever; the Mortgagor, Halfway House, Inc., will execute or procure such further assurance of its title to the real property as may be requested by the Mortgagee.



The Mortgagors will keep the improvements now or hereafter upon the premises insured against damage by fire and other hazards, casualties and contingencies as the Mortgagee may require, until said indebtedness is fully paid, or in case of foreclosure until expiration of the period of redemption, for the full insurable value thereof, in form and with a company acceptable to the Mortgagee. Such insurance policy shall remain with the Mortgagee during said period or periods, and have attached thereto mortgage clauses in favor of, and in form acceptable to, the Mortgagee. In the event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagors in and to any insurance policies then in force shall be passed to the purchaser or grantee.

In case of loss, the Mortgagors shall give immediate notice of loss by mail to the Mortgagee, and the Mortgagee is authorized to adjust, collect and compromise, in its discretion, all claims thereunder and to execute and deliver on behalf of Mortgagors all necessary proofs of loss, receipts, vouchers, releases and acquittances required to be signed by the insurance companies, and the Mortgagors agree to sign, upon demand, all receipts, vouchers and releases which the Mortgagee may require to be signed for such purposes. The Mortgagee, at its option, may apply the insurance proceeds, or any part thereof, either to the restoration of the property or upon the indebtedness hereby secured, but the maturity date of the note hereby secured shall not be affected thereby.

The Mortgagors will, immediately after destruction or damage, commence and promptly complete the rebuilding or restoration of buildings and improvements now or hereafter on said premises, unless the Mortgagee elects to apply on the indebtedness secured hereby the proceeds of any insurance covering such destruction or damage.

The Mortgagors will keep the premises in good condition and repair, without waste or strip, will not make, suffer or permit any unlawful use of or any nuisance to exist on the property nor diminish or impair its value by any act or omission to act, and will comply with all requirements of law with respect to the mortgaged premises and the use thereof.

The Mortgagors will not make, suffer or permit, without the written permission of the Mortgagee first being had and obtained (1) any use of the property for any purpose other than that for which it is now used, (2) any alterations or removal of the improvements, apparatus, appurtenances, fixtures, built-in appliances, or equipment now or hereafter used upon said property, (3) any purchase on conditional sale, lease or agreement under which title is reserved in the vendor, of any apparatus, fixtures, built-in appliances or equipment to be placed in or upon any buildings or improvements on said property.

III. In the event the ownership of the property or any part thereof becomes vested in a person other than the Mortgagors or either of them, the Mortgagee may without notice to the Mortgagors deal with such successor or successors in interest with reference to this mortgage and the obligations hereby secured, either by forbearance to sue or by extending the time for payment of the debt hereby secured without in any way releasing, discharging or otherwise affecting the Mortgagors' liability hereunder for the debt hereby secured.

IV. In case the mortgaged property, or any portion thereof,



shall be taken under the right of eminent domain or condemnation, the Mortgagee is empowered to collect and receive all compensation which may be paid for any property taken or for damages to property not taken, and all compensation so received which is in excess of the amount required to pay the reasonable costs, expenses and attorney's fees necessarily paid or incurred by the Mortgagors in such proceedings, shall be applied by the Mortgagee first upon any reasonable costs, expenses and attorney's fees necessarily paid or incurred by the Mortgagee in such proceedings, and the balance applied upon the indebtedness secured hereby. The Mortgagors agree, at their own expense, to take such action or to execute such instruments as may be necessary in obtaining such compensation, promptly upon the Mortgagee's request.

V. It is expressly understood and agreed:

Should the Mortgagors fail to perform any of the covenants of this mortgage, the Mortgagee may at its option carry out the same on behalf of the Mortgagors without waiver of such default, and the Mortgagee may do any act it may deem necessary to protect the lien hereof. Any expenditures made or charges incurred by the Mortgagee for the foregoing purpose shall be repayable by the Mortgagors on demand and shall be secured by this mortgage, and shall draw interest until repaid at the rate of six percent (6%) per annum. (The Mortgagee may at its option sue to collect all or any part of the aforementioned expenditures without foreclosing its mortgage and without affecting its rights to foreclose its mortgage at any future time.) The Mortgagee shall not be required to inquire into the validity of any lien, encumbrance or claim in advancing monies as above authorized. Nothing herein contained shall require the Mortgagee to advance any monies for any purpose or do any act hereunder, and the Mortgagee shall not incur any personal liability because of its acts or omissions hereunder.

