

AFTER RECORDING RETURN TO:
TITLE INSURANCE AND TRUST COMPANY
433 South Spring Street
Los Angeles, California 90051
Attn: Mr. David MacLagan, Escrow
No. 7080345-DM

28-2009

SECOND MORTGAGE - PURCHASE MONEY

Parties.

Mortgagor. JACK C. ECOFF and VINCENT GISLER.

Mortgagee. RESORT PROPERTIES, INC., a Nevada corporation.

Agreement. For valuable consideration, Mortgagor grants, bargains, sells and conveys to Mortgagee the real property, together with appurtenances, described as follows:

The W1/2 and the SE1/4 of Section 36, Township 23 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

to have and to hold said property with the appurtenances unto Mortgagee forever.

Security. This mortgage secures a promissory note attached to this mortgage as Exhibit "A" and incorporated herein and dated the 4th day of March, 1972.

Release Agreement. Upon approval by the proper County authorities of a preliminary plat map for subdivision of any portion of the property being sold under this Warranty Deed and Mortgage, the Mortgagee agrees to abide by the following conditions and to execute the required documents at Mortgagors' expense:

An escrow is to be opened with an escrow agent chosen by the Mortgagor for the purpose of holding mortgage releases and release monies.

Mortgagee shall execute separate releases to the Mortgagor for each lot shown on the approved preliminary plat map for the subdivision and place these releases in the escrow.

Mortgagor shall establish a Trust Account at the bank of Mortgagors' choice for the purpose of placing release monies as are needed. The escrow agent shall be able to draw these monies as required.

The instruction of the escrow shall permit the escrow agent to

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transfer releases from the escrow to escrows opened for the purpose of individual lot purchases. The escrow agent shall be instructed to release mortgage releases to individual lot purchasers upon presentation of proof of payment. The escrow agent shall be instructed to draw release monies from the Trust Account and pay them to the Mortgagee at the time of release of the mortgage release to an individual lot purchaser. The Mortgagor alone, and not the individual lot purchaser, is responsible for placing the necessary release monies into the Trust Account so that these monies may be drawn and dispersed at the time of release of mortgage release to individual lot purchaser. Failure of the Mortgagor to have the release monies available shall constitute a default under the terms of this agreement.

In the case of a default by the Mortgagor, the Mortgagee shall assume the rights of the Mortgagor with respect to releases transferred to individual lot purchase escrows, and shall regain possession of all releases remaining in the escrow.

Upon payment of \$230.00 to the escrow agent or the Mortgagee by the Mortgagor, the Mortgagee or the escrow agent agrees to release one acre of land for each payment; that \$230.00 shall be applied upon principal and not upon any advance payment.

Mortgagee agrees to release 10 parcels of land upon the accumulation of \$2,500.00 by payment on the principal by monthly payments.

The Mortgagee agrees that the escrow agent shall give the release to the purchaser when the purchaser becomes entitled to the delivery of the release and shall not be held responsible for the payment of \$230.00 for the release. The Mortgagee agrees he will agree to hold the escrow agent harmless.

The Mortgagee is not a subdivider and has no interest in the subdivision; that this mortgage is for security purposes only.

Warranties of Title. Mortgagor warrants and represents to Mortgagee

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that Mortgagor owns the property in fee simple free from all liens and encumbrances except subject to a Mortgage, which Mortgagors assume and agree to pay, including the terms and provisions thereof, dated May 4, 1967, recorded November 26, 1969 in Book M-69 at page 9875, Microfilm Records, given to secure the payment of \$10,500.00, with interest thereon and such future advances as may be provided therein executed by Harold A. Burdick and Dorothy L. Burdick to Harold G. Phillips and Martha C. Phillips; further subject to another Mortgage, which Mortgagors assume and agree to pay, including the terms and provisions thereof, dated August 30, 1966, recorded September 21, 1966 in Book M-66 at page 9415 Microfilm Records, given to secure the payment of \$22,000.00, with interest thereon and such future advances as may be provided therein, executed by Harold A. Burdick and Dorothy L. Burdick to The Fremont Land Company; and also subject to an easement created by instrument, including the terms and provisions thereof, dated September 13, 1951, recorded October 9, 1951 in Book 250 at page 282, Deed Records in favor of United States of America for transmission line over W1/2 W1/2 Sec. 36.

Mortgagor's Duties. Mortgagor will forever defend the property against all persons; Mortgagor will pay the obligation secured by this mortgage according to all its terms and conditions; while any part of this mortgage and the secured obligation remain unpaid Mortgagor will pay all taxes and assessments and all charges of every nature which may be levied or assessed against the property; Mortgagor will pay according to their terms and conditions any and all other liens and encumbrances that are or may become charges against the property or any part thereof.

Use of Property. Mortgagee agrees that the property is to be subdivided and the Mortgagor shall have the right to subdivide said property, including necessary roads.

