

WESTERN TITLE & ESCROW COMPANY

NEWPORT OFFICE • 255 SW COAST HWY #100 • PO BOX 1006 • Newport, Oregon 97365 • (541) 265-2288 • FAX (541) 265-9570

DATE: November 12, 2007

WESTERN TITLE & ESCROW CO
ATTN: TMARSHALL@WESTERNTITLE.COM
3800 NE SANDY BLVD #101
PORTLAND, OR 97232

Report No: 20-0145807
Your No: 62-0028007
Seller: DEPOE BAY, LLC
Buyer: SECURED FUNDING GROUP

Title Examiner: Dynelle Hobbs

8th SUPPLEMENTAL PRELIMINARY TITLE REPORT

STANDARD OWNER'S POLICY

\$6,500,000.00

PREMIUMS:

**STANDARD OWNER'S PREMIUM
LOCAL GOVERNMENT LIEN SEARCH**

**\$10,350.00
\$5.00**

We are prepared to issue a title insurance policy by Transnation Title Insurance Company, in the form and amounts listed above. This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued, and the full premium therefore paid. The land hereinafter described is situated in the County of Lincoln, State of Oregon, and is described as follows:

SEE ATTACHED EXHIBIT "A"

VESTED IN:

DEPOE BAY, LLC, a Washington Limited Liability Company

Dated as of November 5, 2007 at 5:00 p.m.

Subject to the exceptions, exclusions and stipulations, which are part of said policy, and to the exceptions as shown herein:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public record; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
 2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
 3. Easements, or claims of easement, not shown by the public records, reservations or exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
 4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
 5. Any lien, or right to lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
 6. Unpaid taxes for the year 2007-2008
Original Amount: \$2,678.60,
Unpaid Balance: \$2,678.60 plus interest
Tax Lot No.: 9-11-5-B-1109
Account No.: R347536, Code 403

Unpaid taxes for the year 2007-2008
Original Amount: \$837.80,
Unpaid Balance: \$837.80 plus interest
Tax Lot No.: 9-11-5-B-1109
Account No.: R509742, Code 405
 7. City liens, if any of the City of Depoe Bay. (None as of July 17, 2007.)
 8. As disclosed by the assessment and tax roll, the premises herein have been specially assessed as forest land. If the land becomes disqualified for this special assessment under the statute, an additional tax plus interest may be levied for the last five or lesser number of years in which the land was subject to this special land use assessment.
- NOTE: 2003 Legislative changes have resulted in changes to forest assessments (FORESTLAND program/HB 2188 and SMALL TRACT FORESTLAND OPTION/HB 2197) and may impact the property described herein. For additional information, please contact the county assessor's office.
9. No liability is assumed if a financing statement is recorded in the office of the County Clerk covering timber wherein the land is described other than by metes and bounds, the rectangular survey system or by recorded lot and block.
 10. The rights of the public in and to that portion of the herein described property lying within the limits of roads and highways.

11. Rights of the public, riparian owners and of governmental bodies in that portion of the above described property lying below the high water mark of unnamed creek as to the use of the waters and the natural flow thereof.
12. Reservations of the patents, including the terms and provisions thereof, as disclosed by instruments,
Dated: November 13, 1917
Recorded: January 3, 1918
Document No.: Book 27, page 196
And Recorded: January 3, 1918
Document No.: Book 27, page 197
13. Easements for water supply pipeline, water holding tank, three water distribution lines and access roadway to holding tank, as disclosed by physical inspection of subject property and as disclosed by instrument,
Recorded: April 19, 1968
Document No.: Book 288, page 416
14. Rights of existing tenant in northern most house on month to month tenancy, as disclosed by instrument,
Recorded: January 4, 1985
Document No.: Book 157, page 344
15. Boundary line disputes and the exact location of the North and East boundary as disclosed by County Survey 10636. Said Survey recommends boundary line agreements with the abutting owners to the North and East to resolve the boundary line issues.
16. Unrecorded lease, dated May 30, 1978, including the terms and provisions thereof,, covering signs located on subject property as shown on County Survey #10636.
Lessor: Willamette Pacific Land Co.
Lessee: National Advertising Company
17. Memorandum of Purchase Agreement, including the terms and provisions thereof,
Dated: June 15, 2006
Recorded: April 17, 2007
Document No.: 200705560, Microfilm Records
Seller: Depoe Bay, LLC, a Washington limited liability company
Purchaser: Secured Funding Group, LLC, a California limited liability company
18. Unrecorded contract, including the terms and provisions thereof, dated August 26, 2006, a Memorandum of which was
Recorded: May 23, 2007
Document No: 200707524, Microfilm Records
Seller: Secured Funding Group LLC, a California limited liability company
Buyer: Shyam Chetal, as an individual
19. Existing leases and tenancies, if any..
20. No liability is assumed if a financing statement is filed in the office of the County Clerk or Secretary of State covering fixtures wherein the lands are described other than by metes and bounds, the rectangular survey system or by recorded lot and block.

21. Proceedings pending in the Circuit Court of Lincoln County,
Suit No.: 073110
Filed: July 19, 2007
Plaintiff: Oksenholt Corporation and VDV Properties, LLC
Defendant: Depoe Bay, LLC et al
Entitled: Petition to Establish Way of Necessity
Attorney: Joan M. Chambers

NOTE: After January 1, 1988 the pendency of a suit involving an interest in real property is not constructive notice to subsequent purchasers or encumbrances unless a notice of "Notice of Lis Pendens" has been recorded pursuant to ORS 93.740.

22. Trust Deed to secure an indebtedness in the amount shown below, and any other obligations secured thereby:
Amount: \$12,000,000.00
Dated: August 28, 2007
Recorded: August 30, 2007
Document No.: 200712515, Microfilm Records
Re-recorded: August 31, 2007
Document No.: 200712601, Microfilm Records
Grantor: Depoe Bay, LLC, a Washington Limited Liability Company
Trustee: First American Title Company
Beneficiary: OMNI Financial, LLC, a California Limited Liability Company
Loan No.: 3DEP100

The above trust deed was modified by instrument,
Entitled: Modification of Deed of Trust
Dated: September 25, 2007
Recorded: September 28, 2007
Document No.: 200713946, Microfilm Records

The beneficial interest was assigned by instrument,
Recorded: November 5, 2007
Document No.: 200715565, Microfilm Records
To: Orbis Financial, LLC

23. Copies of the Articles of Organization and of the Operating Agreement of Depoe Bay LLC, a Washington limited liability company, any amendments thereto, and Assignments of Members' Interests should be furnished to us prior to closing. Any conveyance or encumbrance must be executed by all the members unless otherwise provided for in the Articles of Organization.

The Washington Corporation Commission records show that as of November 12, 2007, Depoe Bay LLC is an active Oregon limited liability company and is currently in good standing.
Agent: F. Roy Dobson III

NOTE: We find no judgment liens or tax liens against Secured Funding Group, LLC or Shyam Chetal (contract purchasers).

NOTE: The California Corporation Commission records show that as of November 12, 2007, Secured Funding Group, LLC is an active California limited liability company qualified to do business in Oregon.

NOTE: Taxes paid in full for the year 2006-2007
Original Amount: \$2,359.83
Tax Lot No.: 9-11-5-B-1109
Account No.: R347536, Code 403

NOTE: Taxes paid in full for the year 2006-2007
Original Amount: \$805.58
Tax Lot No.: 9-11-5-B-1109
Account No.: R509742, Code 405

NOTE: The property address as shown on the Assessors Printout is:
1032 N HWY 101
DEPOE BAY, OR 97341

Report dated July 17, 2007 removed former Exception 21 and renumbered last Exception.
Report dated July 23, 2007 changed plant date and email address, updated Exception 10, added new Exception 21, renumbered last Exception and changed date in both Corporation Commission Notes.
Report dated July 27, 2007 changed plant date, updated Exception 21 and removed former Note after Exception 21.
Report dated August 2, 2007 changed plant date, added new Exception 22, renumbered last Exception & updated dates of both Corporation Commission Notes.
Report dated August 17, 2007 changed plant date, added new Exception 23, renumbered last Exception and changed date of both Corporation Commission Notes.
Report dated September 11, 2007 supplemented to change the plant date and add new Exception 23.
Report dated October 5, 2007 changed plant date, amended exception 23 and corp. notes.
Report dated October 29, 2007 changed plant date, updated exception 6, removed exception 21, renumbered exceptions.
Report dated November 12, 2007 supplemented to change the plant date and amend Exception 22.

