

Raymond A. Migliaccio

hereinafter called "Mortgagor", and FIRST NATIONAL BANK OF OREGON, a national banking association, hereinafter called "Mortgagee" whose address is 4139 Summers Lane : P.O. Box 596 Klamath Falls, Oregon 97601

WITNESSETH:

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

That Portion of Lots 1 and 2 in Block 50 of NICHOLS ADDITION to the City of Klamath Falls, Oregon in the County of Klamath, State of Oregon, more particularly described as follows, to-wit:  
Beginning at the most Easterly corner of said Lot 1; thence Southwesterly along the Southeasterly line of said lots 1 and 2 a distance of 90 feet; thence Northwesterly at right angles to said Southeasterly line of said Lots 1 and 2 a distance of 50 feet; thence Northeasterly and parallel to said Southeasterly line of said Lots 1 and 2 a distance of 90 feet; thence Southwesterly along the Northwesterly line of said Lot 1, 50 feet to the point of beginning.

together with the furnishings, household goods and appurtenances now or hereafter thereunto belonging or in anywise appertaining; also all such appliances, equipment and fixtures now or hereafter situated on the real property hereunto being granted, including, but not exclusively, all fixtures and personal property used or intended for heating, lighting, heating, cooling, ventilating or irrigating, plumbing and other floor coverings attached to floors, and shelving; 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

unto the Mortgagee, its successors and assigns, forever.  
And the Mortgagor does hereby covenant, agree and warrant with the Mortgagee, that he is lawfully seized in fee simple of the said real property, that he 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 he 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 \$10,000.00

and interest thereon in accordance with the terms of a certain promissory note executed by Ray A. Migliaccio

dated September 13, 1978, payable to the order of the Mortgagee in installments not less than \$263.48 each, including interest on the 15th day of each month commencing October 15, 1978 until September 15, 1982, where the balance then remaining unpaid shall be paid.

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

1. That he will pay, when due, the principal and interest on said note, and will keep upon said premises or for service thereon

2. That he will not commit or permit any waste on the said premises or any part thereof; that he will keep the real and personal property hereinafter described in good repair and in maintenance; that he will promptly comply with all laws and all ordinances, city and governmental rules and regulations which pertain thereto; that in any of the said property be damaged or destroyed by fire or other cause, he will immediately reconstruct or repair the same as that, when completed, it shall be worth not less than the value of the same 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 Mortgagor

shall consent to the application of insurance proceeds to the expense of such reconstruction or repair.

3. That he will, at his 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 ex-

