



MENDOCINO COUNTY BOARD OF SUPERVISORS PLANNING APPEAL FORM

Appeals must be received in the Executive Office within the appeal period, 10 days from the date of the hearing* (post-marks will NOT be accepted). The Clerk of the Board or Planning and Building Services will verify appeal fee amounts*. The appeal fee must accompany the appeal letter/form in order to be considered valid.

**Verify with Planning and Building Services or with the Clerk of the Board of Supervisors*

Date Appeal Submitted*: _____	Appeal Fee*: \$ _____ <input type="checkbox"/> Verified <input type="checkbox"/> Receipt Generated
Case No.: _____	Applicant: _____
Heard by: _____ Source: Planning Commission • MHRB • Zoning Administrator • Administrative (Planning) • Coastal Permit Administrator	Hearing Date: _____

Printed Name, Address, and Phone No. of Appealing Party:

Dr. William Schieve c/o Attorney Colin Morrow

45060 Ukiah St., 2nd Fl., P.O. Box 1214

Mendocino, CA 95460

(707) 380 - 1070 (emailed courtesy copies of any correspondence
are respectfully requested at cmorrow@vmm-law.com)

Basis for Appeal (*Please provide sufficient detail to describe the nature of the appeal. Letters describing appeal may also be attached*):

As more particularly described in the attached appeal letter and pages attached thereto, the

Coastal Permit Administrator erred, exceeded its authority, failed to proceed in a manner required by

law, and/or abused its discretion in approving Boundary Line Adjustment application B_2017-0043

(filed 6/30/2017) on behalf of owner WM Partnership LLC & Travis Swithenbank ("BLA") because the


BLA, as approved, results in the creation of additional lots or parcels under Government Code

section 66424, which is contrary to Government Code section 66412, subdivision (d) and Mendocino

County Code section 17-17.5. Specifically, because the BLA will be junior to two separate deeds of

trust encumbering separate existing parcels, the BLA will result in four different combinations of fee

interests and security interests.


Signature

Submit completed form to:
Mendocino County Clerk of the Board
501 Low Gap Road, Room 1010
Ukiah, CA 95482
(707) 463-4221

Fee made out to :
County of Mendocino

Staff Use:

- ☐ Obtain Agenda for meeting/appeal verification
(*distribute with appeal form to all parties listed below*)
- ☐ Appeal period verified and confirmed
- ☐ Appeal fee verified and confirmed
- ☐ Form distribution completed/Date Stamp form
- ☐ Copy of receipt and check attached to original
appeal form and provided to DCOB
- ☐ Other _____

Distribute: Planning & Building Services (& Coast office, if applicable); District Supervisor; County Counsel; copy to BOS meeting-pending file (COB); Original to Planning Appeals Folder (DCOB); Note: If project is considered to be 'county-wide', copy to all BOS

Revised 7/11/11 - COB\Departmental Procedures\Planning\Planning Appeal Form.doc

VANNUCCI MOMSEN MORROW

Attorneys at Law
An Association of Sole Practitioners

Philip M. Vannucci
Brian S. Momsen
The Hofman Building
308 S School St., 1st Fl.
Ukiah, CA 95482
Phone: 707.462.0900
Email: pvannucci@vmm-law
Email: bmomsen@vmm-law.com

Colin W. Morrow
The Penny Farthing Building
45060 Ukiah St., 2nd Fl.
P.O. Box 1214
Mendocino, CA 95460
Phone: 707.380.1070
Email: cmorrow@vmm-law.com

April 16, 2021

VIA PERSONAL DELIVERY

Mendocino County Clerk of the Board
Mendocino County Board of Supervisors
501 Low Gap Rd., Rm. 1010
Ukiah, CA 95482
(bos@mendocinocounty.org)

Re: Dr. William Schieve's Appeal of the Coastal Permit Administrator's April 8, 2021 Decision Approving Boundary Line Adjustment Application No. B_2017-0043

To the Board of Supervisors and the Clerk of the Board:

Dr. William Schieve, through counsel, respectfully appeals the Coastal Permit Administrator's April 8, 2021 decision approving boundary line adjustment number B_2017-0043 (filed 6/30/2017), which was submitted on behalf of WM Partnership, LLC & Travis Swithenbank. This appeal is under Mendocino County Code section 20.544.015 and any other related code sections or ordinances.