By: Dynelle Hobbs, Title Officer

Questions concerning the closing of this transaction should be directed to your Title Officer at (541) 265-2288.

EXHIBIT "A"

A tract of land in Government Lots 3 and 4, Section 5, Township 9 South, Range 11 West, of the Willamette Meridian, in Lincoln County, Oregon, more particularly described as follows:

Beginning at the intersection of the North line of said Lot 3 and the easterly right of way line of U.S. Highway 101; thence North $85^{\circ} 23' 11''$ East 1398.19 feet to the North one-quarter corner of said Section 5; thence South $0^{\circ} 28' 45''$ West along the North-South centerline of said Section 5, 2217.67 feet to the Northeast corner of the Chuck Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969, in Book 9, page 160, Microfilm Records for Lincoln County, Oregon; thence North $89^{\circ} 23'$ West along the North line of said Chuck Wisniewski Tract 546.26 feet to the most easterly corner of the Tony Wisniewski, et ux Tract as conveyed by deed recorded May 6, 1969 in Book 9, page 159, Microfilm Records for Lincoln County, Oregon; thence North $62^{\circ} 53'$ west along the Northerly line of said Tony Wisniewski, et ux Tract, 217.09 feet; thence South $61^{\circ} 29' 30''$ West along the Northerly line of said Tony Wisniewski, et ux Tract 180.62 feet to a point on the East line of U.S. Highway 101; thence Northwesterly along said easterly line of U.S. Highway 101 to the point of beginning.

EXCEPTING THEREFROM the following described parcels:

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West, of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point South 149.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West, of the Willamette Meridian and Section 32, Township 8 South, Range 11 West, of the Willamette Meridian; thence North 257.13 feet to the North line of said Section 5; thence Easterly along the North line of said Section 5, 155.0 feet; thence South 150 feet; thence along the arc of a 45 foot radius curve left, 70 feet; thence South $55^{\circ} 29' 37''$ West 132.88 feet to the point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West, of the Willamette Meridian, in Lincoln County, Oregon, more particularly described as follows: Beginning at a point that is South 249.0 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West, of the Willamette Meridian, in Lincoln County, Oregon and Section 32, Township 8 South, Range 11 West, of the Willamette Meridian, in Lincoln County, Oregon; thence west 130 feet; thence North 25 feet; thence along the arc of a 45 foot radius curve left 50 feet; thence North $75^{\circ} 44' 47''$ East, 120.0 feet, more or less, to a point that is 100 feet north of the point of beginning; thence South 100 feet to the point of beginning.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Name **Secured Funding Group, LLC**
Street **2015 Ellington Terrace**
Address
City & **Pleasant Hill, CA**
State **94523**

STATE OF OREGON } ss.
County of Lincoln }

4 Pages

I, Dana W. Jenkins, County Clerk, in and for said county, do hereby certify that the within instrument was received for record, and recorded in the Book of Records of said county at Newport, Oregon. WITNESS my hand and seal of said office affixed.


DANA W. JENKINS, Lincoln County Clerk



Doc : 200705560
Rect: 703569 41.00
04/17/2007 02:56:57pm

SPACE ABOVE THIS LINE FOR RECORDERS USE

MEMORANDUM OF PURCHASE AGREEMENT

This MEMORANDUM OF PURCHASE AGREEMENT is made and entered into as of the fifteenth (15th) day of June, 2006, by and between by and between Depoe Bay, LLC, a Washington Limited Liability Company ("Seller"), and Secured Funding Group, LLC, a California Limited Liability Company ("Purchaser").

RECITAL

Seller owns that certain real property located in the City of Depoe Bay, Oregon, County of Lincoln, State of Oregon, which is more particularly described in Exhibit A attached hereto and incorporated herein (the "Property").

Address and Descriptions:

1032 N. Hwy 101

Depoe Bay, Oregon 97341

Map No: 9-11-5B-1109

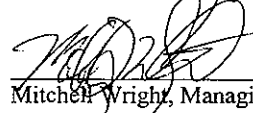
Tax Parcel Numbers: R347536 and R509742

AGREEMENT

Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the same from Seller upon all the terms and conditions set forth in that certain Purchase and Sale Agreement by and between Seller and Buyer dated as of June 15, 2006 [date of agreement].

IN WITNESS WHEREOF, Seller's Agent and Buyer have executed this Memorandum of Purchase Agreement as of the day and year first written above.

Buyer: Secured Funding Group, LLC



Mitchell Wright, Managing Member

Seller: Depoe Bay, LLC



John France, Seller's Agent

STATE OF OREGON)
) ss
County of Lincoln)

The foregoing instrument was acknowledged before me on April 17, 2007 by Mitchell Wright as Managing Member of Secured Funding Group LLC.






NOTARY PUBLIC FOR OREGON
My Commission Expires: 10-17-2010

STATE OF OREGON)
) ss
County of Lincoln)

The foregoing instrument was acknowledged before me on April 17, 2007 by John France as Seller's Agent of Depoe Bay LLC.





NOTARY PUBLIC FOR OREGON
My Commission Expires: 10-17-2010

Exhibit "A"

Real property in the County of Lincoln, State of Oregon, described as follows:

PARCEL I:

A tract of land in Government Lots 3 and 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, more particularly described as follows:

Beginning at the intersection of the North line of said Lot 3 and the Easterly right of way line of U.S. Highway 101; thence North 85 deg. 23' 11" East 1398.19 feet to the North one-quarter corner of said Section 5; thence South 0 deg. 28' 45" West along the North-South centerline of said Section 5, 2217.67 feet to the Northeast corner of the Chuck Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 160, Microfilm Records for Lincoln County, Oregon; thence North 89 deg. 23' West along the North line of said Chuck Wisniewski Tract 546.26 feet to the most Easterly corner of the Tony Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 159, Microfilm Records for Lincoln County, Oregon; thence North 62 deg. 53' West along the Northerly line of said Tony Wisniewski, et ux Tract, 217.09 feet; thence South 61 deg. 29' 30" West along the Northerly line of said Tony Wisniewski et ux Tract 180.62 feet to a point on the East line of U.S. Highway 101 to the point of beginning.

EXCEPTING THEREFROM the following described parcels:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point South 149.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence North 257.13 feet to the North line of said Section 5; thence Easterly along the North line of said Section 5, 155.0 feet; thence South 150 feet; thence along the arc of a 45 foot radius curve left, 70 feet; thence South 55 deg. 29' 37" West 132.88 feet to the point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point that is South 249.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence West 130 feet; thence North 25 feet; thence along the arc of a 45 foot radius curve left 50 feet; thence North 75 deg. 44' 47" East, 120.0 feet, more or less, to a point that is 100 feet North of the point of beginning; thence South 100 feet to the point of beginning.

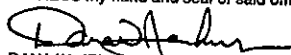
PARCEL II:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

Tax Parcel Number: R347536 and R509742

I, Dana W. Jenkins, County Clerk, in and for said county, do hereby certify that the within instrument was received for record, and recorded in the Book of Records of said county at Newport, Oregon. WITNESS my hand and seal of said office affixed.


DANA W. JENKINS, Lincoln County Clerk



Doc : 200707524
Rect: 704758 41.00
05/23/2007 03:56:26pm

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Name **Secured Funding Group, LLC**

Street **2015 Ellington Terrace**
Address

City **Pleasant Hill, CA**
State **94523**

SPACE ABOVE THIS LINE FOR RECORDERS USE

MEMORANDUM OF CONTRACT

This MEMORANDUM OF CONTRACT TO CONVEY A PARTNERSHIP INTEREST is made and entered into as of the August 26, 2006, by and between by and between and Secured Funding Group LLC a California Limited Liability Company, ("OWNER") and Shyam Chetal, as an individual, ("PARTNER")

RECITAL

Secured Funding Group, LLC has a Purchase Agreement to buy real property located in the City of Depoe Bay Oregon County of Lincoln State of Oregon, which is more particularly described in Exhibit A attached hereto and incorporated herein (the "Property").