Time is material and of the essence hereof, and if default be made in the payment of the debt hereby secured, or any installment, extension or renewal thereof, or of interest, or in the performance of any of the covenants herein contained, or if a proceeding under any bankruptcy, receivership or insolvency law be instituted by or against any of the Mortgagors, or if any of the Mortgagors make an assignment for the benefit of creditors, or if proceedings be instituted to enforce any other lien or charge upon any of the property covered by this mortgage, or if the Mortgagors abandon any of the said property, the balance of the unpaid principal with accrued interest, and all other indebtedness hereby secured, shall, at the Mortgagee's election, become immediately due without notice and this mortgage may be foreclosed. In addition, the Mortgagee may at its option and without affecting the lien hereby created, apply toward the payment of the indebtedness, such sums or any part thereof held by it under the provisions of this mortgage, or any indebtedness of the Mortgagee to the Mortgagors. Mortgagee's failure to exercise any right or option, or waiver of any default shall not be deemed a waiver of any future right, option or default.

In the event of the sale of the mortgaged property or any part thereof, or alteration, repair, remodeling, addition or removal of any building or buildings now or hereafter upon the premises without first obtaining the written consent of the Mortgagee, the balance of the unpaid principal with accrued interest, and all other indebtedness hereby secured, shall, at the Mortgagee's election become immediately due, without notice to the Mortgagors.



Mortgagee may impose a reasonable service charge for revising its records to reflect any change of ownership.

The Mortgagors assign to the Mortgagee all rents, issues, profits and revenues from said real property or any improvements thereon and hereby assign any leases in effect or hereafter in effect upon said premises or any part thereof and in the event of default in any of the provisions of this mortgage and while said default continues, hereby authorize and empower the Mortgagee, its agents or attorneys, at its election, without notice to the Mortgagors, as agents for the Mortgagors, to take and maintain full control of the property and improvements thereon; to oust tenants for non-payment of rents; to lease all or any portion thereof, in the name of the Mortgagors, on such terms as it may deem advisable; to make alterations or repairs it may deem advisable and deduct the cost thereof from the rent; to receive all rents and income therefrom and issue receipts therefor; and out of the amount or amounts so received to pay the necessary operating expenses and retain or pay the customary charges for thus managing said property; to pay the Mortgagee any amount due upon the indebtedness secured by this mortgage; to pay taxes, assessments, and premiums on insurance policies or renewals thereof, on said property, or amounts necessary to carry out any covenant in this mortgage contained, the Mortgagee to determine which items are to be met first, but to pay any overplus so collected to the Mortgagors of said property, and those exercising this authority shall be liable to the owner only for the amount collected hereunder and the accounting thereof, and as to all others, persons exercising this authority are acting only as agent of the owner in the protection of the Mortgagee's interest. In no event is the right to such management and collection of such rents to affect or restrict the right of the Mortgagee to foreclose this mortgage in case of default.

A receiver may be appointed in any suit or proceeding to foreclose this mortgage without notice to the Mortgagors and without regard to the adequacy of the security for the indebtedness or the solvency of the Mortgagors or the absence of waste or danger of loss or destruction of the property, to possess, manage and control the real property above described and all buildings thereon, and to collect the rents, issues and profits thereof. Upon a declaration of default under the terms of this mortgage, the Mortgagors shall attorn to the Mortgagee or to a receiver of the property.

The Mortgagors agree to furnish and leave with the Mortgagee during the existence of this mortgage and all renewals thereof, complete title evidence, which shall become the property of the purchaser at any foreclosure sale, and further agree that the Mortgagee shall be subrogated to the lien, though released of record, of any prior encumbrances on said premises paid by the Mortgagee.

