

THIS INDENTURE, made this 31st day of July, 1972, between

HELEN RENA MITTLEMAN, an individual, residing in the City of Portland, County of Multnomah and State of Oregon, with their principal offices at 710 Southwest Madison Street, Portland, Oregon 97204, hereinafter called the "Mortgagor", and NATIONAL MORTGAGE CO., an Oregon corporation, having its home office in the City of Portland, Oregon, hereinafter called the "Mortgagee";

WITNESSETH:

For value received by the Mortgagor from the Mortgagee, the Mortgagor has bargained and sold and does hereby grant, bargain, sell and convey unto the Mortgagee, all of the following real property situated in Klamath County, State of Oregon, to wit:

The real property described on Exhibit A, attached hereto and by this reference specifically made a part hereof,

together with the tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining; also all such apparatus, equipment and fixtures now or hereafter situate on said premises, as are ever furnished by landlords in letting unfurnished buildings similar to the one situated on the real property hereinabove described, including, but not exclusively, all fixtures and personal property used or intended for use for plumbing, lighting, heating, cooking, cooling, ventilating or irrigating, linoleum and other floor coverings attached to floors, and shelving, counters, and other store, office and trade fixtures as defined in the Leases dated June 1, 1972 between Mortgagor and the United States National Bank of Oregon; also the rents, issues and profits arising from or in connection with the said real and personal property or any part thereof.

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns, forever.

And the Mortgagor does hereby covenant to and with the Mortgagee, that it is lawfully seized in fee simple of the said real property, that it is the absolute owner of the said personal property, that the said real and personal property is free from encumbrances of every kind and nature, and that it will warrant and forever defend the same against the lawful claims and demands of all persons whomsoever.

This conveyance is intended as a mortgage to secure performance of the covenants and agreements herein contained, to be by the Mortgagor kept and performed, and to secure the payment of the sum of \$ 5,475,000.00 and interest thereon in accordance with the tenor of a certain promissory note executed by HOYT CORPORATION, an Oregon corporation, and HARRY MITTLEMAN, an individual, residing in the City of Portland, County of Multnomah and State of Oregon, dated July 31, 1972, payable to the order of the Mortgagee in installments not less than \$ 38,325.00, each, including interest, on the first day of each month commencing September 1, 1972, until July 1, 2002, with the balance then remaining unpaid to be paid on August 1, 2002.

The Mortgagor does hereby covenant and agree to and with the Mortgagee, its successors and assigns:

1. That it will pay, when due, the indebtedness hereby secured, with interest, as prescribed by said note, and all taxes, liens and utility charges upon said premises or for services furnished thereto.

2. That it will not commit or permit strip or waste of the said premises or any part thereof; that it will keep the real and personal property hereinabove described in good order and repair and in tenantable condition; that it will promptly comply with any and all municipal and governmental rules and regulations with reference thereto; that if any of the said property be damaged or destroyed by any cause, it will immediately reconstruct or repair the same so that, when completed, it shall be worth not less than the value thereof at the time of such loss or damage; provided, that if such loss or damage shall be caused by a hazard against which insurance is carried, the obligation of the Mortgagor to repair or reconstruct shall not arise unless the Mortgagee shall consent to the application of insurance proceeds to the expense of such reconstruction or repair.

3. That it will, at its own cost and expense, keep the building or buildings now or hereafter upon said premises, together with all personal property covered by the lien hereof, insured against loss by fire and against loss by such other hazards as the Mortgagee may from time to time require, in one or more insurance companies satisfactory to or designated by the Mortgagee in an aggregate amount not less than the amount of the indebtedness hereby secured (unless the full insurable value of such building or buildings is less than the amount hereby secured, in which event the Mortgagor shall insure to the amount of the full insurable value); that all policies of insurance upon said premises, including policies in excess of the amount hereinabove mentioned and policies against other hazards than those required, shall contain such provisions as the Mortgagee shall require and shall provide, in such form as the Mortgagee may prescribe, that loss shall be payable to the Mortgagee; that all such policies and receipts showing full payment of premiums therefor shall be delivered to and retained by the Mortgagee during the existence of this mortgage; that at least 5 days prior to the expiration of any policy or policies it will deliver to the Mortgagee satisfactory renewals thereof together with premium receipts in full; that if any policy or policies shall impose any condition upon the liability of the insurer or shall contain any "average clause" or other provisions by which the insurer may be liable for less than the full amount of the loss sustained, it will, as often as the Mortgagee may require, provide the Mortgagee with all such evidence as it may request concerning the performance of such condition or the existence of any facts or the value of the property insured and, if it shall appear to the Mortgagee that the insurance is prejudiced by the acts or omissions of the Mortgagor or that the coverage is inadequate, the Mortgagor will do such acts and things and obtain such further insurance as the Mortgagee may require; that the Mortgagee may, at its option, require the proceeds of any insurance policies upon the said premises to be applied to the payment of the indebtedness hereby secured or to be used for the repair or reconstruction of the property damaged or destroyed.

