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MORTGAGE

THIS MORTGAGE, Made this 14 day of June, 1965, by BEND-
PORTLAND TRUCK SERVICE, INC., an Oregon corporation, as mortgagor,
to MARGARET BANE and KATHERINE BURCHFIELD, as mortgagees,

WITNESSETH, That mortgagor, in consideration of TWO HUNDRED
TWENTY-EIGHT THOUSAND DOLLARS (\$228,000), to it paid by mortgagees,
does hereby grant, bargain, sell and convey unto mortgagees, their heirs,
executors, administrators and assigns, that certain real property situated
in the State of Oregon, as set forth in Exhibit A hereto which is attached and
by reference made a part hereof.

Together with all and singular the tenements, hereditaments and
appurtenances thereunto belonging or in anywise appertaining, and which may
hereafter thereto belong or appertain, and any and all fixtures upon said
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 said premises, with the appurtenances unto
said mortgagees, their heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of those promissory
notes, of which the following are copies:

"\$114,000.00

May 18, 1965

"FOR VALUE RECEIVED, BEND-PORTLAND TRUCK SERVICE, INC.,
an Oregon corporation, promises to pay to the order of MARGARET BANE
the sum of ONE HUNDRED FOURTEEN THOUSAND and no/100 DOLLARS
(\$114,000) in lawful money of the United States, with interest thereon in like
lawful money at the rate of four per cent (4%) per annum from the date of this
promissory note until paid, payable in monthly installments, with \$500 to be
paid on January 1, 1969, \$1,000 to be paid on February 1, 1969, and there-
after \$1,000 on the 1st day of each month; such payments to be inclusive of
interest and to continue until the full amount of principal and interest shall be
paid not later than May 1, 1972; providing that in the event of the sale of a
controlling interest in Bend-Portland Truck Service, Inc., or merger with
another company or corporation, the unpaid balance of this note, together
with interest thereon, shall become immediately due and payable at the option
of the holder hereof.

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"If any of said installments are not paid within ten (10) days after written notice of default has been given to the undersigned by the payee, the entire sum of both principal and interest shall become immediately due and payable at the option of the holder of this note. In case suit or action is instituted to collect this note or any portion thereof, the undersigned promises to pay such additional sum as the Court may adjudge reasonable as attorney's fees in said suit or action.

BEND-PORTLAND TRUCK SERVICE, INC.

By s/ Wilfred Jossy
President

By s/ Dorothy Hendrickson
Secretary"

"\$114,000.00

May 18, 1965

"FOR VALUE RECEIVED, BEND-PORTLAND TRUCK SERVICE, INC., an Oregon corporation, promises to pay to the order of KATHERINE BURCHFIELD the sum of ONE HUNDRED FOURTEEN THOUSAND and no/100 DOLLARS (\$114,000), in lawful money of the United States, with interest thereon in like lawful money at the rate of four per cent (4%) per annum from the date of this promissory note until paid, payable in monthly installments, with \$500 to be paid on January 1, 1969, \$1,000 to be paid on February 1, 1969, and thereafter \$1,000 on the 1st day of each month; such payments to be inclusive of interest and to continue until the full amount of principal and interest shall be paid not later than May 1, 1972; provided that in the event of the sale of a controlling interest in Bend-Portland Truck Service, Inc., or merger with another company or corporation, the unpaid balance of this note, together with interest thereon, shall become immediately due and payable at the option of the holder hereof.

"If any of said installments are not paid within ten (10) days after written notice of default has been given to the undersigned by the payees, the entire sum of both principal and interest shall become immediately due and payable at the option of the holder of this note. In case suit or action is instituted to collect this note or any portion thereof, the undersigned promises to pay such additional sum as the Court may adjudge reasonable as attorney's fees in said suit or action.

BEND-PORTLAND TRUCK SERVICE, INC.

