THE MORTGAGOR. WILLIAM J. CADMAN and LO ETTA A. CADMAN, husband and wife

mortgages to the STATE OF OREGON, represented and acting by the Director of Veterans' Affairs, pursuant to ORS 407.030, the following described real property located in the State of Oregon and County ofKlamath

Beginning at a point on the Westerly shore of Recreation Creek, said point being the Southeasterly corner of that parcel heretofore conveyed to N. E. Salleck and recorded in Volume 150, page 289, Deed Records of Klamath County, Oregon, and said point being more particularly described as being situated from the Northwest corner of Section 2, Township 36 South, Range 6 East of the Willamette Meridian, South 24° 03½' West 581.5 feet and thence South 65° 56½' East 784.6 feet; thence from the point of beginning herein described North 65° 56½' West 182.1 feet to a point on the Easterly side of the Rocky Point Road (State Secondary Highway No. 421); thence along the Easterly side of said Rocky Point Road South 36° 16' West 171.6 feet to a point; thence continuing along the Easterly side of Rocky Point Road South 34° 20½' West 130.6 feet to a point; thence continuing along the Easterly side of Rocky Point Road South 36° 44½' West 114.1 feet to a point; thence South 73° 12½' East 251.2 feet to a point on the Westerly shore of Recreation Creek; thence along the Westerly or right shore of Recreation Creek North 26° 38' East 375.5 feet, more or less, to the point of beginning, being situate in Lot 4 of Section 2, Township 36 South, Range 6 East of the Willamette Meridian.

EXCEPTING THEREFROM THE FOLLOWING:

SEP 13

Beginning at a point on the Westerly shore of Recreation Creek, said point being the Southeasterly corner of that parcel heretofore conveyed to N. E. Salleck and recorded in Volume 150, page 289, Deed Records of Klamath County, Oregon, and said point being more particularly described as being situated from the Northwest corner of Section 2, Township 36 South, Range 6 East of the Willamette Meridian, South $\mathcal{P}^{1,\alpha}$ 03½' West 581.5 feet; and thence South 65° 56½' East 784.6 feet; thence from the point of beginning herein described North 65° 56½' West 182.1 feet to a point on the Easterly side of the Rocky Point Road (State Secondary Highway No. 421); thence along the Easterly side of said Rocky Point Road South 36° 16½ West 90 feet to a point; thence South 65° 56½! East an estimated 204 feet, more or less to a point on the Westerly shore of Recreation Creek; thence along the Westerly or right shore of said Recreation Creek North 26° 3812' East 90 feet, more or less to the point of beginning, situated in Lot 4 of Section 2, Township 36 South, Range 6 East of the Willamette Meridian.

Forty Seven Thousand Three Hundred Nineteen I promise to pay to the STATE OF OREGON ... initial disbursement by the State of Oregon, at the rate of 5.9---percent per annum until such time as a different interest rate is established pursuant to ORS 407.072, principal and interest to be paid in lawful money of the United States at the office of the Director of Veterans' Affairs in Salem, Oregon, as follows: \$ 305.00-----and \$305.00 on the successive year on the premises described in the mortgage, and continuing until the full amount of the principal, interest and advances shall be fully paid, such payments to be applied first as interest on the unpaid balance, the remainder on the majoritation of the principal o The due date of the last payment shall be on or before November 1, 2010-----In the event of transfer of ownership of the premises or any part thereof, I will continue to be liable for payment and the balance shall draw interest as prescribed by ORS 407.070 from date of such transfer. This note is secured by a mortgage, the terms of which are made a part hereof.

Klamath Falls. Oregon Dated at Klamath Falls, Oregon WILLIAM J. CADMAN Ho*llta A. Cal*l September 19 1980 ETTA A. CADMAN

The mortgagor or subsequent owner may pay all or any part of the loan at any time without penalty.

The mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the premises are free from encumbrance, that he will warrant and defend same forever against the claims and demands of all persons whomsoever, and this covenant shall not be extinguished by foreclosure, but shall run with the land.

MORTGAGOR FURTHER COVENANTS AND AGREES:

- 1. To pay all debts and moneys secured hereby;
- Not to permit the buildings to become vacant or unoccupied; not to permit the removal or demolishment of any buildings or improvements now or hereafter existing; to keep same in good repair; to complete all construction within a reasonable time in accordance with any agreement made between the parties hereto;
- 3. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
- 4. Not to permit the use of the premises for any objectionable or unlawful purpose;
- 5. Not to permit any tax, assessment, lien, or encumbrance to exist at any time;
- Mortgagee is authorized to pay all real property taxes assessed against the premises and add same to the principal, each of the advances to bear interest as provided in the note;
- To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in such company or companies and in such an amount as shall be satisfactory to the mortgage; to deposit with the mortgage all such policies with receipts showing payment in full of all premiums; all such insurance shall be made payable to the mortgage; insurance shall be kept in force by the mortgagor in case of forcelosure until the period of redemption expires;

together with the tenements, heriditaments, rights, privileges, and appurtenances including roads and easements used in connection with the premises; electric wiring and fixtures; furnace and heating system, water heaters, fuel storage receptacles; plumbing, evoverings, built-in stoves, ovens, electric sinks, air conditioners, refrigerators, freezers, dishwashers; and any shrubbery, flora, or timber now growing or hereafter planted or growing thereon; and floor land, and all of the rents, issues, and profits of the mortgaged property;

to secure the payment of Forty Seven Thousand Three Hundred Nineteen and no/100-----