The premises have been leased on a long-term lease for a period in excess of the terms of this mortgage to The United States National Bank of Oregon. The terms of which lease provide that the Lessee, The United States National Bank of Oregon, keep the premises insured in accordance with the terms and provisions of the aforesaid lease, copies of which have been provided Mortgagee. Mortgagee agrees that the provisions of said lease requiring the Lessee to provide insurance is acceptable to it and that the Mortgagor will become liable to supply insurance only in the event of the default of the Lessee to comply with the terms of said lease.

4. That it will execute or procure such further assurance of its title to the said property as may be requested by the Mortgagee.

5. That in case the Mortgagor shall fail, neglect or refuse to do or perform any of the acts or things herein required to be done or performed, the Mortgagee may, at its option, but without any obligation on its part so to do, and without waiver of such default, procure any insurance, pay any taxes or liens or utility charges, make any repairs, or do any other of the things required, and any expenses so incurred and any sums so paid shall bear interest at 8% per annum and shall be secured hereby.

6. That, if any default be made in the payment of the principal or interest of the indebtedness hereby secured or in the performance of any of the covenants or agreements of this mortgage, the Mortgagee may, at its option, without notice, declare the entire sum secured by this mortgage due and payable and foreclose this mortgage.

7. That, in the event of the institution of any suit or action to foreclose this mortgage, the Mortgagor will pay such sum as the trial court and any appellate court may adjudge reasonable as attorney's fees in connection therewith and such further sums as the Mortgagee shall have paid or incurred for extensions of abstracts or title searches or examination fees in connection therewith, whether or not final judgment or decree therein be entered and all such sums are secured hereby; that in any such suit, the court may, upon application of the plaintiff and without regard to the condition of the property or the adequacy of the security for this indebtedness hereby secured and without notice to the Mortgagor or any one else, appoint a receiver to take possession and care of all said mortgaged property and collect and receive any or all of the rents, issues and profits which had theretofore arisen or accrued or which may arise or accrue during the pendency of such suit; that any amount so received shall be applied toward the payment of the debt secured hereby, after first paying therefrom the charges and expenses of such receivership; but until a breach or default by the Mortgagor in one or more of his covenants or agreements herein contained, he may remain in possession of the mortgaged property and retain all rents actually paid to and received by him prior to such default.

8. The word "Mortgagor", and the language of this instrument shall, where there is more than one mortgagor, be construed as plural and be binding jointly and severally upon all mortgagors and the word "Mortgagee" shall apply to any holder of this mortgage. Masculine pronouns include feminine and neuter. All of the covenants of the Mortgagor shall be binding upon his heirs, executors, administrators, successors and assigns and inure to the benefit of the successors and assigns of the Mortgagee. In the event of any transfer of the property herein described or any part thereof or any interest therein, whether voluntary or involuntary or by operation of law, the Mortgagee may, without notice to the Mortgagor or any one else, once or often, extend the time of payment or grant renewals of indebtedness hereby secured for any term, execute releases or partial releases from the lien of this mortgage or in any other respect modify the terms hereof without thereby affecting the personal primary liability of the Mortgagor for the payment of the indebtedness hereby secured. No condition of this mortgage shall be deemed waived unless the same be expressly waived in writing by the Mortgagee. Whenever any notice, demand, or request is required by the terms hereof or by any law now in existence or hereafter enacted, such notice, demand or request shall be sufficient if personally served on one or more of the persons who shall at the time hold record title to the property herein described or if enclosed in a postpaid envelope addressed to one or more of such persons or to the Mortgagor at the last address actually furnished to the Mortgagee or at the mortgaged premises and deposited in any post office, station or letter box. Mortgagor shall not elect to decline the offer of Lessee, United States National Bank of Oregon, to purchase the real property described on Exhibit A in accordance with the terms of that certain Lease dated June 1, 1972 without the written consent of Mortgagee. Mortgagor must pay the loan balance and prepayment fee attributable to the involved premises pursuant to paragraph 9 of this Mortgage if Mortgagee requires Mortgagor to accept purchase offer of the United States National Bank of Oregon and Mortgagor elects to decline the purchase offer.

9. In the event that the Lessee shall purchase any of the premises from the Lessor pursuant to Section 13.1 of the Leases, Mortgagee agrees to release from the mortgage the premises being purchased upon payment in full of the unpaid balances of the specific loans opposite the premises being purchased as set forth on Exhibit B attached hereto and the prepayment fee.