By s/ Wilfred Jossy
President

By s/ Dorothy Hendrickson
Secretary"

And said mortgagor covenants to and with mortgagees, their heirs, executors, administrators and assigns, that it is lawfully seised in fee simple of said premises and has a valid, unencumbered title thereto excepting as to Parcels One and Two. As to Parcel One, mortgagor covenants to and with

mortgagees that mortgagor has a valid and existing option to purchase said Parcel One for the sum of \$75,000 from the Port of Portland, a municipal corporation of the State of Oregon. Mortgagor further covenants that it will promptly borrow the \$75,000 necessary to exercise said option, execute a first mortgage on the property described in Parcel One in favor of such lender of \$75,000 and that this mortgage shall constitute a second mortgage to such first mortgage as to Parcel One. Mortgagees agree by acceptance of this mortgage to execute such instruments as may be necessary to permit mortgagor to give a valid first mortgage on Parcel One in the amount of \$75,000. As to Parcel Two, mortgagor has executed a first mortgage to the First National Bank of Oregon, East Portland Branch, in the original amount of \$35,000, which said mortgage is recorded in Book 131, page 251, Record of Mortgages, Deschutes County, Oregon. Mortgagor represents that the balance due on said mortgage as of the 8th day of June, 1965, is the sum of \$30,065.37, and this mortgage as to Parcel Two shall constitute a second mortgage.

Mortgagor will warrant and forever defend the same against all persons; that it will pay said notes, principal and interest, according to the terms thereof; that while any part of said notes remains unpaid it will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the notes above described, when due and payable and before the same may become delinquent; that it will promptly pay and satisfy any and all liens or encumbrances that are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that it will keep the buildings now on or which may be hereafter erected on the premises insured in favor of mortgagees against loss or damage by fire in a sum equal to the insurable value of such property in a reputable and qualified insurance company, and will have all policies of insurance on said property made payable to mortgagees as their interest may appear and will deliver evidence of all policies of insurance on said premises to mortgagees as soon as insured; that it will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises.

Now, therefore, if mortgagor shall keep and perform the covenants herein contained and shall pay all said notes according to their terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all said covenants and the payment of said notes; it being agreed that a failure to perform any covenant herein, or if proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, mortgagees shall have the option to declare the whole amount unpaid on said notes or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, mortgagees may, at their option, do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said notes, without waiver, however, of any right arising to the mortgagees for breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by mortgagees at any time while the mortgagor neglects to repay any sums so paid by mortgagees. And if suit be commenced to foreclose this mortgage, the attorney's fees provided for in said notes shall be included in the lien of this mortgage.

Each and all the covenants and agreements herein contained shall apply to and bind the heirs, executors, administrators and assigns of said mortgagor and of said mortgagees respectively.

In case suit or action is commenced to foreclose this mortgage, the court may, upon motion of mortgagees, appoint a receiver to collect the rents and profits arising out of said premises during the pendency of such foreclosure, and apply the same to the payment of the amount due under this mortgage, first deducting all proper charges and expenses attending the execution of said trust.

In construing this mortgage, it is understood that the mortgagor or mortgagees may be more than one person; that if the context so requires, the

singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

SIGNED by authority of the board of directors with the seal of said corporation affixed, this 14th day of June, 1965.

BEND-PORTLAND TRUCK SERVICE, INC.

By Wilfred Jossy President

By Dorothy Hendrickson Secretary

STATE OF OREGON }
County of Multnomah } ss

June 14th, 1965

Personally appeared Wilfred Jossy, who, being sworn, stated that he is the president, and Dorothy Hendrickson, who, being sworn, stated that she is the secretary, of Bend-Portland Truck Service, Inc., and that the seal affixed hereto is its seal and that this instrument was voluntarily signed and sealed in behalf of said corporation by authority of its board of directors.
Before me:

Owen M. Panner
Notary Public for Oregon
My commission expires: 10/11/66

EXHIBIT A

PARCEL ONE (Portland Shops)

That certain real property located in Section Seventeen (17), Township One (1) North, Range One (1) East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a point in the Northerly line of North Basin Avenue, said point being 909.87 feet North and 1,119.59 feet West of the Southeast corner of said Section 17; thence along the said Northerly line, North 52° 15' West, 240.00 feet to the true point of beginning, thence North 52° 15' 00" West 109.82 feet; thence running Northerly along the arc of a 160.00 foot radius curve to the right to which the last described course is tangent; through a central angle of 48° 35' 25" for a distance of 135.69 feet; thence North 37° 45' 00" East, 431.67 feet; thence South 47° 52' 00" East, 471.20 feet; thence South 37° 45' 00" West 86.83 feet; thence North 52° 15' 00" West, 240.00 feet; thence South 37° 45' 00" West 363.00 feet to the true point of beginning. Containing 3.00 acres, more or less.