Dr. Schieve owns and resides upon a parcel that directly abuts one of the parcels that the boundary line adjustment seeks to modify. While Dr. Schieve has broad environmental concerns about a future subdivision that this boundary line adjustment is intended to exclude from California Coastal Commission review, the basis for this appeal is narrowly confined to a single issue. Namely, the application—as submitted and as approved—would result in the creation of additional lots or parcels as those terms are broadly defined under Government Code section 66424.

Because of this, the Coastal Permit Administrator erred, exceeded its authority, failed to proceed in a manner required by law, and/or abused its discretion in approving the boundary line adjustment. The specific factual and legal reasoning that leads to this conclusion is detailed below.

The exclusion from the Subdivision Map Act ordinarily applicable to boundary line adjustments is found in Government Code section 66412, subdivision (d). Among these constraints is that a boundary line adjustment cannot create “a greater number of parcels than originally existed.” Mendocino County Code section 17-17.5 similarly constrains any boundary line adjustment as “not for the purpose of creating an additional lot or parcel.”

The definition of a “lot” or “parcel” for purposes of the Subdivision Map Act is broad. Under Government Code section 66424:

“Subdivision” means the division, by any subdivider, of any unit or units of improved or unimproved land, or any portion thereof, shown on the latest equalized county assessment roll as a unit or as contiguous units, for the purpose of sale, lease, *or financing*, whether immediate or future.

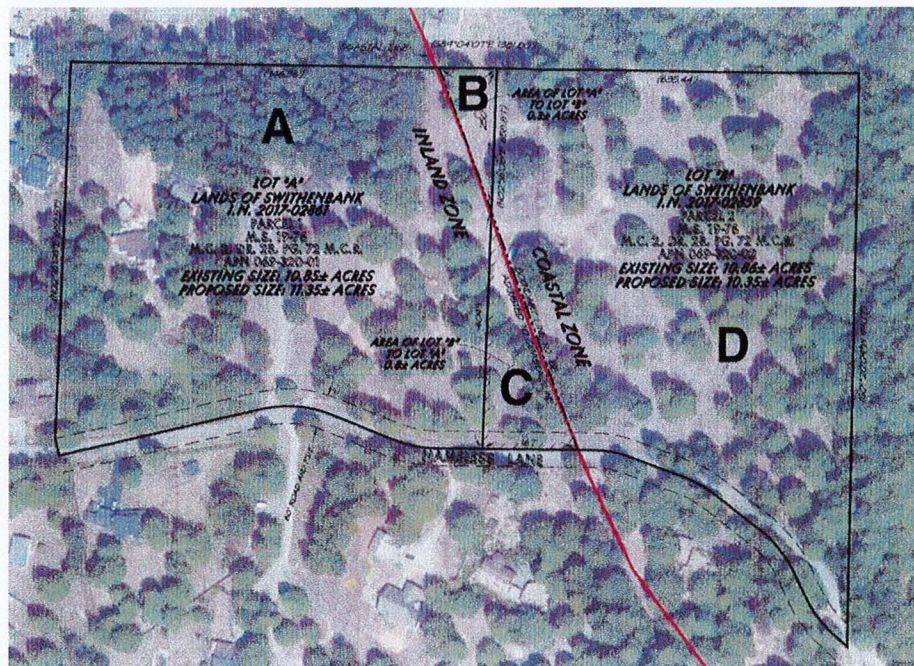
(Emphasis added.)

This definition has routinely and consistently been broadly construed. Especially pertinent here—without limitation—is that the act of creating multiple deeds of trust upon different portions of a parcel or unit of land constitutes a division of land within the meaning of a “subdivision” under this section. (58 Op.Atty.Gen. 408 (1975); *see also* Miller & Starr, 7 Cal. Real Est. (4th Ed., Through Nov. 2020 Update) § 20:3 [“A ‘subdivision’ within the Act also includes any “division” of land for purposes of financing.”].)

The reason this is pertinent here does require an examination of the relevant parcels and their encumbrances. APN 069-320-01 (“Tract One”) is owned by WM Partnership, LLC (“WM Partnership”) subject to a deed of trust recorded in Official Records as 2019-06260 stating that it secures an indebtedness in favor of beneficiary Summit State Bank (“Summit”). APN 069-320-02 (“Tract Two”) is owned by Travis Swithenbank (“Swithenbank”) subject to a deed of trust recorded in Official Records as 2019-00113 stating that it secures an indebtedness in favor of beneficiary Richard L. Perry, Jr. and Dorothy L. Perry, Trustees of the Richard L. Perry, Jr. and Dorothy L. Perry Living Trust dated March 1, 2005 (collectively “Perry”).