In computing the amount of the unpaid balance due to Mortgagee all payments toward principal and interest on the mortgage shall be deemed to have been made in the amounts described on Exhibit B. The prepayment fee on any premises being purchased pursuant to Section 13.1 of the Leases shall not exceed the prepayment fee payable to Mortgagor by Lessee.

IN WITNESS WHEREOF, the Mortgagor, has caused these presents to be executed the day and year first above written.

Helen Rena Mittelman
Helen Rena Mittelman

STATE OF OREGON)
) ss.
County of Multnomah)

July 22/A.D., 1972.

Personally appeared HELEN RENA MITTLEMAN, who being duly sworn did say that she is the individual named above and this instrument was signed by her and acknowledged to be her voluntary act and deed. Before me:

Garthe Brown
Notary Public for Oregon
My Commission Expires: 2/2/74



EXHIBIT A

(Klamath Falls Branch - Helen Rena Mittleman)

The following described real property situate in Klamath County, Oregon:

Beginning at the intersection of the Southerly line of Main Street and Westerly line of 8th Street being the most Northerly corner of Lot 8 in Block 39, ORIGINAL TOWN OF LINKVILLE, now City of Klamath Falls, Oregon; thence Southwesterly along the Northerly line of Lots 8 and 7 a distance of 89 feet 3 inches; thence at right angles to said Southerly line of Main Street a distance of 112 feet, more or less, in a Southeasterly direction to the Northerly line of the alley through the center of said Block 39; thence at right angles to the last course in a Northeasterly direction along the North line of said alley to its intersection with the Westerly line of 8th Street; thence Northwesterly along the Westerly line of 8th Street 112 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM a strip of land 5 feet wide off the Easterly side of said Lot 8 conveyed to the City of Klamath Falls, Oregon, for the sole and exclusive purpose of widening the sidewalk on the Easterly side of said Lot 8 (on 8th Street) by deed dated April 12, 1937, and recorded May 13, 1937, in Volume 109 of Deeds, page 237.

subject to

1. Reservations and restrictions contained in deed from Standard Holding Company of Nevada, a corporation, to The United States National Bank of Portland, a corporation, dated May 18, 1937, recorded May 18, 1937, Deed Records of Klamath County, Oregon, as follows: "...except that if the footing under the walls of the Williams Building, adjoining the premises above described on the Westerly side, extend over onto the above described premises (below the ground level), the grantee, its successors and assigns, shall allow such footings to remain in their present position as long as such building stands and also except that the grantor and its predecessors in interest have voluntarily widened the sidewalk on the Main Street side of the property and allowed the public to travel on such widened sidewalk."

2. Interest of the United States National Bank of Oregon, lessee, as disclosed by a Memorandum of Lease recorded June 2, 1972 in Volume 472 page 5880, Microfilm Records of Klamath County, Oregon.

EXHIBIT B

SCHEDULE OF 29 UNITED STATES NATIONAL BANK OF OREGON BRANCHES
AND ALLOCATED MORTGAGE LOAN AMOUNTS ON INDIVIDUAL BRANCHES

<u>Branch</u>	<u>Mortgage Amount</u>	<u>Constant Monthly Payment</u>
Citizens	\$ 393,200	\$ 2,752.40
Stadium	335,500	2,348.50
Hollywood	328,900	2,302.30
Eastport	427,200	2,990.40
Woodstock	269,800	1,888.60
Burlingame	177,400	1,241.80
Klamath Falls	275,000	1,925.00
Ashland	132,300	926.10
Myrtle Creek	60,200	421.40
Brookings	256,400	1,794.80
Lakeview	204,000	1,428.00
Burns	196,600	1,376.20
Bend	307,500	2,152.50
Vale	89,000	623.00
Athena	49,100	343.70
Mill City	27,100	189.70
University	207,700	1,453.90
Albany	255,000	1,785.00
Eugene (River Road)	144,100	1,008.70
Cottage Grove	146,300	1,024.10
Sheridan	67,200	470.40
Oregon City	227,200	1,590.40
Cloverdale	13,300	93.10
St. Helens	88,300	618.10
St. Paul	17,700	123.90
Vernonia	22,100	154.70
Tigard	224,700	1,572.90
Tillamook	173,700	1,215.90
Beaverton	358,500	2,509.50
Totals	\$ 5,475,000	\$ 38,325.00

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of KLAMATH COUNTY TITLE CO
 this 28th day of JULY A. D., 1972 at 2:46 o'clock P. M., and duly recorded in
 Vol. M 72, of MORTGAGES on Page 8274

FEE \$12.00

WM. D. MILNE, County Clerk

By

W. D. Milne