(\$ 47,319.00----), and interest thereon, evidenced by the following promissory note:

	I promise to pay to the STATE OF OREGON FOR Thousand Three Hundred Nineteen
	I promise to pay to the STATE OF OREGON Forty Seven Thousand Three Hundred Nineteen and no/100———————————————————————————————————
1	Ist of every month————————————————————————————————————
	s 305.00——————————————————————————————————
	This note is secured by a market as prescribed by ORS 407.070 from date of such transfer.
	This note is secured by a mortgage, the terms of which are made a part hereof. Dated at Klamath Falls, Oregon
	September 19 1980 September 19 1980 September 19 1980 LO ETTA A. CALMAN

The mortgagor or subsequent owner may pay all or any part of the loan at any time without penalty.

The mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the premises are free covenant shall not be extinguished by foreclosure, but shall run with the land.

- 1. To pay all debts and moneys secured hereby;
- 2. Not to permit the buildings to become vacant or unoccupied; not to permit the removal or demolishment of any buildings or inprovements now or hereafter existing; to keep same in good repair; to complete all construction within a reasonable time in

 between the parties hereto;
- 3. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste:
- 4. Not to permit the use of the premises for any objectionable or unlawful purpose:
- 5. Not to permit any tax, assessment, lien, or encumbrance to exist at any time;
- Mortgagee is authorized to pay all real property taxes assessed against the premises and add same to the principal, each of the
 advances to bear interest as provided in the note;
- 7. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in such company or companies and in such an amount as shall be satisfactory to the mortgage; to deposit with the mortgage all such policies with receipts showing payment in full of all premiums; all such insurance shall be made payable to the mortgage in case of foreclosure until the period of redemption expires;

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- Mortgagee shall be entitled to all compensation and damages received under right of eminent domain, or for any security voluntarily released, same to be applied upon the indebtedness;
- 9. Not to lease or rent the premises, or any part of same, without written consent of the mortgagee;
- To promptly notify mortgagee in writing of a transfer of ownership of the premises or any part or interest in same, and to furnish a copy of the instrument of transfer to the mortgagee; a purchaser shall pay interest as prescribed by ORS 407.070 on all payments due from the date of transfer; in all other respects this mortgage shall remain in full force and effect.

The mortgagee may, at his option, in case of default of the mortgagor, perform same in whole or in part and all expenditures made in so doing including the employment of an attorney to secure compliance with the terms of the mortgage or the note shall demand and shall be secured by this mortgage.

Default in any of the covenants or agreements herein contained or the expenditure of any portion of the loan for purposes other than those specified in the application, except by written permission of the mortgagee given before the expenditure is made, shall cause the entire indebtedness at the option of the mortgagee to become immediately due and payable without notice and this

The failure of the mortgagee to exercise any options herein set forth will not constitute a waiver of any right arising from a breach of the covenants.

In case foreclosure is commenced, the mortgagor shall be liable for the cost of a title search, attorney fees, and all other costs incurred in connection with such foreclosure.

Upon the breach of any covenant of the mortgage, the mortgagee shall have the right to enter the premises, take possession, collect the rents, issues and profits and apply same, less reasonable costs of collection, upon the indebtedness and the mortgagee shall have the right to the appointment of a receiver to collect same.

The covenants and agreements herein shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

It is distinctly understood and agreed that this note and mortgage are subject to the provisions of Article XI-A of the Oregon Constitution, ORS 407.010 to 407.210 and any subsequent amendments thereto and to all rules and regulations which have been issued or may hereafter be issued by the Director of Veterans' Affairs pursuant to the provisions of ORS 407.020.

WORDS: The masculine shall be deemed to include the feminine, and the singular the plural where such connotations are

IN WITNESS WHEREOF, The mortgagors have set their	r hands and seals this 19th. day of September 1980
	day of September 1980
	2/11/201
	WILLIAM J. CADMAN (Seal)
	Lotte Cadnian
	LO ETTA CADMAN (Seal)
	(Seal)
100 A 200 L	
	WLEDGMENT
STATE OF OREGON.	,
County of Klamath	ss.
Before me, a Notary Public personally	
2 done, personally appeared the within	named WILLIAM J. CADMAN and LO ETTA CADMAN,
	d acknowledged the foregoing instrument to be their voluntary
WITNESS by hand and official seal the day and year last ab	ove written
	() () ()
	Truste & Vasterson
	Notary Public for Oregon
	1/10/03/11
	My Commission expires $6/19/83$
\ (O.D.)	70.407
MOR	TGAGE
FROM	LP45889
STATE OF OREGON,	TO Department of Veterans' Affairs
County ofKlamath	Ss.
	.)
I certify that the within was received and duly recorded by n	ne inKlamath
NoM8O para 17927 - a c	County Records, Book of Mortgages,
NoM80 Page 17827, on the 19th day of September,	1980 WM.D. MILNE Klama Shunty Clerk
By Hernetta Afetach Deputy	· · · · · · · · · · · · · · · · · · ·
Filed September 19, 1930 at o'clockl2:	02 D v
MINNET PRILE OPERS	
CountyKlamath	By Simutha Africa
After recording return to: DEPARTMENT OF VETERANS AFFARMS	, Deputy.
General Services Building Salem, Oregon 97310	Fee \$10.50
Form 3-4 (Rev. 5-71)3 7 7 2	