Accordingly, if the BLA is processed, the BLA will be subject—or “junior”—to existing senior security interests that will span and divide the newly adjusted fee interests. Such a boundary line adjustment will result in four parcels or lots—each with a sperate combination of fee and security interests—as those terms are broadly defined under the Subdivision Map Act.

This may be easier shown in a figure than by words. The figure appearing on the following page—based of a figure provided the applicants themselves—illustrate this problem:



The labels of A, B, C, and D on the above figure illustrate that under the broad definition of a lot, parcel, and/or subdivision under the Subdivision Map Act, four parcels will exist:

A represents the portion of the proposed new Tract One that will be subject to the Summit deed of trust.

B represents the portion of the proposed new Tract Two that will be subject to the Summit deed of trust.

C represents the portion of the proposed new Tract One that will be subject to the Perry deed of trust.

D represents the portion of the proposed new Tract Two that will be subject to the Perry deed of trust.

Dr. Schieve raised this problem before the Coastal Permit Administrator in a letter which is attached hereto *sans* certain exhibits which have been parsed for brevity.

It is also important to note that this is not just an academic problem. It has the potential for real world impacts. The purchaser at a foreclosure sale receives title that is free of all junior interests. The foreclosure sale eliminates all interests that were junior in priority to the deed of trust or mortgage; the title of the purchaser is not subject to such junior interests, even though they attached to the property before the foreclosure sale. Because of this, if at some point in the future one or both of the lenders were to foreclose anomalous results might occur.

If both lenders foreclosed, the boundary line adjustment would presumably still appear in county records (including assessor's maps), but no longer be in the chain of title.

An even more peculiar result would occur if one lender foreclosed, but not the other. For example, if this boundary line adjustment goes through, and then the Perry Deed of Trust were foreclosed upon, the purchaser at the trustee's sale would own portion "C" of the proposed new Tract One, and portion "D" of the proposed new Tract Two. In essence, one would have multiple owners controlling segments of a single legal parcel. This is presumably one of the reasons the drafters specifically included "the purpose of . . . financing within the language of Government Code section 66424.

Because this is not a mere boundary line adjustment, all the requirements of the Subdivision Map Act must be complied with, and the exclusion under Government Code section 66412, subdivision (d) cannot be employed.

Development in this county needs to occur responsibly. Part of responsible development is development that is faithful to the rule of law. Based upon the foregoing, Dr. William Schieve respectfully prays that the Mendocino County Board of Supervisors exercise its authority to reverse the decision of the Coastal Zone Administrator and deny boundary line application number B_2017-0043.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Colin Morrow', with a long horizontal flourish extending to the right.

Colin Morrow
Attorney for Dr. William Schieve

CC: Client

VANNUCCI MOMSEN MORROW

Attorneys at Law
An Association of Sole Practitioners

Philip M. Vannucci
Brian S. Momsen
The Hofman Building
308 S School St., 1st Fl.
Ukiah, CA 95482
Phone: 707.462.0900
Email: pvannucci@vmm-law
Email: bmomsen@vmm-law.com

Colin W. Morrow
The Penny Farthing Building
45060 Ukiah St., 2nd Fl.
P.O. Box 1214
Mendocino, CA 95460
Phone: 707.380.1070
Email: cmorrow@vmm-law.com

April 6, 2021

VIA EMAIL ONLY

County of Mendocino
Department of Planning and Building Services
860 North Bush St.
Ukiah, CA 95482
(pbs@mendocinocounty.org)

Re: Hearing Date & Time: April 8, 2021 @ 11:00 AM
Case Number: B 2017-0043
Date Filed: 6/30/2017
Owner: WM Parentship, LLC & Travis Swithenbank
Applicant: Vance Ricks
Agent: Jim Ronco
Staff Planner: Mark Cliser
Re: Demand for Denial of Boundary Line Adjustment Application

To whom it may concern:

I. Introduction

I represent Dr. William Schieve, and I write on behalf of him in my capacity as his attorney. Dr. Schieve is a resident of Mendocino County. Dr. Schieve resides at—and owns the real property located at—32880 Nameless Lane in the northern Cleone area Fort Bragg, California. Dr. Schieve's real property directly abuts one of the parcels subject to the above referenced boundary line adjustment application. Dr. Schieve wholly objects to the approval of the boundary line adjustment application referenced above, including for the reasons described herein and based upon any and all other reasons that may be raised by other opponents in the course of the review of the above referenced application.

