

1 David N. Chandler, Sr. [REDACTED]
David N. Chandler, Jr. [REDACTED]
2 DAVID N. CHANDLER, p.c. [REDACTED]

3 [REDACTED]
4 [REDACTED]

Attorneys for Debtors

5 UNITED STATES BANKRUPTCY COURT
6 NORTHERN DISTRICT OF CALIFORNIA
7

8 IN RE: CASE No. 11-10535
9 ALAN D. MURRAY and CHAPTER 11
ELIZABETH MURRAY,
10 ORDER CONFIRMING PLAN
11 DEBTORS. /

12
13 The final hearing on confirmation of the Debtors' plan came on
14 for hearing on November 7, 2012, David N. Chandler appearing for the
15 Debtors, and Thomas Hjerpe appearing for the County of Del Norte,
16 William Dahlin appearing for Hart, King & Coldren, and Gregory R.
17 Wilson and evidence having been presented and the matter submitted,
18 and the Court having entered its Memorandums of Decision on November
19 27, 2012, November 29, 2013 and December 3, 1012; and for the
20 reasons stated therein,

21 IT IS HEREBY ORDERED as follows:

- 22 1. All objections to the plan are overruled.
23 2. The Second Amended Plan ("Plan") under Chapter 11 of the
24 Bankruptcy Code filed by Alan D. Murray and Elizabeth Murray,
25 Debtors herein, on October 26, 2012 and amended on November 5, 2012,
26 and the Plan having been transmitted to creditors and equity
27 security holders; and
28 a. The Plan has been accepted in writing by the creditors and

1 equity security holders as is required by law.

2 b. The provisions of Chapter 11 of the Code have been
3 complied with; the Plan has been proposed in good faith and not by
4 any means forbidden by law.

5 c. Each holder of a claim or interest will receive or retain
6 under the Plan, property of a value, as of the effective date of the
7 Plan, that is not less than the amount such holder would receive or
8 retain if the Debtors were liquidated under Chapter 7 of the Code on
9 such date.

10 d. All payments made or promised by the Debtors, or by a
11 person issuing securities, or acquiring property under the Plan, or
12 by any other person for services or for costs and expenses, or in
13 connection with the Plan, and incident to the case, have been fully
14 disclosed to the Court and are reasonable or, if to be fixed after
15 confirmation of the Plan, will be subject to the approval of the
16 Court.

17 e. The identity, qualifications, and affiliations of the
18 persons who are to be directors or officers, or voting Trustees, if
19 any, of the Debtors, after confirmation of the Plan, have been duly
20 disclosed and the appointment of such persons to such offices, or
21 their continuances therein, is equitable, and consistent with the
22 interest of the creditors and equity security holders and with
23 public policy.

24 f. The identity of any insiders that will be employed or
25 retained by the Debtors and his compensation have been fully
26 disclosed.

27 g. Confirmation of the Plan is not likely to be followed by
28 the liquidation, or the need for further financial reorganization,

1 of the Debtors or any successor to the Debtors under the Plan; and

2 IT IS ORDERED as follows:


3 A. Notwithstanding any term to the contrary in the Second
4 Amended Plan, the rights of the Tenants under their leases are not
5 modified, and to the extent assumable, are assumed in all respects.

6 B. The County of Del Norte shall have an allowed secured
7 Class 8 Claim in the amount of \$24,483.84. The balance of the claim
8 of the County of Del Norte is allowed as a general unsecured claim.
9 The interest rate for Class 8 claim shall be 5% per annum.

10 C. The Class 9 and Class 11 claims shall be treated as
11 unsecured unless the court, after notice and a hearing, finds that
12 the value of their collateral exceeds the amount of liens senior to
13 that of said claims.

14 D. That the Second Amended Plan filed by Alan D. Murray and
15 Elizabeth Murray, Debtors herein, on October 26, 2012, as amended by
16 Amendment filed November 5, 2012, and modified by this order, is
17 approved and confirmed.