Address and Descriptions:

1032 N. Hwy 101

Depoe Bay, Oregon 97341

Map No: 9-11-5B-1109


Tax Parcel Numbers: R347536 and R509742

AGREEMENT

For Valuable Consideration, Secured Funding Group, LLC designates Shyam Chetal as a CoManaging Member of Secured Funding Group, LLC and One-Third Partner (1/3') solely in regards to the Depoe Bay, Oregon Project with co-contracting authorization responsibilities.

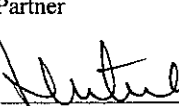
IN WITNESS WHEREOF, OWNER and PARTNER have executed this Memorandum of Partnership Interest as of the day and year first written above.

Owner: Secured Funding Group, LLC



Mitchell Wright: Managing Member

Partner

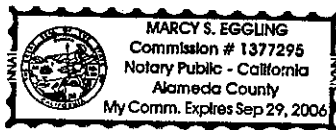



Shyam Chetal, Co-Managing Member

STATE OF CALIFORNIA

County of: Alameda

The foregoing instrument was acknowledged before me on August 26, 2006 by Mitchell Wright as Managing Member of Secured Funding Group, LLC.

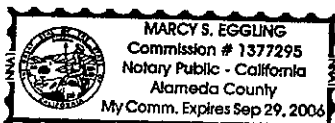



NOTARY PUBLIC FOR CALIFORNIA
My Commission Expires: 9/29/2006

STATE OF CALIFORNIA

County of: Alameda

The foregoing instrument was acknowledged before me on August 26, 2006 by: Shyam Chetal as Partner and Co-Managing Member of Secured Funding Group, LLC.



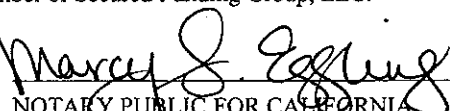

NOTARY PUBLIC FOR CALIFORNIA
My Commission Expires: 9/29/2006

Exhibit "A"

Real property in the County of Lincoln, State of Oregon, described as follows:

PARCEL I:

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Beginning at the intersection of the North line of said Lot 3 and the Easterly right of way line of U.S. Highway 101; thence North 85 deg. 23' 11" East 1398.19 feet to the North one-quarter corner of said Section 5; thence South 0 deg. 28' 45" West along the North-South centerline of said Section 5, 2217.67 feet to the Northeast corner of the Chuck Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 160, Microfilm Records for Lincoln County, Oregon; thence North 89 deg. 23' West along the North line of said Chuck Wisniewski Tract 546.26 feet to the most Easterly corner of the Tony Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 159, Microfilm Records for Lincoln County, Oregon; thence North 62 deg. 53' West along the Northerly line of said Tony Wisniewski, et ux Tract, 217.09 feet; thence South 61 deg. 29' 30" West along the Northerly line of said Tony Wisniewski et ux Tract 180.62 feet to a point on the East line of U.S. Highway 101 to the point of beginning.

EXCEPTING THEREFROM the following described parcels:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point South 149.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence North 257.13 feet to the North line of said Section 5; thence Easterly along the North line of said Section 5, 155.0 feet; thence South 150 feet; thence along the arc of a 45 foot radius curve left, 70 feet; thence South 55 deg. 29' 37" West 132.88 feet to the point of beginning.

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PARCEL II:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

Tax Parcel Number: R347536 and R509742

2007 JUL 19 PM 4:29

ENTERED
AW

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR LINCOLN COUNTY

OKSENHOLT CORPORATION, an
Oregon corporation AND VDV
PROPERTIES LLC, an Oregon
limited liability company,

Petitioners,

v.

DEPOE BAY, LLC, a Washington
limited liability company,
ANTONE WISNIEWSKI JR. AND LOIS
WISNIEWSKI

Respondents.

Case No. 073110

PETITION TO ESTABLISH WAY
OF NECESSITY

(Not Subject to Mandatory
Arbitration)

PETITION TO ESTABLISH WAY OF NECESSITY

Petitioner alleges:

1.

Petitioner, OKSENHOLT CORPORATION, is an Oregon corporation,
and Petitioner, VDV PROPERTIES LLC, is an Oregon limited liability
company.

2.

Respondent, DEPOE BAY, LLC, is a Washington limited liability
company, which owns property in Lincoln County, Oregon which is

Page 1 - PETITION TO ESTABLISH WAY OF NECESSITY
OKSENHOLT CORPORATION, et al. v. Depoe Bay, LLC, et al.

KULLA, RONNAU, SCHAUB & CHAMBERS, P
Attorneys at Law
4488 NE Devils Lake Blvd.
Lincoln City, OR 97367
Phone: (541) 996-2195 Fax: (541) 996-277
e-mail: krsc@earthlink.net

1 described in the attached Exhibit "1" over which a way of necessity
2 should be established.

3 3.

4 Respondents, ANTONE WISNIEWSKI JR. AND LOIS WISNIEWSKI own
5 real property in Lincoln County, Oregon which is described as
6 Parcel 1 of Partition Plat 2003-14, filed for record on August 26,
7 2003, in Lincoln County, Oregon over which a way of necessity
8 should be established.

9 4.

10 Petitioners are filing this Petition in order to establish a
11 road pursuant to ORS 376.150 to 376.200 to provide motor vehicle
12 access from a public road (Highway 101) to land that would
13 otherwise have no motor vehicle access.

14 5.

15 Pursuant to Lincoln County Code Section 6.600, Lincoln County
16 has transferred jurisdiction over ways of necessity to the Lincoln
17 County Circuit Court. LCC Section 6.600 reads as follows:

18 "WAYS OF NECESSITY

19 6.600 Transfer of Jurisdiction Over Ways of
20 Necessity

21 In accordance with the provisions of ORS 376.200,
22 jurisdiction over the establishment of ways of necessity
23 under ORS 376.150 to 376.200 is removed and transferred
24 to the circuit court. [1995 o.353 §2]."

6.

23 Petitioners are Buyers under a real estate sale agreement of
24 the property described as: U.S. Government Lots 1 and 2, in

1 Section 5, Township 9 South, Range 11 West, Willamette Meridian, in
2 the County of Lincoln and State of Oregon.

3 7.

4 Attached hereto as Exhibit "2", page 1 is a drawing that shows
5 the proposed location of the 50 foot wide way of necessity. A
6 legal description of the proposed way of necessity is described on
7 page 2 of the attached Exhibit "2".

8 8.

9 The property to be served by the proposed way of necessity
10 is located in Depoe Bay, Oregon. The legal description of the
11 property to be served is: U.S. Government Lots 1 and 2, in
12 Section 5, Township 9 South, Range 11 West, Willamette Meridian,
13 in the County of Lincoln and State of Oregon.

14 9.

15 Attached hereto as Exhibit "3" is a Narrative Statement that
16 addresses the requirements of ORS 376.155.

17 10.

18 Pursuant to ORS 376.200(5) the Court should now appoint a
19 person to investigate the proposed way of necessity and submit a
20 written report to the Court and the Petitioners. James Buisman,
21 the Lincoln County Engineer and Public Works Director would be an
22 appropriate person to appoint.

23 / / /

24 / / /

11.

The Petitioners are ready to post a bond or security deposit with the Court Clerk in an amount required by the Court for the cost of the investigation and report required pursuant to ORS 376.200(45).


WHEREFORE, Petitioners pray for relief as follows:

1. For the Court to appoint a person to investigate the proposed way of necessity and submit a written report to the Court and Petitioners;
2. For the Court to determine what amount of bond or security deposit, if any, is needed for the cost of the investigation and report required pursuant to ORS 376.200(5);
3. After review of this Petition, Narrative Statement, Exhibits and the report of the person appointed by the Court; that the Court order the establishment of the way of necessity as described in Exhibit "2" attached hereto, subject to the requirement that the Petitioners pay Respondents the consideration stated in the attached Narrative Statement;
4. For an order requiring the Respondents herein to convey the property described in Exhibit "2" by deed to the Petitioners to establish the way of necessity for the benefit of Petitioners herein; and

5. Providing for any other relief which the Court deems just and proper.

DATED this 19th day of July, 2007.

KULLA, RONNAU, SCHAUB & CHAMBERS, P.C.

