



146850

MORTGAGE

This Mortgage executed as of the 31st day of May 1982 by RAJNEESH INVESTMENT CORPORATION a corporation organized and existing under the laws of the State of Oregon, U.S.A. with its principal place of business at ^{PO BOX 124} Antelope, Oregon (hereinafter called "RIC") and RAJNEESH SERVICES INTERNATIONAL LIMITED of 29A Wimpole Street, London W1, England (hereinafter called "RSI").

WITNESSETH AS FOLLOWS: 

GENERAL GRANTING CLAUSE

Now, in consideration of the terms and conditions of the Loan Agreement between the parties dated May 31, 1982, RIC mortgages and warrants to RSI all the right, title, and interest of RIC in and to all its property, real, personal or mixed, tangible, or intangible, of every kind and description and wherever situated, now or hereafter acquired by RIC, except and to the extent expressly excluded by the terms of this Mortgage herein referred to as the mortgaged property, including, without limiting the generality of the foregoing, the following: 

PRESENT PROPERTY

1. The Ranch property known as Rancho Rajneesh situated near Antelope, in the State of Oregon, U.S.A. more specifically described in Exhibit A hereto together with all buildings, structures, improvements and fixtures thereon.
2. That real property comprising various residential and commercial lots situated in the City of Antelope, U.S.A. full particulars whereof are set out in Exhibit B hereto.
3. All leases, leaseholds, patents, licenses, franchises, grants, easements, rights of way, servitudes, privileges, consents or rights, permits or powers of any kind or nature under any by virtue of which RIC now has or shall hereafter acquire any rights of occupancy, use or other rights in, on, through or over any public or private lands, or used or

held by RIC in connection with the operation of its business, and all extensions, renewals or modifications thereof, herein referred to collectively as occupancy and operating rights.

AFTER-ACQUIRED PROPERTY

And all property of any interest therein of any kind or description and wherever situated hereafter conveyed to or acquired by RIC which is not of the character of excepted property as hereinafter defined, herein referred to as after-acquired property, which after-acquired property shall become a part of the mortgaged property subject to the lien hereof.

EXCEPTED PROPERTY

Provided, that the following herein referred to as excepted property, are hereby expressly excepted from the lien and operation of this mortgage:

1. All cash, bills, notes, accounts receivable, contracts, choses in action, and all shares of stock, bonds, debentures or other securities, obligations and evidences of indebtedness now or hereafter owed by RIC.
2. All supplies, raw materials, goods in process, finished goods or goods held for resale or leasing to customers of RIC in the ordinary course of business and all airplanes, ships and watercraft, and all automotive or other transportation equipment which is primarily designed for and operated on the public streets and highways.
3. All permitted liens and security contained mentioned or referred to in clause 2 of Article IV and clause 2.2 of Article III of the said Loan Agreement date 31 May 1982.

HABENDUM

To have and to hold all the property hereby mortgaged and conveyed unto RSI, its successors and assigns, subject however to

the terms and conditions of this Mortgage.

CONDITION

Should RIC pay all amounts owing under the Loan Agreement and any and all promissory notes issued pursuant to the Loan Agreement, and all other sums payable hereunder, and under any mortgages and instruments supplemental hereto, at the time and in the manner therein provided, then these presents and the estate hereby granted shall cease, determine and become void.

COVENANTS OF RIC

1. To pay when due all amounts at any time owing under the Loan Agreement and notes secured by this Mortgage.
2. To perform and observe each and every term covenant and condition contained herein, in the Loan Agreement and in the notes, the payment of which is secured by this Mortgage.
3. To promptly pay before the same become delinquent, all taxes, liabilities, charges and assessments at any time levied or assessed upon or against the mortgaged property, and to pay all claims which might or could become a lien on the mortgaged property prior or equal to the lien of this Mortgage, so that priority of this Mortgage may be duly preserved.
4. To keep all buildings, improvements, systems and equipment lying on the property in good repair.
5. To keep the mortgaged property fully insured at replacement value against loss or damage and to deposit copies of suitable insurance policies with RSI, if so requested.

DEFAULT

Upon the happening of a default under the Loan Agreement and its continuance for the period of grace, if any, provided therein, or in case default shall be made in the performance of any covenant or agreement herein required to be kept or

performance by RII and RII shall fail to remedy such default within 10 days after notice thereof is given to it by RSI, then and in any event, all indebtedness hereby secured shall become due and payable in the manner as in the loan Agreement provided, and shall be collectible in a suit at law or by foreclosure of this Mortgage or RSI shall avail itself of such remedies at law or in equity as may be appropriate for the protection or enforcement of its rights or interests under the Loan Agreement, promissory notes or this Mortgage, and without limiting the foregoing it shall be lawful for RSI, to the extent permitted by law, either directly or indirectly through its agents or attorneys, to take possession of the mortgaged property and to receive and collect the rents and profits thereof.