18
19 Dated: December 19, 2012


Alan Jaroslovsky
U.S. Bankruptcy Judge

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Parts of: Second Amended Plan of Reorganization
Murray, Alan and Elizabeth

1 3.07. Class 7 Claims. Allowed Secured Claim of Steve Heady
2 as follows:

3 a. Class 7a Claims. Allowed secured claim secured
4 by real property located at 16825 Highway 101 North, Smith River,
5 CA;

6 b. Class 7b Claims. Allowed secured claim secured
7 by real property Chetco River Resort;

8 c. Class 7c Claims. Allowed secured claim secured
9 by real property White Rock Resort.

10 3.08. Class 8 Claims. Allowed Secured Claim of the County
11 of Del Norte secured by a junior priority Deed of Trust describing
12 real property White Rock Resort.

13 3.09. Class 8a Claims. Allowed Secured Claim of the County
14 of Del Norte secured by a general lien recorded in the County of Del
15 Norte, California.

16 3.10. Class 9 Claims. Allowed Secured Claim of Bradford C.
17 Floyd, assignee of Hart, King & Coldren, secured by a general lien
18 recorded in the County of Del Norte, California.

19 3.11. Class 10 Claims. Allowed Secured Claim of Steven D.
20 Hillyard secured by a general lien recorded in the County of Del
21 Norte, California.

22 3.12. Class 11 Claims. Allowed Secured Claim of Gregory R.
23 Wilson secured by a general lien recorded in the County of Del
24 Norte, California.

25 3.13. Class 12 Claims. Allowed Secured Claim of Charles H.
26 and Phyllis J. Council secured by a 1996 Baron/CB612AB Manufactured
27 Dwelling.

28 3.14. Class 13 Claims. Allowed Secured Claim of Chetco

1 5.02. Class 2a and 2b Claims are impaired. Holders of
2 allowed Class 2a and 2b Claims shall retain the liens securing such
3 Claim and shall be paid as follows:

4 a. Holders of allowed Class 2a Claims shall be paid
5 under a five (5) year plan as provided by Chapter 3 of the
6 California Revenue and Taxation Code and the election provided in
7 §§4186-4337. Debtor shall enter into the five (5) year plan on the
8 Effective Date as to such Claims unless such claim has been paid as
9 of the Effective Date.

10 b. Holders of allowed Class 2b Claims shall be paid
11 under a five (5) year plan as provided by Chapter 3 of the
12 California Revenue and Taxation Code and the election provided in
13 §§4186-4337. Debtor shall enter into the five (5) year plan on the
14 Effective Date as to such Claims unless such claim has been paid as
15 of the Effective Date.

16 5.02. Class 7a and 7b Claims are impaired. Holders of
17 allowed Class 7a and 7b Claims shall be paid an amount equal to such
18 holder's interest in the Debtors' interest in the collateral in 180
19 monthly installments of principle and interest at a market rate
20 calculated and based upon full 25 year amortization, and all due
21 after 180 months. Such holder shall retain its interest in the
22 collateral.

23 5.03. Class 8 Claims are impaired. Holders of allowed
24 Class 8 Claims shall be paid an amount equal to such holder's
25 interest in the Debtors' interest in the collateral in 180 equal
26 monthly installments of principle and interest at a market rate and
27 fully amortized over the said 180 months. Such holder shall retain
28 its interest in the collateral.

1 Agreement are not rejected, however, pursuant to the express
2 provisions thereof, Debtors, through and on behalf of, the wholly
3 owned contracting entity, RV Rental Services, Inc. shall opt out of
4 the Rental Pool Agreement as of the Effective Date.

5 ARTICLE VII

6 MEANS FOR THE PLAN'S EXECUTION

7 7.01. Debtors shall continue to operate and lease spaces
8 at the Chetco Resort and the White Rock Resort through the current
9 management limited liability companies.

10 7.02. Debtor shall obtain determination of value of the
11 real estate White Rock Resort and 16825 Highway 101 North, Smith
12 River, CA pursuant to §506 of the Code. Secured claims of holders
13 of allowed Class 7, 8, 8a, 9 and 10 claims shall be determined in
14 accordance with §506.