By: 
JOAN M. CHAMBERS, OSB #78025
Of Attorneys for Petitioner

K:\Open\7184\petition.wpd

Real property in the County of Lincoln, State of Oregon, described as follows:

PARCEL I:

A tract of land in Government Lots 3 and 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, more particularly described as follows:

Beginning at the intersection of the North line of said Lot 3 and the Easterly right of way line of U.S. Highway 101; thence North 85 deg. 23' 11" East 1398.19 feet to the North one-quarter corner of said Section 5; thence South 0 deg. 28' 45" West along the North-South centerline of said Section 5, 2217.67 feet to the Northeast corner of the Chuck Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 160, Microfilm Records for Lincoln County, Oregon; thence North 89 deg. 23' West along the North line of said Chuck Wisniewski Tract 546.26 feet to the most Easterly corner of the Tony Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 159, Microfilm Records for Lincoln County, Oregon; thence North 62 deg. 53' West along the Northerly line of said Tony Wisniewski, et ux Tract, 217.09 feet; thence South 61 deg. 29' 30" West along the Northerly line of said Tony Wisniewski et ux Tract 180.62 feet to a point on the East line of U.S. Highway 101 to the point of beginning.

EXCEPTING THEREFROM the following described parcels:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point South 149.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence North 257.13 feet to the North line of said Section 5; thence Easterly along the North line of said Section 5, 155.0 feet; thence South 150 feet; thence along the arc of a 45 foot radius curve left, 70 feet; thence South 55 deg. 29' 37" West 132.68 feet to the point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point that is South 249.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence West 130 feet; thence North 25 feet; thence along the arc of a 45 foot radius curve left 50 feet; thence North 75 deg. 44' 47" East, 120.0 feet, more or less, to a point that is 100 feet North of the point of beginning; thence South 100 feet to the point of beginning.

PARCEL II:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

Tax Parcel Number: R347536 and R509742

Being a description of a right-of-way over and across a strip of land lying 25.00 feet on each side of the following described center line:

Commencing at the Southwest corner of that property conveyed to Depoe Bay, LLC, described in Lincoln County Deed Record 200400342, recorded January 12, 2004, said corner being located on the Easterly right-of-way line of U.S. Highway 101, also being in Section 5 of Township 9 South, Range 11 West of the Willamette Meridian, Lincoln County, Oregon; thence along said Easterly right-of-way line South $12^{\circ}58'19''$ East 0.13 feet to the TRUE POINT OF BEGINNING; thence along a 50.00 foot radius curve to the left 14.84 feet (the long chord of which bears North $69^{\circ}07'34''$ East 14.78 feet); thence North $60^{\circ}37'29''$ East 132.32 feet; thence along a 300.00 foot radius curve to the right 146.69 feet (the long chord of which bears North $74^{\circ}37'56''$ East 145.23 feet); thence North $88^{\circ}38'23''$ East 217.60 feet; thence along a 275.00 foot radius curve to the left 398.89 feet (the long chord of which bears North $47^{\circ}05'10''$ East 364.83 feet); thence North $5^{\circ}31'56''$ East 266.79 feet; thence along a 100.00 foot radius curve to the right 131.78 feet (the long chord of which bears North $43^{\circ}17'09''$ East 122.45 feet) to a point on the North-South center line of the aforementioned Section 5. The side lines of said 50.00 foot right-of-way are to be extended or shortened to terminate at the Easterly right-of-way line of U.S. Highway 101 and the North-South center line of Section 5.

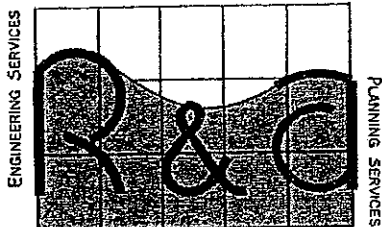
NARRATIVE STATEMENT

Petitioner submits this Narrative Statement to address the requirements of ORS 376.155(2).

- (2) A drawing showing the proposed location of the way of necessity is attached to the Petition as Exhibit "2". The remaining requirements of ORS 376.155, subparagraphs 2(a) through (k) are addressed as follows in this Narrative Statement.
 - (a) The property to be served by the proposed way of necessity is located in Depoe Bay, Oregon. The legal description for the property to be served is set forth in Paragraph 8 of the Petition.
 - (b) The closest road to the subject property that is capable of being used to provide access to the property is Highway 101. There are no dedicated public roads adjacent to or near the property.
 - (c) The specific proposed location for the way of necessity is set forth on the map and legal description attached to the Petition as Exhibit "2".
 - (d) The Engineer's letter attached to the Petition as Exhibit "4" verifies that the property described in Paragraph 8 of the Petition does not have access or frontage on a public road. In addition, Western Title and Escrow Company has researched the property to see if there are any access easements benefitting the property described in Paragraph 8 of the Petition. The Plant Service Report which is attached to the Petition as Exhibit "5" shows that there are no access easements for the benefit of the property for which a way of necessity is requested.
 - (e) (A) The proposed way of necessity will access Highway 101. The west end of the way of necessity travels over an existing easement access for a short distance. The private easement access road known as Lillian Lane does not benefit the property described in Paragraph 8 of the Petition, but it does access Highway 101.
 - (f) The letter from Dave Reece of Reece & Associates which is attached to the Petition as Exhibit "4" establishes that the proposed way of necessity may be connected to Highway 101 safely.
 - (g) The map which is attached to the Petition as Exhibit "2" shows that the proposed way of necessity is the nearest practical point for connection to the public road given the grades and conditions on the property. In

addition, the letter from Engineer David Reece which is attached to the Petition as Exhibit "4" further demonstrates that the proposed way of necessity is the nearest practical point for connection to Highway 101.

- (h) The name and address of the entity owning the majority of land across which the way of necessity will be located is Depoe Bay, LLC, a Washington limited liability company whose Washington Registered Agent address is 21954 Road 1 SW, Mattawa, Washington 99349. The proposed way of necessity will also cross a portion of property owned by Antone Wisniewski Jr. and Lois Wisniewski whose address is 674 NE Highway 101, Depoe Bay, Oregon 97341.
- (i) Petitioner proposes to pay \$105,300.00 to Depoe Bay, LLC and \$27,500.00 to the Wisniewskis as compensation for the way of necessity. In addition, Petitioner will be providing a new and improved public roadway with screening and landscaping which will benefit all Respondents.
- (j) Petitioners had Western Title and Escrow Company research the status of the title to determine if there are any easements whether developed or undeveloped which would benefit the subject property and there are none. Plant Service Report of Western Title and Escrow is attached to the Petition as Exhibit "5".
- (k) Petitioner has researched the status of the property for which a way of necessity is sought. There is no enforceable access to a public road which benefits the subject property.



Reece & Associates, Inc.
150 catapooia street sw, suite a
albany, oregon 97321
phone: 541-926-2428
fax: 541-926-2456

July 18, 2007

Jon Oksenholt
Oksenholt Construction
PO Box 449
Lincoln City, Oregon 97367

Reference: OKS0702 – Depoe Bay
Map No. 09-11-05 Tax Lot 100

Subject: Way of Necessity – Roadway Design

Dear Jon:

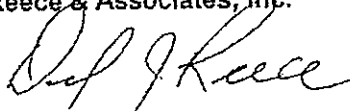
We have analyzed the most practical location for a road to Tax Lot 100 as shown on Lincoln County Assessor Map No. 09-11-05. Tax Lot 100 has no frontage on a public road. The nearest public road is U.S. Highway 101. After careful consideration of existing highway accesses, easements, distance, grades and wetlands, we have identified a proposed alignment for access to Tax Lot 100 across Tax Lot 1109 as shown on Lincoln County Assessor Map No. 09-11-05B.

Our analysis and proposed location is based on several factors. The first consideration is for public access to Highway 101 and the sight distance and safety concerns for the neighboring properties. We propose to connect the access road to Highway 101 at the current intersection of NE Lillian Lane. This is the most logical choice for a Highway 101 access considering the current use and access of NE Lillian Lane. This access point and roadway will be improved to conform to ODOT Standards for access and provide the neighbors using NE Lillian Lane a safer access to Highway 101.

The second consideration is the topography and impact to the property we are proposing to cross. This proposed roadway is located at the southern end of Tax Lot 1109 and follows an existing gravel roadway used for logging purposes. This route would least interfere with the development potential of Tax Lot 1109 because it skirts the boundary of Tax Lot 1109. Considering topographic and wetland concerns, it is also the most direct route across Tax Lot 1109. Other routes must contend with wetland crossings and steeper grades resulting in longer distances from Highway 101 to Tax Lot 100.