PARCEL TWO (Bend Terminal)

That certain real property situated in the City of Bend, County of Deschutes, State of Oregon, more particularly described as follows:

Commencing at the intersection point of the center line of Lafayette Avenue, now vacated, and the extension of the East line of Lot 9, Block 2, Center Addition; thence South along the Easterly boundary of said Lot 9 to the intersection of the Easterly boundary of the Pilot Butte Canal right of way; thence Southwesterly along the Easterly boundary of said Pilot Butte Canal right of way to its intersection with the North line of the alley in said Block 2 of Center Addition; thence West along said North line of said alley to an intersection with the Westerly boundary of said Pilot Butte Canal right of way; thence Southwesterly along said Westerly boundary of said Pilot Butte Canal right of way to its intersection with a point 10 feet South of the North boundary of Lot 13 in Block 2 of Center Addition; thence Westerly parallel to the Northerly boundary of Lots 13, 14, 15, 16, 17 and 18 to the Westerly boundary of said Lot 18, thence Northerly a distance of 20 feet to a point; thence Easterly a distance of 5 feet to a point; thence Northerly a distance of 10 feet to a point; thence North 8° 07' 50" East a distance of 171.74 feet, more or less, to an iron pipe located on the center line of Lafayette Avenue (vacated); thence Easterly along said center line to the place of beginning, Deschutes County, Oregon.

PARCEL THREE (Madras Terminal)

A parcel of land lying in the Southwest quarter of the Northwest quarter of Section 36, Township 10 South, Range 13 East of the Willamette Meridian, Jefferson County, Oregon, and being more particularly described as follows: Beginning at a point on the Easterly right of way line of the Warm Springs Highway, said point being 1797.9 feet South and 308.9 feet East of the Northwest corner of said Section 36; thence along the Easterly right of way line of the Warm Springs Highway, South 27° 18' East a distance of 312.0 feet; thence North 62° 42' East a distance of 208.0 feet; thence North 27° 18' West a distance of 312.0 feet; thence South 62° 42' West a distance of 208.0 feet to the point of beginning.

Together with the following-described property lying in the Southwest Quarter of the Northwest Quarter of Section 36, Township 10 South, Range 13 East of the Willamette Meridian, Jefferson County, Oregon, more particularly described as follows:

Beginning at a point on the Easterly right of way line of the Warm Springs Highway, said point being 1797.9 feet South and the 308.9 feet East of the Northwest corner of the Section 36, Township 10 South, Range 13 East of the Willamette Meridian; thence North 62° 42' East 208 feet; thence North 27° 18' West 100 feet; thence South 62° 42' West 208 feet to the Easterly line of the Warm Springs Highway; thence South 27° 18' East along said Easterly line 100 feet to the point of beginning.

PARCEL FOUR (Prineville Terminal)

That certain real property located in the County of Crook, State of Oregon, more particularly described as follows:

A parcel of land in the Southwest Quarter of Section 31, Township 14 South of Range 16 East and the Southeast Quarter of Section 36, Township 14 South of Range 15 East of the Willamette Meridian, more particularly described as follows, to wit: Beginning at a point on the township line between Township 14 South of Range 15 and 16 East, said point being 1395 feet North of the South Quarter corner common to both townships; thence North 47° 22' East 121 feet to a point on the Westerly right of way line of the Warm Springs Highway, as it is now located and constructed; thence North 42° 38' West along said right of way line 125 feet, thence South 47° 22' West 459 feet, thence South 42° 43' East 125 feet, thence North 47° 22' East 338 feet, more or less, to the point of beginning.

PARCEL FIVE (Klamath Falls Terminal)

Lots 12B, 13A, 13B, 13C, 14A, 14B, 15A, 15B, 15C, 16A and 16B, all in Block Three (3) of Railroad Addition to the City of Klamath Falls, Klamath County, Oregon.

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STATE OF OREGON, COUNTY OF KLAMATH, ss.

Filed for record at request of _____
this 21 day of July _____ A. D. 1965 at 11:10 o'clock A.M., and
duly recorded in Vol. M 65, of Mortgages on Page 144

Fee \$12.00

DOROTHY ROGERS, County Clerk
By *Jane H. H. H.*

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