15 7.03. Debtors, to the extent Lessors of the Leases, and
16 through the wholly owned and operated, Whiterock Resort, LLC and
17 Chetco River Resort, LLC, will consent pursuant to paragraph 3 of
18 the Leases to subletting as to all park tenants and parties to the
19 Rental Pool Agreement on the following terms and conditions:

20 1. Reimbursement of the marginal increase in cost
21 of park management for sublet occupancy based upon the current
22 costs, or, \$30.00 per day for each day that the demised premises
23 described in each such Lease are occupied by a subtenant;

24 2. All subtenants, or guests, are subject to Park
25 Rules;

26 3. Subtenants and guests occupying with consent of
27 Lessor may use Park garbage disposal facilities and Park facilities;

28 4. The per diem marginal cost reimbursement rate

FORM 2

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 13-64789 -FRA
 Case Name: HEADY, STEVEN ROGER
 HEADY, CATHY ANNE
 Taxpayer ID No: [REDACTED]
 For Period Ending: 02/05/15

Trustee Name: JOSEPH M. CHARTER
 Bank Name: [REDACTED]
 Account Number / CD #: [REDACTED]
 Blanket Bond (per case limit): [REDACTED]
 Separate Bond (if applicable): [REDACTED]

1	2	3	4	5	6	7	
Transaction Date	Check or Reference	Paid To / Received From	Description Of Transaction	Uniform Tran. Code	Deposits (\$)	Disbursements (\$)	Account / CD Balance (\$)
08/25/14	9	UNION BANK Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338	BANK SERVICE FEE Contingent Claims Pmt-Sec Portion	2600-000 1121-000	468.64	15.00	7,461.89 7,930.53
09/23/14	9	Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338 UNION BANK	Contingent Claims Pmt-Unsec	1121-000	358.89		8,289.42
09/25/14	9	Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338	BANK SERVICE FEE Pmt on Contingent Claim - Secured	2600-000 1121-000	468.64	15.00	8,274.42 8,743.06
10/23/14	9	Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338	Pmt on Contingent Claim - Unsec	1121-000	358.89		9,101.95
10/27/14	9	UNION BANK UNION BANK	BANK SERVICE FEE BANK SERVICE FEE	2600-000 2600-000		15.00 15.00	9,086.95 9,071.95
11/25/14	9	Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338	Contingent Claim Pmt-Secured	1121-000	468.64		9,540.59
12/18/14	9	Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338	Contingent Claim Pmt-Unsec	1121-000	358.89		9,899.48
12/23/14	9	Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338	Contingency Claim Pmt-Secured	1121-000	468.64		10,368.12
12/23/14	9	Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338	Contingent Claim Pmt-Unsec	1121-000	358.89		10,727.01
12/26/14	9	UNION BANK UNION BANK	BANK SERVICE FEE Pmt on Contingent Claim-Unsec	2600-000 1121-000	358.89	15.00	10,712.01 11,070.90

Page Subtotals

3,669.01

75.00

FORM 2

ESTATE CASH RECEIPTS AND DISBURSEMENTS RECORD

Case No: 13-64789 -FRA
 Case Name: HEADY, STEVEN ROGER
 HEADY, CATHY ANNE

Trustee Name:

JOSEPH M. CHARTER

Bank Name:

Account Number / CD #:

Taxpayer ID No:

For Period Ending: 02/05/15

Blanket Bond (per case limit):
 Separate Bond (if applicable):

1 Transaction Date	2 Check or Reference	3 Paid To / Received From	4 Description Of Transaction	5 Uniform Tran. Code	6 Deposits (\$)	7 Disbursements (\$)	8 Account / CD Balance (\$)
01/26/15	9	16825 US Hwy 101 N Smith River Ca 95567-9338 Alan & Elizabeth Murray DIP 16825 US Hwy 101 N Smith River Ca 95567-9338 UNION BANK	Pmt on Contingent Claim-Secured	1121-000	468.64		11,539.54
01/26/15			BANK SERVICE FEE	2600-000		15.00	11,524.54

COLUMN TOTALS
 Less: Bank Transfers/CD's
 Subtotal
 Less: Payments to Debtors
 Net

11,659.54
 0.00
 11,659.54
 11,659.54
 135.00

TOTAL - ALL ACCOUNTS
 Checking Account (Non-Interest Earn - *****3941

NET DEPOSITS 11,659.54
 NET DISBURSEMENTS 135.00
 NET ACCOUNT BALANCE 11,524.54
 (Excludes Account Transfers)
 (Excludes Payments To Debtors)
 Total Funds On Hand 11,524.54