In conclusion, according to our analysis this road location is the most practical route for a connection between Tax Lot 100 and Highway 101 and provides the safest connection to a public road.

Sincerely,
Reece & Associates, Inc.



David J. Reece, PE

WESTERN TITLE & ESCROW COMPANY

NEWPORT OFFICE • 255 SW COAST HWY #100 • PO BOX 1006 • Newport, Oregon 97365 • (541) 265-2288 • FAX (541) 265-9570

Date: May 31, 2007

PLANT SERVICE

JOAN CHAMBERS
ATTN: KRSC@EARTHLINK.NET
4488 NE DEVILS LAKE RD.
LINCOLN CITY, OR 97367

Plant Service No: 20-0115007

Per your request we have performed the following plant service. The research involved took 2 hours, which will be billed \$75.00 per hour.

We have searched our tract indices as to the following described property:

U.S. Government Lots 1 and 2, in Section 5, Township 9 South, Range 11 West,
Willamette Meridian, in the County of Lincoln and State of Oregon.
(shown as Tax Lot 100 on Assessor's map 9-11-5)

Dated as of May 23, 2007 at 5:00 p.m.

We do not find any recorded access easements benefiting or burdening the subject property attached herein.

NOTE: This plant service is not to be construed as a commitment to issue title insurance, and is not for the purpose of foreclosure of any mortgage, trust deed, contract or mechanic's lien. Liability is limited to the addressee herein and to the amount paid for this service. We will not be responsible for errors or omission herein.

Judi Highfill, Title Examiner

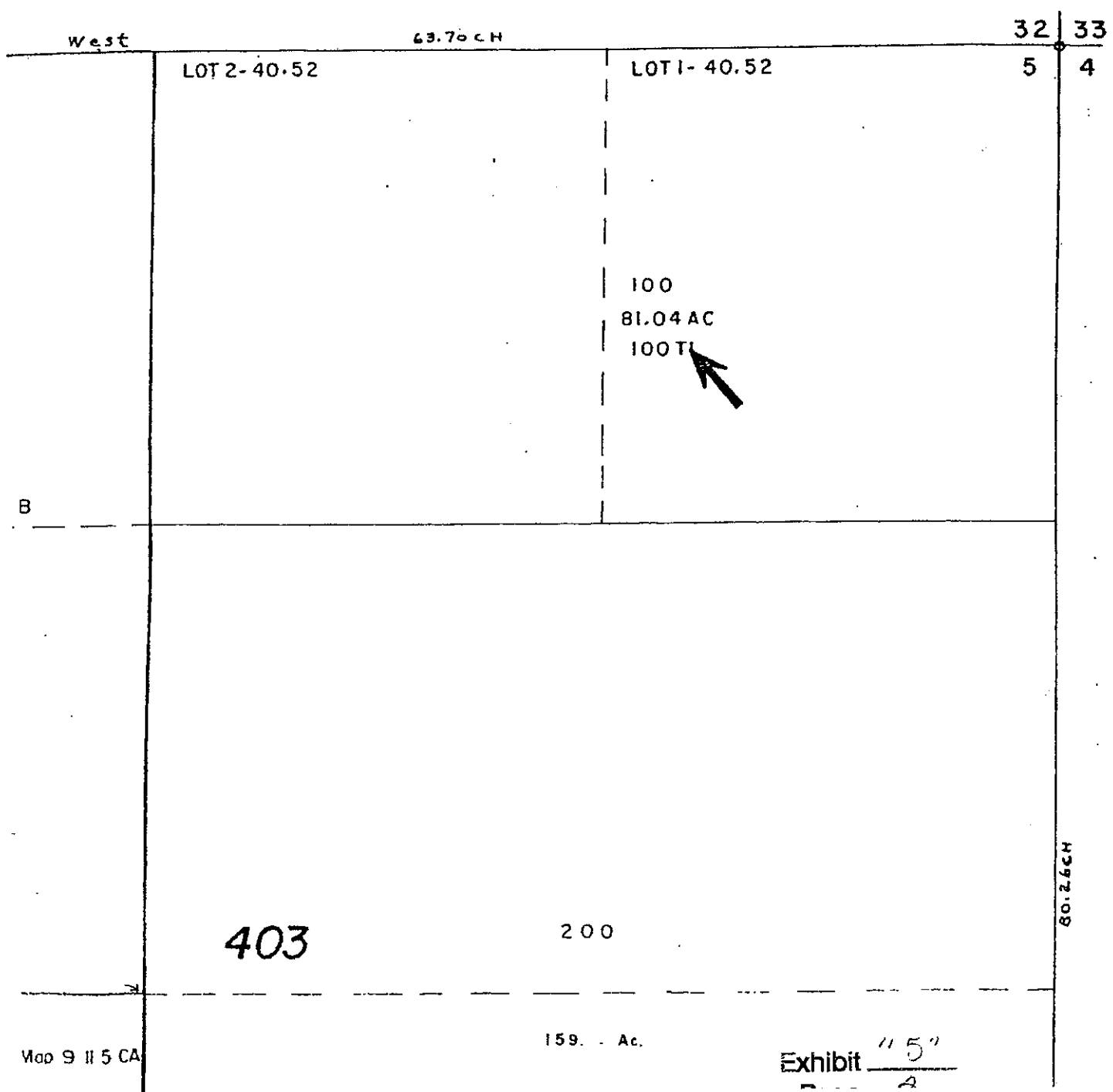
Western Title & Escrow

The Lincoln County Assessor's Office is in the process of redrawing county maps. The map numbers and tax sheet numbers provided herein may or may not match. The information shown on this sketch is provided without charge and is provided as a courtesy only. It is not intended to show all matters related to the property including but not limited to dimensions, easements, encroachments, or location of boundaries. Western Title & Escrow assumes no liability for any matter related to this sketch. Reference should be made to an accurate survey for additional information.

ORDER #: 20-0115007

MAP: 09-11-05 TL 100

SCALE: 1" = 400'



When recorded, mail to:

Orbis Financial, LLC

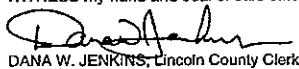
1260 41st Avenue, Ste O
Capitola, CA 95013

Loan no.: 3DEP100 & 4DEP100

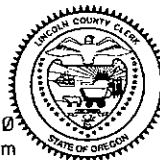
STATE OF OREGON } ss.
County of Lincoln

1 Pages

I, Dana W. Jenkins, County Clerk, in and for said county, do hereby certify that the within instrument was received for record, and recorded in the Book of Records of said county at Newport, Oregon. WITNESS my hand and seal of said office affixed.


DANA W. JENKINS, Lincoln County Clerk

Doc : 200715565
Rect: 709847 26.00
11/05/2007 11:44:16am



Assignment of Deed of Trust

Recorded by First American
Title Insurance Co.
Order # 1098959

FOR VALUE RECEIVED, the undersigned hereby grants, assigns and transfers to:

Orbis Financial, LLC, a California Limited Liability Company,
as to an undivided \$700,000.00/\$17,000,000.00 interest

all beneficial interest under that certain Deed of Trust dated August 28, 2007, executed by:

Depoe Bay, LLC, a Washington Limited Liability Company

as TRUSTOR, to: First American Title Company as TRUSTEE, and recorded CONCURRENTLY
HEREWITH, as instrument number 200712601, in Book N/A Page N/A, in the Official
Records of the office of the County Recorder of Lincoln County, State of Oregon.

This Deed of Trust was modified as evidenced by a Modification of Deed of Trust and Notice of Additional Advance
dated September 25, 2007, and recorded CONCURRENTLY HEREWITH, as instrument number 200713946,
in the Official Records of the office of the County Recorder of Lincoln County, State of Oregon.

Together with the Note therein described or referred to, the money due and to become due thereon with interest, and
all rights accrued or to accrue under said Deed of Trust.