Very generally, the Nameless Lane community and real properties subject to this application straddle the Coastal Zone boundary. The area possesses only marginal water resources. At least seventy-three species of sensitive flora and forty-three species of sensitive fauna can reasonably be expected to be found in the vicinity of the area. There facts are contained in documents attached hereto as Exhibit A that the applicant himself has submitted to

the California Coastal Commission. Nameless Lane is a small private road only twenty feet in width that connects to Highway One at a T-shaped intersection lacking any turn pocket. There is no other route in ingress or egress serving the community. Residents depend upon individual groundwater wells, but a Department of Water Resources survey excerpts of which are attached hereto as Exhibit B not that among other things, “[n]orth of Cleone . . . terrace deposits are generally less than 10 m (33 ft) thick, discontinuous, and less dependable as sources of usable groundwater.” This report also notes that there may be a concealed hinge fault located in the area.

For the reasons described below, and any other arguments that may be raised in relation to this matter, the above referenced boundary line adjustment should not—and cannot—be approved.

II. The Purported Boundary Line Adjustment, As Proposed, Would Impermissibly Result in the Creation of New Parcels Within the Meaning of the Subdivision Map Act

The exclusion from the Subdivision Map Act ordinarily applicable to boundary line adjustments is found in Government Code section 66412, subdivision (d). Among the constraints in this subdivision is that a boundary line adjustment cannot create “a greater number of parcels than originally existed.” Mendocino County Code section 17-17.5 similarly constrains any boundary line adjustment as “not for the purpose of creating an additional lot or parcel.”

The definition of a lot or parcel for purposes of the Subdivision Map Act is broad. Under Government Code section 66424:

“Subdivision” means the division, by any subdivider, of any unit or units of improved or unimproved land, or any portion thereof, shown on the latest equalized county assessment roll as a unit or as contiguous units, for the purpose of sale, lease, *or financing*, whether immediate or future.

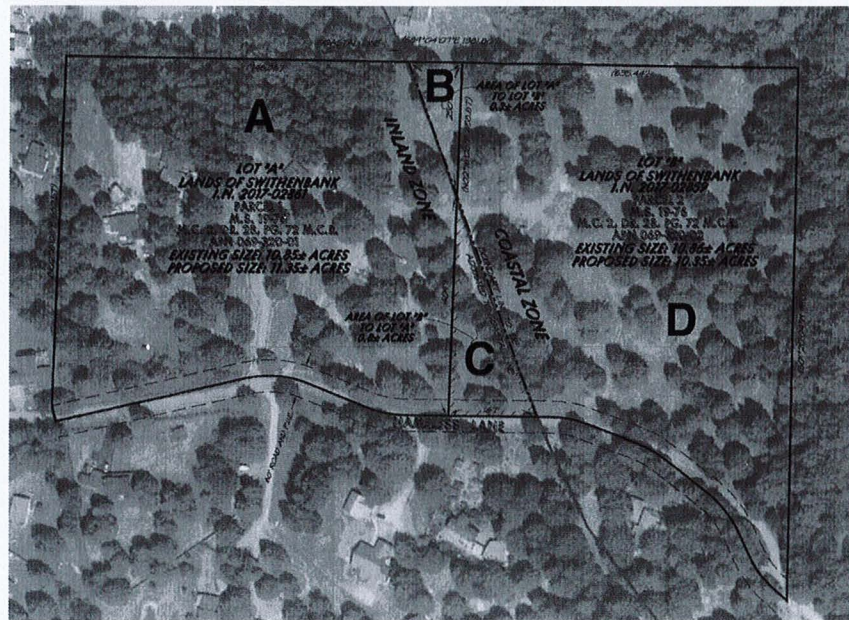
(Emphasis added.)

This definition has routinely and consistently been broadly construed. Especially pertinent here—without limitation—is that the act of creating multiple deeds of trust upon different portions of a parcel or unit of land constitutes a division of land within the meaning of a “subdivision” under this section. (58 Op.Atty.Gen. 408 (1975); *see also* Miller & Starr, 7 Cal. Real Est. (4th Ed., Through Nov. 2020 Update) § 20:3 [“A ‘subdivision’ within the Act also includes any “division” of land for purposes of financing.”].)