1 METZGER & OWENS
2 Christopher G. Metzger, [REDACTED]
3 Dustin E. Owens, [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 Attorneys for Alan and Elizabeth Murray

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IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

IN RE
ALAN AND ELIZABETH MURRAY,
DEBTORS

CASE NO. 11-10535
CHAPTER 11
ORDER DETERMINING VALUE OF
CLAIM SECURED BY LIEN ON REAL
PROPERTY

**ORDER DETERMINING VALUE OF CLAIM SECURED BY LIEN ON REAL
PROPERTY
(Steve Heady)**

Upon the motion of the debtors for the entry of default and an order determining that the value of the collateral securing claim of Steve Heady is \$138,582.91,

IT IS HEREBY ORDERED that the motion is granted.

1. The value of the real property collateral securing the claim of Steve Heady with regard to the real property located at 101 North, Smith River, California (“White Rock Property”) and the real property located at 97748 North Bank Chetco River Road, Brookings, Oregon (“Chetco River Property”) is determined to be zero.

2. The value of the real property collateral securing the claim of Steve Heady with regard to the real property located at 16825 Highway 101 North, Smith River, California (“Debtors’ Residence) is determined to be \$138,582.91. The remaining \$411,417.09 portion of

ORDER AVOIDING LIEN

1 the claim of Steve Heady shall be treated as a general unsecured for purposes of Chapter 11 Plan
2 treatment and voting.

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DATED: September 26, 2011



A handwritten signature in black ink, appearing to read 'Alan Jaroslovsky', is written over a horizontal line. The signature is stylized and somewhat illegible.

Alan Jaroslovsky
U.S. Bankruptcy Judge

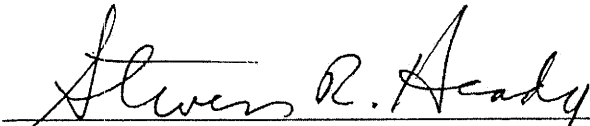
ORDER AVOIDING LIEN

AGREEMENT

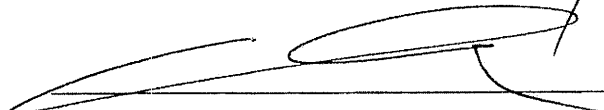
Steve Heady agrees to loan Alan and Beth Murray (hereinafter referred to as Murrays) the sum of \$300,000.00. As security for the loan Steve Heady will take title to the manufactured home located at Chetco River Resort, 97748 N. Bank Chetco River Rd. #A1, Brookings, OR 97415 (hereinafter referred to as A1).

Murrays agree to make any and all of Heady's loan obligation payments to Chetco Federal Credit Union for as long as Heady has such loan obligation. Murrays also agree to pay all taxes and insurance regarding A1.

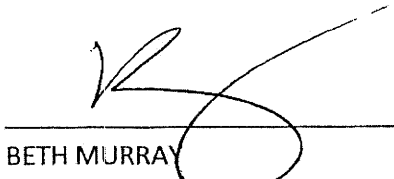
Dates this 11th day of September, 2007



STEVE HEADY



ALAN MURRAY



BETH MURRAY

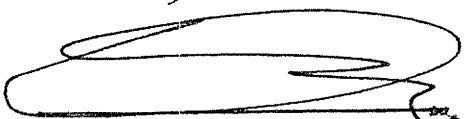
Murray Accounting
August 2008

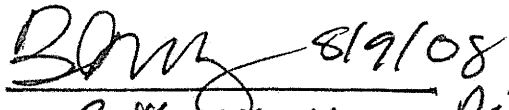
\$ 87,414.00 Cost of WR 20-21
- 34,965.60 Principle pd by Murray on WR 20-21 (20 payments x \$1,748.28)
\$ 52,448.40 Principle owed by Murray for WR 20-21 as of 7/15/08
+ 1,528.97 GE interest on WR 20-21 owed by Murray
+116,419.77 Expenses on Park model construction owed by Murray
\$ 170,397.14 Total owed to SRH by Murray

20,000 - POINTS
190,397.14 ONE-Hundred-NINETY-THree Hundred NINETYSeven^{14/10}

We, Beth & Alan Murray, the undersigned
do hereby, Pledge in the form of a Promissory
NOTE, the ABOVE Figure of \$ 190,397.14, plus any
ADDITIONAL charges from FLOORING &/OR CONSTRUCTION
that may occur, TO Repay THE full Amount Due,
TO STEVEN R. HEADY &/OR Cathy A. HEADY.