Omni Financial, LLC, a California Limited Liability Company

Dated: Nov 2, 2007


Chris A. Johnson, Manager

State of California }

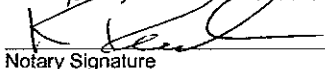
County of Santa Cruz }

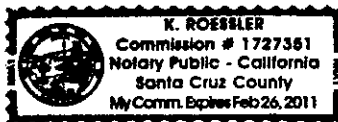
On November 2, 2007 before me, K. Roessler, Notary Public,
personally appeared:

Chris A. Johnson

☒ personally known to me; or ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) IS/ARE subscribed to the within instrument, and acknowledged to me that HE/SHE/HEY executed the same
in HIS/HER/THEIR authorized capacity(ies), and that by HIS/HER/THEIR signature(s) on the instrument the person or
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


Notary Signature



26

**This is Being Re-Recorded to Add
Addendum and Rider**

Recorded by First American
Title Insurance Co.

Order #: 1098959



*First American
Title Insurance Company
of Oregon*

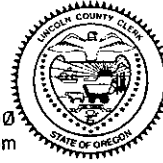
STATE OF OREGON } ss.
County of Lincoln

13 Pages

I, Dana W. Jenkins, County Clerk, in and for said county, do hereby
certify that the within instrument was received for record, and
recorded in the Book of Records of said county at Newport, Oregon.
WITNESS my hand and seal of said office affixed.


DANA W. JENKINS, Lincoln County Clerk

Doc : 200712601
Rect: 708003 86.00
08/31/2007 03:48:06pm



RECORDING COVER SHEET

This cover sheet has been prepared for attachment to the accompanying document as
provided by Oregon Revised Statutes 205.234. Any errors in this cover sheet do not affect
the transactions(s) contained in the document itself.

- (A) Name(s) of the transaction(s) described in the attached instrument:

Deed of Trust

- (B) Name(s) of the grantor(s) and grantee(s) to the transaction:

Trustor(s): **Depoe Bay, LLC**

- (C) Beneficiary: **OMNI Financial, LLC**

- (D) Trustee: **First American Title Company**

- (E) Consideration/Loan Amount: **\$12,000,000.00**

- (F) The person authorized to receive the instrument after recording, as provided
by ORS 205.180(4) and 205.238 is:

**OMNI Financial, LLC
1260 41st Ave., #O
Capitola, CA 95010**

Recording Requested By
First American Title Company

When Recorded Mail To:
Omni Financial, LLC
1260 41st Avenue, Suite O
Capitola, CA 95010

Recorded by First American
Title Insurance Co.

Loan: 3DEP100

Order # 1098959

STATE OF OREGON } ss.
County of Lincoln

8 Pages

I, Dana W. Jenkins, County Clerk, in and for said county, do hereby
certify that the within instrument was received for record, and
recorded in the Book of Records of said county at Newport, Oregon.
WITNESS my hand and seal of said office affixed.


DANA W. JENKINS, Lincoln County Clerk

Doc : 200712515
Rect: 707951 61.00
08/30/2007 11:33:01am



Space above this line for recorder's use

Date: August 28, 2007

Tax Parcel Number: R509742 & Tax Parcel Number: R347536

TRUST DEED
(Assignment Restricted)

THIS DEED OF TRUST, made this 28th day of August 2007, between DEPOE BAY, LLC, A WASHINGTON LIMITED LIABILITY COMPANY as GRANTOR, and FIRST AMERICAN TITLE COMPANY as TRUSTEE, and OMNI FINANCIAL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, as BENEFICIARY.

WITNESSETH; Grantor Irrevocably conveys to Trustee in trust, with power of sale, certain real property in the State of OREGON, County of LINCOLN, described as: (See attached legal description - Exhibit A)

Together with all tenements, hereditaments and appurtenances, including easements, and all other rights thereunto belonging or in any way now or hereafter appertaining, and the rents, issues, and profits thereof, together with all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of TWELVE MILLION & 00/100 U.S. dollars (\$12,000,000.00), with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable, SEPTEMBER 1, 2010.

Note: The Trust Deed Act provides that the Trustee hereunder must be either an attorney who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of the state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 896.505 to 896.535.

*WARNING: 12 USC 1701f-8 regulates and may prohibit exercise of this option.

BORROWER'S INITIALS: SK

Page 1 of 5

DEED OF TRUST

Tax Parcel Number: R509742 & Tax Parcel Number: R347536

In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the Grantor without first having obtained the written consent or approval of the Beneficiary, then, at the Beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

Grantor agrees:

1. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or improvement therein; not to commit or permit any waste of said property.
2. To complete or restore promptly and in good and workmanlike manner any building or improvement, which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefore.
3. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said property against loss or damage by fire and other hazards as the Beneficiary may require, in an amount not less than Full Replacement Cost and a \$1,000,000.00 Liability Policy, written by companies acceptable to the Beneficiary, with loss payable to Beneficiary; proof of insurance shall be delivered to the Beneficiary as soon as issued.
4. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property.
5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipt of payment to Beneficiary.
6. Should the Grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by Grantor, either by direct payment or by providing Beneficiary with funds with which to make such payment, Beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations of Grantor, described in paragraphs 7 and 8 of this Trust Deed section, shall be added to and become a part of the debt secured by this Trust Deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property herein before described, as well as the Grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the Beneficiary, render all sums secured by this Trust Deed immediately due and payable and constitute a breach of this Trust Deed.
7. To pay all costs, fees and expenses of this trust including the cost of title search, as well as the other costs and expenses of the Trustee incurred in connection with or in enforcing this obligation together with trustees' and attorneys' fees actually incurred.
8. To appear in and defend any action or proceeding purporting to affect the security rights or powers of Beneficiary or Trustee; and in any suit, action or proceeding in which the Beneficiary or Trustee may appear, including evidence of title and the Beneficiary's or Trustee's attorneys' fees. The amount of attorneys' fees mentioned in this paragraph 7 above in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, Grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the Beneficiary's or Trustee's attorneys' fees on such appeal.

The parties mutually agree:

1. In the event that any portion of the property is taken under the right of eminent domain or condemnation, Beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to pay

BORROWER'S INITIALS: SP

all reasonable costs, expenses and attorneys' fees, both in the trial and appellate courts, necessarily paid or incurred by Beneficiary in such proceedings, be applied upon the indebtedness secured hereby; and Grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation promptly upon Beneficiary's request.

2. Upon any default by Grantor hereunder, Beneficiary may, at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof, in its own name, sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees upon any indebtedness secured hereby, in such order as Beneficiary may determine.

3. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder, or invalidate any act done pursuant to such notice.

4. Upon default by Grantor in payment of any indebtedness secured hereby or in Grantor's performance of any agreement contained hereunder, time being of the essence with respect to such payment and/or performance, the Beneficiary may declare all sums secured hereby immediately due and payable. In such event Beneficiary, at its election, may proceed to foreclose this trust deed by advertisement and sale, or may direct the Trustee to pursue any other right or remedy, either at law or in equity, which the Beneficiary may have. In the event the Beneficiary elects to foreclose by advertisement and sale, the Beneficiary or the Trustee shall execute and cause to be recorded a written notice of default and election to sell the said described real property to satisfy the obligation secured hereby whereupon the Trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

5. The Grantor and those persons authorized by ORS 86.753 may cure any default(s) 5 days before the date the Trustee has designated for sale. Any cure of default(s) shall require payment of or tendering performance and the payment of all costs and expenses actually incurred in enforcing the obligations of this Trust Deed, including, but not limited to, trustees' and attorneys' fees as authorized by law.

In the absence of any such cure, the Trustee will enforce the obligations of this Trust Deed in accordance with paragraph 4 herein and as authorized and required by applicable law.

6. When Trustee sells pursuant to the powers provided herein, Trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the Trustee and a reasonable charge by Trustee's attorney, (2) the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the Trustee in the trust deed as their interest may appear in the order of their priority and (4) the surplus, if any, to the Grantor or to his successor in interest entitled to such surplus.

7. Beneficiary may from time to time appoint a successor or successors to any Trustee named herein or to any successor trustee appointed hereunder. Upon such an appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

The Grantor covenants to and agrees with the Beneficiary and the Beneficiary's successors in interest that the Grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereto, except as may be set forth in any addendum or exhibit attached hereto, and that the Grantor

BORROWER'S INITIALS: SB

will warrant and forever defend the same against all persons whomsoever.