Performance. If Mortgagor performs the terms and conditions of

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Second Mortgage

McKAY, PANNER, JOHNSON, MARCEAU & KARNOPP
ATTORNEYS AT LAW
BEND, OREGON 97701

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this mortgage and pays the obligation secured by this mortgage according to all its terms and conditions this conveyance and mortgage shall be void, but otherwise shall remain in full force to secure the performance of this mortgage and the payment of the obligation it secures. The parties agree that failure of Mortgagor to perform any term or condition of this mortgage or the obligation it secures, or if proceedings of any kind are taken by anyone to foreclose any lien which Mortgagor is bound by this mortgage to remove on the mortgaged property or any part thereof, Mortgagee shall have the option to declare the whole unpaid amount of the obligation secured by this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter.

Mortgagee's Rights. If Mortgagor fails to pay any taxes, liens, encumbrances, assessments or charges of whatever nature against the property, Mortgagee may, without waiver of any other right, do so, and any payments so made shall be added to and become part of the obligation secured by this mortgage and the lien of this mortgage, and shall bear interest at the same rate as the obligation secured by this mortgage.

Default. In the event of default, it is agreed that the Mortgagee may recover such reasonable expenses as may be incurred in collection, including foreclosure, of this mortgage and the obligation it secures, including expenses of title report, and reasonable attorney's fees, whether in suit or action or appeal therefrom.

Appointment of Receiver. If suit or action is commenced to foreclose this mortgage, Mortgagor expressly consents to the appointment, if Mortgagee elects, of a receiver to collect the payments and profits from the property during the pendency of said suit or action and to the application of all collections to the amounts due under this mortgage after first deducting all proper charges and expenses of the receivership.

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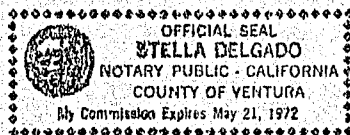
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Successors in Interest. Each term, condition and agreement in this mortgage shall apply to and bind the heirs, executors, administrators, successors and assigns of Mortgagor and Mortgagee.

Dated this 4th day of March, 1972.

Mortgagor.



Jack C. Ecoff
Jack C. Ecoff
Vincent A. Gisler
Vincent Gisler

STATE OF CALIFORNIA)
County of Ventura) ss.
March 4, 1972.

Personally appeared the above-named JACK C. ECOFF and acknowledged the foregoing instrument to be his voluntary act. Before me:

Stella Delgado
Notary Public for California
My Commission expires: _____

STATE OF OREGON)
County of Deschutes) ss.
March 1, 1972.

Personally appeared the above-named VINCENT GISLER and acknowledged the foregoing instrument to be his voluntary act. Before me:

Barth J. Callina
Notary Public for Oregon
My Commission expires: 6-23-72

ACCEPTED BY:

RESORT PROPERTIES, INC.

By W. L. Guidice
PRESIDENT Title

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Second Mortgage

MCKAY, PANNER, JOHNSON, MARCEAU & KARNOPP
ATTORNEYS AT LAW
BEND, OREGON 97701

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PROMISSORY NOTE

Parties.

Promisor. JACK C. ECOFF and VINCENT GISLER.

Promisee. RESORT PROPERTIES, INC., a Nevada corporation.

Agreement. For value received, Promisor promises to pay to Promisee or Promisee's order, at such place as Promisee designates, the principal sum of \$73,908.71 plus interest.

The yearly interest rate on the unpaid balance of the principal sum is 7 1/2 percent.

Interest begins the _____ day of _____, 1972.

The principal sum shall be payable in installments of not less than \$739.09 including interest, and additional payments may be made in accordance with the Mortgage to which this note is attached and made a part of.

The first installment payment shall be made on the _____ day of _____, 1972.

Subsequent installment payments shall be made on the same day of each month thereafter until all of the principal sum and interest is fully paid.

Promisor may prepay at any time without penalty.

Default. Should default be made in any payment due under this note the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. In the event of default, it is agreed that the holder of this note may recover such reasonable expenses as may be incurred in collection, including a reasonable attorney's fee, and further including attorney's fee in any appeal from a suit or action.

Dated the 4th day of March, 1972.

Promisor.

Jack C. Ecoff

Vincent Gisler

Promissory Note

MCKAY, PANNER, JOHNSON, MARCEAU & KARNOPP
ATTORNEYS AT LAW
BEND, OREGON 97701

STATE OF OREGON, COUNTY OF KLAMATH, ss.

Filed for record at request of Transamerica Title Ins. Co.

this 16th day of March A. D. 19 72 at 11:13 o'clock AM, and duly recorded in

Vol. M72 of Mortgages on Page 2814

Fee \$12.00

WM. D. MILNE, County Clerk

By Kagela Dargatz

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