THIS NOTE IS Due upon Demand & is Further
Secured By our RESORT, commonly call
Chetco River Resort, 97748 NORTH BANK chetco
River Rd, Brookings Oregon 97415.


ALAN Murray Date 8/9/08


Beth Murray Date 8/9/08

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MC

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Order No.
Escrow No.

Doc # 20094341
Page 1 of 7
Date: 10/2/2009 03:05P
Filed by: GENERAL PUBLIC
Filed & Recorded in Official Records
of COUNTY OF DEL NORTE
ALISSIA D. NORTHRUP
COUNTY CLERK-RECORDER
Fee: \$32.00

WHEN RECORDED MAIL TO:

Steve Heady
P.O. Box 2397
White City, OR 97503

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This **DEED OF TRUST**, made **September 15, 2009**, between **Alan D. Murray and Beth A. Murray**, husband and wife, as joint tenants herein called **TRUSTOR**, whose address is **16825 Hwy 101 N. Smith River, CA 95567**

CRESCENT LAND TITLE COMPANY, a California corporation, herein called **TRUSTEE**, and **Steven R. Heady and Cathy A. Heady**, husband and wife, as joint tenants herein called **BENEFICIARY**,

WITNESSETH: That Trustor **IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS** to Trustee in trust, with power of sale, that property in **DEL NORTE** County, State of California, described as:

See Exhibit "A" Attached Hereto

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing (1) payment of the sum of **\$550,000.00** with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein or reciting it is so secured and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, of that certain Fictitious Deed of Trust referenced herein, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2087	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Dal Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obslpo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego					

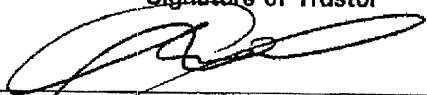
SERIES 5 Book 1964, Page 149774

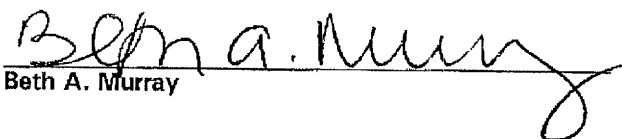
shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefore does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

Signature of Trustor

Signature of Trustor

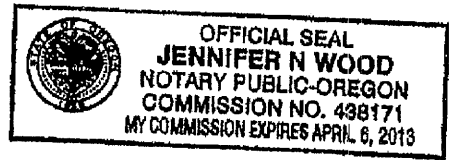

 Alan D. Murray


 Beth A. Murray

STATE OF ~~CALIFORNIA~~ Oregon)
 COUNTY OF Curry) ss

On Oct 2nd, 2009 before me, Jennifer Wood, a notary public, personally appeared Allen Dean Murray 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. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal,
 Signature Jennifer Wood

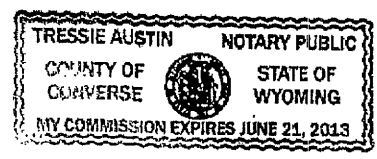


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STATE OF Wyoming) ss
COUNTY OF Converse

On 9/30/09 before me, Tressie Austin, a notary public, personally appeared Beth A. Murray 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. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.
Signature Tressie Austin



(This area for official notarial seal)

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

- 1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
- 2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.
- 4) To pay; at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may; make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- 5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

- 1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
- 3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.
- 4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

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5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, 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 said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary 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. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then 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, 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 postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express 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 costs 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 amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

TO CRESCENT LAND TITLE COMPANY, A CALIFORNIA CORPORATION, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

Please mail Deed of Trust,
Note and Reconveyance to _____

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

Escrow No.: 18123MB
Date: December 23, 2003

EXHIBIT "A"

PARCEL ONE

COMMENCING at a two-inch iron pipe on the north line of Lot 5, Section 32, Township 19 North, Range 1 West, Humboldt Meridian, on the Easterly line of the State Highway, Road 1-DN-71-B, said two inch pipe bears North 68 degrees 05 2/3 minutes West, a distance of 3552.54 feet from the Southeast corner of said Section 32;

and running thence South 22 degrees 14 minutes 39 seconds East, 353.95 feet to a two-inch iron pipe, the true point of beginning of the parcel of land herein described;

thence from true point of beginning, North 45 degrees 00 minutes East 467.08 feet to the North line of said Lot 5;

thence along the North line of Lot 5, North 89 degrees 40 minutes East 186.70 feet to the Northwest corner of a parcel of land heretofore conveyed by S.