This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term Beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a Beneficiary herein. In construing this deed and whenever the context so requires the singular number includes the plural.

8. Additional Terms and Severability. The terms and conditions attached as Exhibit A are incorporated herein by this reference and constitute an integral part of this Deed of Trust and shall be interpreted and construed as one and the same document. If any term or condition attached as Exhibit A conflicts with any term or condition in the portion of the Deed of Trust to which it is attached, then the interpretation most favorable to the Beneficiary shall govern. If any term or condition of the Deed of Trust including any term or condition attached as Exhibit A or portion of a term or condition is held to be invalid or unenforceable by a court of competent jurisdiction, then only the term or condition, or portion of a term or condition that is held to be invalid or unenforceable shall be excluded with all remaining terms and conditions or portions of a term or condition remaining valid and enforceable. It is the intent of the parties that the remaining provisions shall continue to be fully effective in order to provide the maximum benefit to the Beneficiary.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand the day and year first above written,
GRANTOR: DEPOE BAY, LLC

By Stephen Lopez
Stephen Lopez, Sole Manager

STATE OF California
County of Santa Clara

This instrument was acknowledged before me on this 29th day of August,
2007 by _____ as _____
of _____

Notary Public for _____

My commission expires: _____

*See Attachment
All Depose Acknowledgment*

BORROWER'S INITIALS: BSJ

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Contra Costa

} ss.

On August 28, 2007 before me,

Laura Renno, Notary Public
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

Stephen Lopez
Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

TRUST DEED - Tax Parcel No. 2347536

Document Date: August 28, 2007

Number of Pages: 5

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

- ☐ Individual
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing:

Signer's Name:

- ☐ Individual
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing:

REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.)

TO: , Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed, the estate now held by you under the same.

Mail Reconveyance to:

Dated: _____

By _____

By _____

Beneficiary

**Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.
Both must be delivered to the Trustee before cancellation before reconveyance is made.**

*SEE ATTACHED LEGAL DESCRIPTION ADDENDUM TO THE DEED OF TRUST
*SEE ATTACHED HAZARDOUS SUBSTANCE RIDER TO THE DEED OF TRUST
*SEE ATTACHED MULTIPLE PROPERTIES & ADDITIONAL TERMS & CONDITIONS
ADDENDUM TO THE DEED OF TRUST

BORROWER'S INITIALS: SB _____

Page 5 of 5

DEED OF TRUST

Tax Parcel Number: R509742 & Tax Parcel Number: R347536

Exhibit "A"

Real property in the County of Lincoln, State of Oregon, described as follows:

PARCEL I:

A tract of land in Government Lots 3 and 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, more particularly described as follows:

Beginning at the intersection of the North line of said Lot 3 and the Easterly right of way line of U.S. Highway 101; thence North 85 deg. 23' 11" East 1398.19 feet to the North one-quarter corner of said Section 5; thence South 0 deg. 28' 45" West along the North-South centerline of said Section 5, 2217.67 feet to the Northeast corner of the Chuck Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 160, Microfilm Records for Lincoln County, Oregon; thence North 89 deg. 23' West along the North line of said Chuck Wisniewski Tract 546.26 feet to the most Easterly corner of the Tony Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 159, Microfilm Records for Lincoln County, Oregon; thence North 62 deg. 53' West along the Northerly line of said Tony Wisniewski, et ux Tract, 217.09 feet; thence South 61 deg. 29' 30" West along the Northerly line of said Tony Wisniewski et ux Tract 180.62 feet to a point on the East line of U.S. Highway 101 to the point of beginning.

EXCEPTING THEREFROM the following described parcels:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point South 149.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence North 257.13 feet to the North line of said Section 5; thence Easterly along the North line of said Section 5, 155.0 feet; thence South 150 feet; thence along the arc of a 45 foot radius curve left, 70 feet; thence South 55 deg. 29' 37" West 132.88 feet to the point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point that is South 249.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence West 130 feet; thence North 25 feet; thence along the arc of a 45 foot radius curve left 50 feet; thence North 75 deg. 44' 47" East, 120.0 feet, more or less, to a point that is 100 feet North of the point of beginning; thence South 100 feet to the point of beginning.

PARCEL II:

First American Title

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

Tax Parcel Number: R509742 and R347536

HAZARDOUS SUBSTANCE RIDER TO DEED OF TRUST

That certain Deed Of Trust dated, August 28, 2007, between Depoe Bay, LLC, a Washington Limited Liability Company, therein and herein called "Trustor", First American Title Company, therein called "Trustee" and Omni Financial, LLC, a California Limited Liability Company, therein and herein called "Beneficiary" is supplemented in the following particulars only:

1. Trustor represents to Beneficiary that, to the best of Trustor's knowledge after due and diligent inquiry, no hazardous or toxic waste substances are being stored on the property or any adjacent property nor have such substances been stored or used on the property or any adjacent property prior to Trustor's ownership, possession or control of the property. Trustor agrees to provide written notice to Beneficiary immediately upon Trustor's becoming aware that the property or any adjacent property is being or has been contaminated with hazardous or toxic waste or substances. Trustor will not cause or permit any activities on the property that directly or indirectly could result in the property or any other property's being contaminated with hazardous or toxic waste or substances. For the purpose of this Deed of Trust, "hazardous" or "toxic waste" or "substances" means any substance or material defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic, or radioactive substance, or other similar term by any applicable federal, state, or local statute, regulation, or ordinance now or hereafter in effect.

2. Trustor shall promptly comply with all statutes, regulations, and ordinances, and with all orders, decrees, or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, storage, treatment, control, removal, or cleanup of hazardous toxic waste or substances in, on, or under the property or in, on, or under any adjacent property that becomes contaminated with hazardous or toxic waste or substances as a result of construction, operations, or other activities on, or the contamination of, the property, or incorporated in any improvements thereon, at Trustor's expense. Beneficiary may, but is not obliged to, enter upon the property and take such actions and incur such costs and expenses to effect such compliance as it deems advisable to protect its interest as Beneficiary; and whether or not Trustor has actual knowledge of the existence of hazardous or toxic waste or substances in, on, or under the property or any adjacent property as of the date hereof, Trustor shall reimburse Beneficiary on demand for the full amount of all costs and expenses incurred by Beneficiary prior to Beneficiary's acquiring title to the property through foreclosure or deed in lieu of foreclosure, in connection with such compliance activities

Trustor/Borrower: Depoe Bay, LLC

 8/28/07
Stephen B. Lopez, Sole Manager Date

ADDENDUM TO THE DEED OF TRUST

MULTIPLE PROPERTY LISTING - ADDITIONAL TERMS AND CONDITIONS

Loan No.: 3DEP100

Dated: 8/28/2007

Property Address: **Vacant Land Located East of Highway 101, City: Depoe Bay**
County: **Lincoln, State of Oregon**
Legal Description: **Tax Parcel Number R509742 & Tax Parcel Number R347536 (See attached Legal Description)**

There are additional Deeds of Trust dated **August 28, 2007**, of the same Amount securing the Promissory Note referenced herein, which is recorded against property referenced as:

Rights to Fee -

Property Address: **Iron Mountain Mines, City: Redding**
County: **Shasta, State of California**
Legal Description: **APN 046-160-012 & APN 046-140-005 & APN 046-140-006 (See attached Legal Description)**

Rights to Water-

Property Address: **Iron Mountain Mines, City: Redding**
County: **Shasta, State of California**
Legal Description: **APN 011-160-042 & APN 011-160-046 & APN 011-160-048 & APN 046-110-008 & APN 046-140-005 & APN 046-140-006 & APN 046-160-012 & APN 046-170-016 & APN 046-170-017 & APN 046-170-018 (See attached Legal Description)**

A default under any Deed of Trust will constitute a default under all Deeds of Trust.

BORROWER AND LENDER FURTHER COVENANT AND AGREE AS FOLLOWS:

A. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, and without regard to the adequacy of any security for the indebtedness hereby secured, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by Agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

Omni Financial, LLC, 1260 41st AVE., STE O, CAPITOLA, CA 95010 (831) 464-5027
CALIFORNIA FINANCIAL LENDER'S LICENSE NO. 605 2592

PAGE 1 OF 3

BORROWER'S INITIALS: JD
MULTIPLE PROPERTY LISTING - ADDITIONAL TERMS & CONDITIONS

B. EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement.

Default on Indebtedness. Failure of Grantor to make any payment when due on the indebtedness.