The Mortgagors agree to pay to the Mortgagee all reasonable expenses incurred by Mortgagee, at any time necessary in Mortgagee's opinion for the protection of its interests or the enforcement of its rights including but not limited to the cost of searching records, obtaining title reports, surveyor's reports, attorneys' opinions or Mortgagee's title insurance, whether or not in connection with any suit or action; and the amount of such expenses, with interest thereon from the date incurred at the rate set forth in the note secured hereby, if not repaid by Mortgagors upon demand, shall be secured by this mortgage. The Mortgagors further agree to pay the Mortgagee all costs, disbursements,



and reasonable attorney's fees incurred by Mortgagee in any suit to foreclose this mortgage, or in any suit or other proceedings purporting to affect the security hereof in which Mortgagee may appear in or prosecute, including suits to quiet title or for condemnation or partition of part or all or any interest therein, or in collecting any delinquent installment or curing any other default whether or not any suit or action is commenced; in the event any appeal is taken from any decision of the trial court, the Mortgagors agree to pay all costs, disbursements and reasonable attorney's fees incurred by Mortgagee in connection with the appellate proceeding; and the amount of such costs, disbursements or fees with interest thereon from the date incurred or paid at the rate above set forth in the note secured hereby, if not repaid by Mortgagors upon demand, shall be secured by this mortgage and included in any decree of foreclosure. Such fees, costs and disbursements and other expenses provided for in this paragraph shall be due and payable when suit is begun.

The sum of One Hundred Dollars (\$100.00) per month shall be paid by the Mortgagors as reasonable rental for any use and occupancy of the premises subsequent to an event of default under the terms of this mortgage.

The Mortgagors consent to a personal deficiency judgment for any part of the debt hereby secured which shall not be paid by the sale of the said property, and in case of foreclosure, expressly waive any claim of homestead and all rights to possession of the premises during the period allowed by law for redemption.

If the Mortgagors shall assign or attempt to assign the rents, issues or profits or any part thereof of the premises mortgaged hereby without the written consent of the Mortgagee, or in case of the actual or threatened demolition or removal of any building or improvement on or hereafter erected upon the real property, at the option of the mortgagee, the debt secured hereby shall immediately become due, without notice to the Mortgagors.

In this mortgage, the singular shall include the plural, and the masculine shall include the feminine and the neuter. This mortgage shall be the joint and several obligation of the Mortgagors, and the covenants, conditions and terms hereof shall extend to and be binding upon and inure to the benefit of the heirs, administrators, executors, assigns and successors in interest of the parties hereto, provided, however, that nothing contained in this paragraph shall alter the restrictions hereinabove contained relating to assignment.

DATED this 27<sup>th</sup> day of September, 1967.

*Jeneyve Maule*  
Jeneyve Maule  
Without Recourse

HALFWAY HOUSE, INC., an Oregon  
corporation

By *Jeneyve Maule*  
President

By *Charlene K. Maule*  
Secretary



8318

STATE OF Washington }  
County of King } ss.

September 27, 1967.

Personally appeared the above-named GENEVIEVE MAULE,  
and acknowledged the foregoing instrument to be her voluntary  
act and deed.

Before me:

William F. Weckworth  
Notary Public for Oregon Washington  
My Commission expires: Dec. 1, 1969

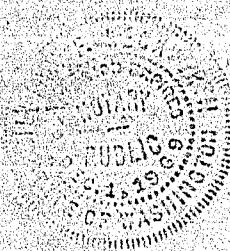
Washington  
STATE OF OREGON }  
County of King } ss.

September 27, 1967.

Personally appeared Genevieve Maule,  
who being duly sworn, did say that she is the President of  
HALFWAY HOUSE, INC., an Oregon corporation, and that the seal  
affixed to the foregoing instrument is the corporate seal of said  
corporation and that said instrument was signed and sealed in  
behalf of said corporation by authority of its Board of Directors  
and he acknowledged said instrument to be its voluntary act and  
deed.

Before me:

William F. Weckworth  
Notary Public for Oregon Washington  
My Commission expires: Dec. 1, 1969



STATE OF OREGON, } ss.  
County of Klamath }

Filed for record at request of

Riddlesbarger, Pedersen, Brownhill & Young

on this 24 da of October A.D. 1967

at 11:45 o'clock AM, and duly

recorded in Vol. 67 of Mortgages

Page 8308

DO.OTH. ROG R, Count. Clerk

By David Hal Deputy

Fee 10.50