Borland and wife to George H. Cage and wife, designated as Parcel No. 2, as recorded in Book 60 of Deeds, page 447, records of Del Norte County, California.

thence South 490.23 feet;

thence South 19 degrees 35 minutes West 745.00 feet, more or less, to the Easterly line of the state highway;

thence Northwesterly along the Easterly line of the State highway to a point from which the point of beginning bears North 52 degrees 00 minutes East;

thence North 52 degrees 00 minutes East, 100 feet, more or less, to the point of beginning.

(Continued)

(continued)

PARCEL TWO

COMMENCING at a two-inch iron pipe on the Northerly line of Lot 5, Section 32, Township 19 North, Range 1 West, Humboldt Meridian, on the Easterly line of State Highway Road 1-DN-71-B, said two-inch iron pipe bears North 68 degrees 05 2/3 minutes West, a distance of 3552.54 feet from the Southeast corner of said Section 32;

thence South 22 degrees 14 minutes 39 seconds East 353.95 feet to a two-inch iron pipe, the true point of beginning of the parcel of land herein described;

thence from true point of beginning North 45 degrees 00 minutes East 467.08 feet to the North line of said Lot 5;

thence along the Northerly line of Lot 5, South 89 degrees 40 minutes West 364.31 feet to the Northeast corner of a parcel of land heretofore deeded by S. Borland and wife to Richard and Clara Young and recorded in Book 58 of Deeds, page 258, records of Del Norte County, California;

thence South along the Easterly line of the last described parcel of 141.00 feet;

thence West to the Easterly line of state highway;

thence along the Easterly line of state highway Southeast to a point from which the point of beginning bears North 52 degrees 00 minute East;

thence North 52 degrees 00 minutes East 100.00 feet, more or less, to the point of beginning.

Escrow No.: 20118MB
Date: April 29, 2008

EXHIBIT "A"

PARCEL ONE

A portion of Section 32, Township 19 North, Range 1 West, Humboldt Meridian described as:

Parcel "B" as shown on the parcel map filed in the office of the County Recorder of Del Norte County, California on February 24, 1995 in Book 8 of Parcel Maps, page 32.

PARCEL TWO

An easement for road purposes and the laying and maintenance of pipe lines over or under the following described parcel of land:

BEGINNING at a 2 inch iron pipe 492.26 feet South and 76.66 West of another 2 inch iron pipe set on the North line of Lot 5 in Section 32 on the Easterly line of State Highway, Road 1-DN-71-B, said last mentioned 2 inch iron pipe bears north 68 degrees 05 2/3 minutes West, a distance of 3552.54 feet from the Southeast corner of Section 32, Township 19 North, Range 1 West, Humboldt Meridian;

thence from the point of beginning South 79 degrees 00 minutes West 50.00 feet;

thence South 23 degrees 32 minutes East 92.00 feet;

thence North 79 degrees 00 minutes East to the Westerly of State Highway;

thence Northwesterly along Westerly line of State Highway to a point from which the point of beginning bears South 79 degrees 00 minutes West;

thence South 79 degrees 00 minutes West to the point of beginning.

PARCEL THREE

An easement for a water pipe line over and under the lands of the Grantors herein as present line exists as of this date to Parcel one above with rights of access over the lands of the Grantors herein for the repair and maintenance of said water pipe line, Said water right and easement shall be appurtenant to and for the benefit of Parcel One above. the above ease shall be over the land more particularly described as Parcels One, Two and Three in that certain deed for Frank H. James and wife to Robert Darrell Knott and wife recorded August 22, 1979 in book 235 of Official Records, page 311.