Other Defaults. Failure of Grantor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Agreement, the Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Grantor or the dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against the Collateral or any other collateral securing the indebtedness. This includes a garnishment of any of Grantor's deposit accounts with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity of reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor of forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Right to Cure. If any default, other than a Default on Indebtedness, is curable and if Grantor has not been given a prior notice of a breach of the same provision of this Agreement, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such default, (a) cures the default within fifteen (15) days; or (b), if the cure required more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonable practical.

Upon default by Borrower in payment of any indebtedness secured hereby or other event of default or in performance of any agreement hereunder, Lender may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written Notice of Default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Trustee shall be entitled to rely upon the correctness of such notice. Lender also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as then may be required by law following the recordation of said Notice of Default and Notice of Sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said Notice of Sale, either as a whole or in separate parcels and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which said property, if consisting of several lots or parcels, shall be sold), at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding

Omni Financial, LLC, 1260 41st AVE., STE O, CAPITOLA, CA 95010 (831) 464-5027
CALIFORNIA FINANCIAL LENDER'S LICENSE NO. 605 2592

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BORROWER'S INITIALS: 88
MULTIPLE PROPERTY LISTING - ADDITIONAL TERMS & CONDITIONS

postponement. Trustee shall deliver to such purchaser its deed conveying the property to sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate prescribed in the Note; all other sums then secured thereby; and the remainder, if any, to the person or persons legally entitled thereto.

Omni Financial, LLC, 1260 41st AVE., STE O, CAPITOLA, CA 95010 (831) 464-5027
CALIFORNIA FINANCIAL LENDER'S LICENSE NO. 605 2592

PAGE 3 OF 3

BORROWER'S INITIALS: SS _____
MULTIPLE PROPERTY LISTING - ADDITIONAL TERMS & CONDITIONS

When recorded, mail to:

Omni Financial, LLC
1260 41st Avenue, Ste O
Capitola, CA 95010

Loan no.: 3DEP100

STATE OF OREGON } ss.
County of Lincoln

4 Pages

I, Dana W. Jenkins, County Clerk, in and for said county, do hereby certify that the within instrument was received for record, and recorded in the Book of Records of said county at Newport, Oregon. WITNESS my hand and seal of said office affixed.


DANA W. JENKINS, Lincoln County Clerk

Doc : 200713946
Rect: 708880 41.00
09/28/2007 03:35:03pm



Recorded by First American
Title Insurance Co.
Order # 1098959

MODIFICATION OF DEED OF TRUST AND NOTICE OF ADDITIONAL ADVANCE

THIS MODIFICATION OF DEED OF TRUST IS DATED September 25, 2007, among Depoe Bay, LLC, a Washington Limited Liability Company, (referred to below as "Trustor"), whose address is 1600 South Main Street, Suite 325, Walnut Creek, CA 94596; Omni Financial, LLC, a California Limited Liability Company (referred to below sometimes as "Lender" and sometimes as "Beneficiary"), whose address is 1260 41st Ave., Ste O, Capitola, CA 95010; and First American Title Company, (referred to below as "Trustee"), whose address is 222 SW Columbia Street, Suite 400, Portland, OR 97201.

DEED OF TRUST. Trustor and Lender have entered into a Deed of Trust dated August 28, 2007 (the "Deed of Trust") recorded in Lincoln County, State of Oregon as follows:

RECORDED ON August 30, 2007, AS INSTRUMENT NUMBER 200712515, IN BOOK NUMBER , PAGE NUMBER IN THE OFFICIAL RECORDS OF THE COUNTY OF Lincoln AND RE-RECORDED ON August 31, 2007, AS INSTRUMENT NUMBER 200712601, IN BOOK NUMBER , PAGE NUMBER IN THE OFFICIAL RECORDS OF THE COUNTY OF Lincoln.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property (the "Real Property") recorded in Lincoln County, State of Oregon:

(See attached Exhibit A: Legal Description)

The Real Property or its address is commonly known as Vacant Land Located East of Highway 101, Depoe Bay, OR. The Assessor's Parcel numbers for the Real Property are R509742 & R347536.

MODIFICATION. Trustor and Lender hereby modify the Deed of Trust as follows:

1. The parties do hereby modify and increase the original principal balance of the Promissory Note secured by this Deed of Trust from TWELVE MILLION DOLLARS (\$12,000,000.00) to SEVENTEEN MILLION DOLLARS (\$17,000,000.00).
2. The Deed of Trust is further modified to include Orbis Financial, LLC, a California Limited Liability Company whose address is 1260 41st Avenue, Suite O, Capitola, CA 95010, as co-Lender/Beneficiary under the Deed of Trust securing the Promissory Note.
3. All other terms and conditions of the Deed of Trust are to remain the same.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the Promissory Note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification but also to all such subsequent actions.

EACH TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THE MODIFICATION OF DEED OF TRUST, AND EACH TRUSTOR AGREES TO ITS TERMS.

Depoe Bay, LLC
a Washington Limited Liability Company

BY:

Stephen B. Lopez, Sole Manager

CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Contra Costa

On September 25, 2007 before me, Laura Renno, Notary Public, personally appeared:

Stephen B. Lopez

[] personally known to me, or [] proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~IS~~ ARE subscribed to the within instrument, and acknowledged to me that ~~HE~~ SHE/THEY executed the same in ~~HIS~~ HER/THEIR authorized capacity(ies), and that by ~~HIS~~ HER/THEIR signature(s) on the instrument the person or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Signature

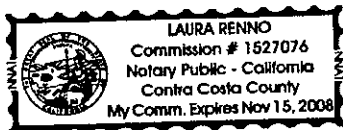


Exhibit "A"

Real property in the County of Lincoln, State of Oregon, described as follows:

PARCEL I:

A tract of land in Government Lots 3 and 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, more particularly described as follows:

Beginning at the intersection of the North line of said Lot 3 and the Easterly right of way line of U.S. Highway 101; thence North 85 deg. 23' 11" East 1398.19 feet to the North one-quarter corner of said Section 5; thence South 0 deg. 28' 45" West along the North-South centerline of said Section 5, 2217.67 feet to the Northeast corner of the Chuck Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 160, Microfilm Records for Lincoln County, Oregon; thence North 89 deg. 23' West along the North line of said Chuck Wisniewski Tract 546.26 feet to the most Easterly corner of the Tony Wisniewski, et ux, Tract as conveyed by deed recorded May 6, 1969 in Book 9, Page 159, Microfilm Records for Lincoln County, Oregon; thence North 62 deg. 53' West along the Northerly line of said Tony Wisniewski, et ux Tract, 217.09 feet; thence South 61 deg. 29' 30" West along the Northerly line of said Tony Wisniewski et ux Tract 180.62 feet to a point on the East line of U.S. Highway 101 to the point of beginning.

EXCEPTING THEREFROM the following described parcels:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point South 149.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence North 257.13 feet to the North line of said Section 5; thence Easterly along the North line of said Section 5, 155.0 feet; thence South 150 feet; thence along the arc of a 45 foot radius curve left, 70 feet; thence South 55 deg. 29' 37" West 132.88 feet to the point of beginning.

A tract of land lying in Government Lot 3, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at a point that is South 249.00 feet and East 1339.90 feet of the meander corner between Section 5, Township 9 South, Range 11 West of the Willamette Meridian, and Section 32, Township 8 South, Range 11 West of the Willamette Meridian; thence West 130 feet; thence North 25 feet; thence along the arc of a 45 foot radius curve left 50 feet; thence North 75 deg. 44' 47" East, 120.0 feet, more or less, to a point that is 100 feet North of the point of beginning; thence South 100 feet to the point of beginning.

PARCEL II:

A tract in Government Lot 4, Section 5, Township 9 South, Range 11 West of the Willamette Meridian, in Lincoln County, Oregon, described as follows:

Beginning at an iron rod that is South 2028.95 feet and East 1285.75 feet from the meander corner on the North line of said Section 5, on the Pacific Ocean; thence North 100 feet to the true point of beginning; thence West 120 feet; thence North 100 feet; thence East 120 feet; thence South 100 feet to the true point of beginning.

Tax Parcel Number: R509742 and R347536