Here, as demonstrated by the preliminary title report attached hereto as Exhibit C, APN 069-320-01 (“Tract One”) is owned by WM Partnership, LLC (“WM Partnership”) subject to a deed of trust recorded in Official Records as 2019-06260 stating that it secures an indebtedness in favor of beneficiary Summit State Bank (“Summit”). APN 069-320-02 (“Tract Two”) is owned by Travis Swithenbank (“Swithenbank”) subject to a deed of trust recorded in Official

Records as 2019-00113 stating that it secures an indebtedness in favor of beneficiary Richard L. Perry, Jr. and Dorothy L. Perry, Trustees of the Richard L. Perry, Jr. and Dorothy L. Perry Living Trust dated March 1, 2005 (collectively “Perry”).

Accordingly, even if WM Partnership and Swithenbank execute a deed to effectuate the boundary line adjustment, because that deed will be subject to the existing deeds of trust, such a boundary line adjustment will result in four parcels or lots as those terms are broadly defined under the Subdivision Map Act. The following figure—based of a figure provided in Swithenbank’s own application—illustrates as much:



The labels of A, B, C, and D on the above figure illustrate that under the broad definition of a lot, parcel, and/or subdivision under the Subdivision Map Act, four parcels will exist:

- A** represents the portion of the new Tract One that will be subject to the Summit deed of trust.
- B** represents the portion of the new Tract Two that will be subject to the Summit deed of trust.
- C** represents the portion of the new Tract One that will be subject to the Perry deed of trust.
- D** represents the portion of the new Tract Two that will be subject to the Perry deed of trust.

Put simply—at a bare minimum—to approve the boundary line adjustment as submitted would be contrary to both the Subdivision Map Act and the Mendocino County Code. The boundary line adjustment would improperly be creating additional and substandard parcels. The

County would not be proceeding in a manner required by law.

III. The Boundary Line Application Fails to Supply Required Information

Mendocino County Code section 17-17.5 requires that a “tentative map of a proposed boundary line adjustment *shall* contain”—among other things—“[t]he approximate location of all existing or proposed easements together with the purpose thereof.” (Mendocino County Code section 17-17.5 & *id.* at subd. (E) (emphasis added).)

As the preliminary title report attached hereto as Exhibit C demonstrates, the subject parcels are burdened by, among other things, easements described in the deeds recorded at Book 40 of Deeds Page 543; Book 46 of Deeds Page 365; and Book 898 Page 163 of Deeds; as well as the subdivision map recorded at Map Case 2, Drawer 28, Page 72.

Copies of these instruments are collectively attached hereto as Exhibit D. Nevertheless, the only easement referenced in the boundary line adjustment application is the sixty-foot-wide road and public utility easement on Nameless Lane.¹ The subdivision map recorded at Map Case 2, Drawer 28, Page 72 specifically calls out that “[a]ll natural draws and creeks constitute a drainage easement being determined by the highwater mark plus five feet or a minimum width of twenty feet,” yet there is not an iota of information describing these easements in the boundary line adjustment application. Such easements may render vast swaths of the proposed boundary adjusted parcels unbuildable, but one cannot tell without the easements being depicted as required under the County of Mendocino’s own code. The easements described in the deeds recorded in Book 40 of Deeds Page 543 and Book 46 of Deeds Page 365 similarly appear to have been totally glossed over.

The Mendocino County Code is unequivocal as to it being required that these easements “shall” be described in the tentative map, but the applicant has failed to describe them. Accordingly, to approve the boundary line adjustment would be to fail proceed in a manner required by law.

IV. Approval of the Boundary Line Adjustment Is Not Exempt from CEQA; the County Is Engaging Impermissible Piecemealing

The California Environmental Quality Act (“CEQA”) generally requires that a government project be subject to environmental review both to educate all sides as to potential environmental impacts and to consider appropriate mitigation measures. CEQA defines a “project” as a public action “which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” (Pub. Res. Code § 21065.) “CEQA’s conception of a project is broad,” and “the term is broadly construed and

¹ Please note, however, that this easement—even though described as Nameless Lane—has only been developed as a far narrower twenty-foot-wide driveway and does not appear to meet the CalFire regulations attached hereto as Exhibit E.

applied in order to maximize protection of the environment.” (*Nelson v. County of Kern* (2010) 190 Cal.App.4th 252, 271.)