RELEASE

Upon full payment of the indebtedness hereby secured, RSI shall execute and deliver an appropriate Release of this Mortgage.

IN WITNESS WHEREOF the parties hereto have caused this Mortgage to be executed on the day and year first above written.

SIGNED and SEALED for and on
behalf of RAJNEESH INVESTMENT
CORPORATION by

SIGNED and SEALED for and on
behalf of RAJNEESH SERVICES
INTERNATIONAL LIMITED by



Title: President



Title: Managing Director



Title: Secretary

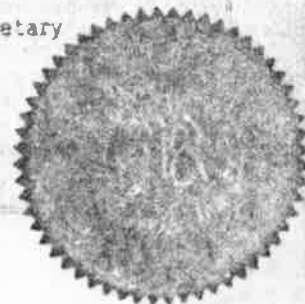
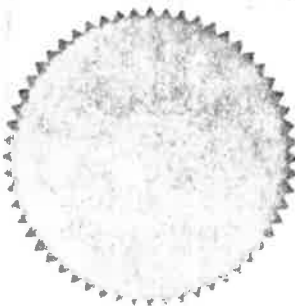


EXHIBIT "A"

PROMISSORY NOTE

For value received, we promise to pay to Rajneesh Services International, Limited of 29A Wimpole Street, London W1, United Kingdom, in lawful money of the United States, the principal sum of _____ DOLLARS upon the 31st day of December 1987, and to pay interest on the principal sum from the date hereof, in like money, in arrears upon the 30th day of June and the 31st day of December in each year, at the rate of 15.5% per annum (on the basis of a year of 365 days) before maturity and thereafter at the highest legal rate until paid.

This Note is given pursuant to a Loan Agreement entered into between the undersigned and Rajneesh Services International Limited, bearing date May 31st 1982, and is payable both as to principal and interest as therein provided, and is subject to all the terms and conditions thereof.

This Note is secured by a Mortgage dated May 31st 1982 from the undersigned to Rajneesh Services International Limited, and all supplements thereto, and the holder hereof is entitled to the benefits and security thereof.

Upon the occurrence of any default specified in the Loan Agreement or Mortgage, the principal hereof may become or may be declared to be forthwith due and payable.

Signed and sealed this _____ day of _____ 1982.

for and on behalf of
RAJNEESH INVESTMENT CORPORATION
by

Title:

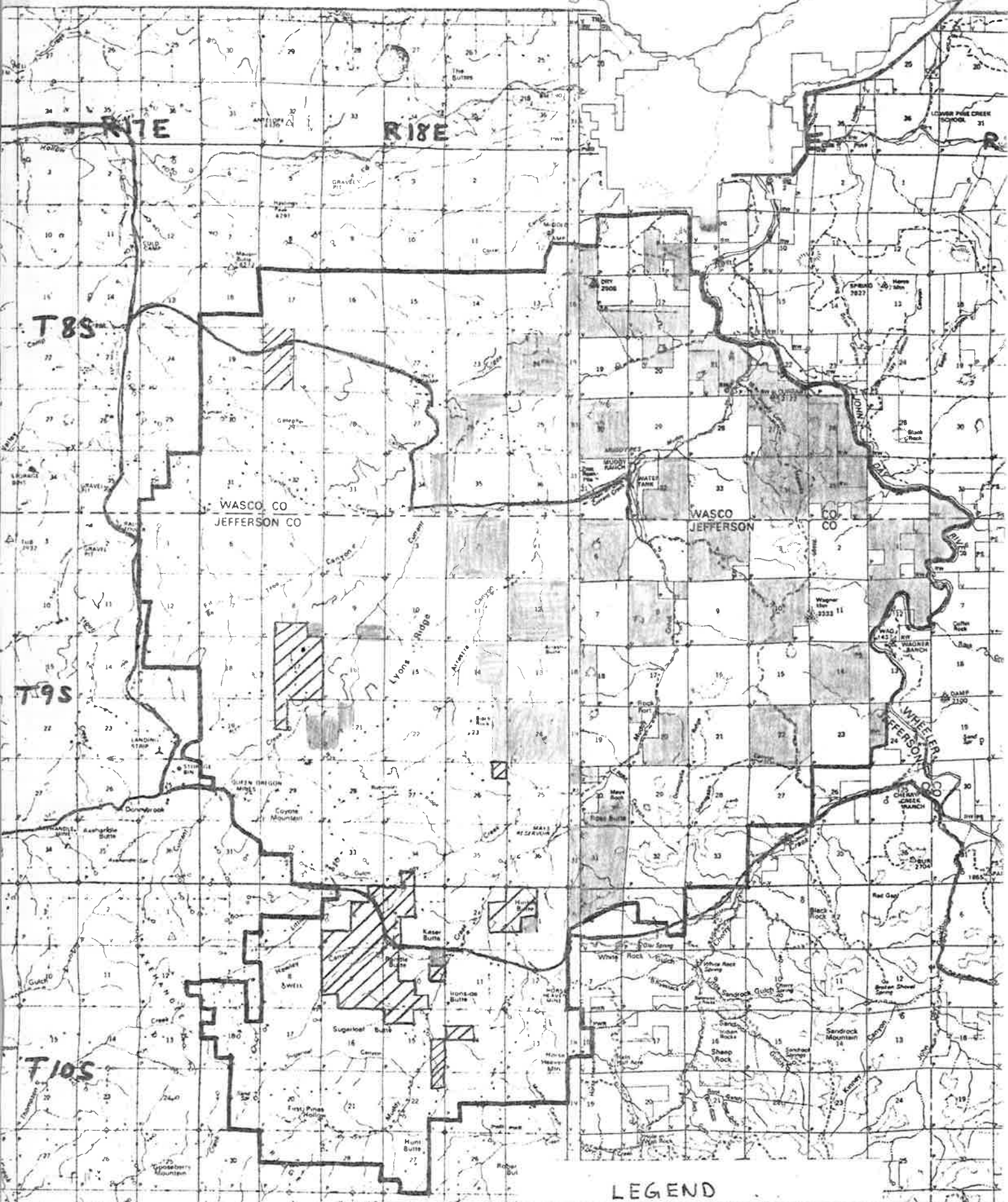
State funds for cities

As an incorporated city, our town will qualify for a percentage of State funds, including revenues from gas and alcohol taxes. Use of these revenues is legally limited to specific public purposes, such as the maintenance of roads and public parks.

GAUTAM THE BUDDHA GROVE

JESUS GROVE

DESIDERATA CANYON



LEGEND





-  Big Muddy Ranch boundary
-  Lands owned by Rajneesh
-  Public lands administered by BLM
-  Lands owned by other private individu

EXHIBIT "B"

RIC Properties In Antelope, Wasco County, Oregon

1. Lots 1, 2, 3, 4, 5, 6, 7, of Block 6, Laughlin's Addition, SW Corner of Maupin and College Streets:
 - vacant lot
2. Lots 3, 4, 5, 6 of Block 4, Laughlin's Addition, SW Corner of Main and Maupin Streets:
 - 1 residential home
 - 1 accessory building
3. Lots 6 and 7 Block 1, Laughlin's Addition, NE Corner of Main and Maupin Streets:
 - 1 mobile home
 - 2 accessory buildings
4. Lots 3, 4, 5, 6, 7, 8, 9, of Block 7, Laughlin's Addition, College Street:
 - 1 resident
5. Lots 4, 5, 6, 7, 8, 9, 10 of Block 1 Baird's Addition, Main Street, between Union and Wallace:
 - 2 residential mobile homes
6. Lots 1, 2, 7, 8, of Block 4, Laughlin's Addition, SW Corner of Maupin & Wallace Streets:
 - 1 residential mobile home
7. Lots 1, 2, 12 of Block 7, Laughlin's Addition, SW Corner of East and Maupin Streets:
 - 1 residential mobile home

8. All of Lots 2 and 11 and North 1/2 of Lots 3 and 10 of Block 3 Baird's Addition, Main Street, between McGreer and Baird:

-1 residential mobile home

9. Lots 1, 2, 3 of Block 10, Baird's Addition, College Street, Corner of McGreer:

-1 residential mobile home

RECORDS
FEB 23 AM 10 14
CLERK OF COUNTY

STATE OF OREGON
COUNTY OF HENDERSON
I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT OR
WRITING WAS RECEIVED FOR RECORD THE 23rd
DAY OF February A.D. 19 53 AT 10 14 O'CLOCK
AND RECORDED IN BOOK _____ ON PAGE
RECORDS OF Mortgages
ELAINE HENDERSON, County Clerk
Janet S. Shoben

146850