Here, it is plain that this is not a boundary line adjustment existing in isolation—which is all that categorical exemption 5a was ever intended to address. Instead, this application is part of a broader subdivision project that is indisputably not exempt from CEQA and will undoubtedly have effects on the environment. The entire project must be examined as a whole and cannot be piecemealed:

An accurate, stable and finite project description is the *sine qua non* of an informative and legally sufficient EIR; the defined project and not some different project must be the EIR’s bona fide subject. . . . CEQA compels an interactive process of assessment of environmental impacts and responsive project modification which must be genuine. It must be . . . , premised upon a full and meaningful disclosure of the scope, purposes, and effect of a consistently described project, with flexibility to respond to unforeseen insights that emerge from the process.

(*Burbank-Glendale-Pasadena Airport Authority v. Hensler* (1991) 233 Cal.App.3d 577, 592 [284 Cal.Rptr. 498, 506–507 (citations and quotation marks omitted); *see also Golden Door Properties, LLC v. County of San Diego* (2018) 27 Cal.App.5th 892, 905–906 [invalidating environmental planning document for taking piecemeal approach].)

Additionally, even where a CEQA exemption applies, there are also exceptions to the exemptions and the respondent, defendant, or real party in interest in any judicial proceeding that challenges an act will need to defend not just the exemption but all implied findings that the exceptions to the exemptions do not apply. (See Cal. Code Regs., tit. 14, § 15300.2; Miller and Starr, 8 Cal. Real Est. (4th Ed., Through Nov. 2020 Update) § 26:9.)

At least three exceptions to any CEQA exemptions are plainly present here: Location, cumulative impacts, and the presence of hazardous waste. (Cal. Code Regs., tit. 14, § 15300.2, subdivisions (a, b, & e).)

As to location, the County of Mendocino itself admits the project to be hydrologically connected to the Inglenook Fen watershed via an onsite wetland. The County of Mendocino itself explains that the Inglenook Fen is a Resource Area as designated by the California Natural Areas Coordinating Council and acknowledges that future development should be conditioned to establish buffer areas so that development does not encroach upon the wetland. The County of Mendocino itself also notes soils conducive to sensitive Bishop Pine forest and that Bishop Pines were noted on the site in question. Additional information on Inglenook Fen is described in the material attached hereto as Exhibit F.

As to cumulative impacts, this dovetails with the already mentioned subdivision and piecemealing. Traffic will increase, additional vehicle miles driven by residents of new

development will have greenhouse gas implications, the local water table that feeds neighbors' groundwater wells will be impacted, soil will be disturbed, flora and fauna will be impacted. The list goes on.

As to hazardous waste, there are unaddressed hazardous waste concerns in relation to the subject real property. Per the documents attached hereto as Exhibit G, in September 2010, the Mendocino County Air Quality Management ("MCEHD") district collected a soil sample at the subject real property that contained high diesel and motor oil concentrations. In December 2010, MCEHD issued an unauthorized release report for unpermitted activities involving crushing using heavy equipment of vehicles and appliances for metal scraping. This matter is still open and unremediated. Per Exhibit G, in February 2021 petroleum/hydrocarbon products were still present in the soil. Neighbors report a history of vehicle crushing operations on the subject real property, and such vehicles could have contained a multitude of contaminants. My client and the other real property owners in the area depend upon both groundwater wells for their domestic water and any plumes or other contamination within the water table are of paramount concern. Finally on the topic of hazardous waste—and dovetailing with the concerns of cumulative impacts and piecemealing—the only recent testing has been at the very surface of the soil. If the land is to be subdivided and developed, however, deeper plumes may be disturbed and caused to migrate. The impacts could affect not just human neighbors, but also the flora and fauna that call the area home. The research attached as Exhibit H demonstrates that metal contamination in soils can affect Bishop Pines, which are present in the area.

"[A] finding of categorical exemption cannot be sustained if there is a 'fair argument' based on substantial evidence that the project will have significant environmental impacts, even where the agency is presented with substantial evidence to the contrary." (*Banker's Hill, Hillcrest, Park West Community Preservation Group v. City of San Diego* (2006) 139 Cal.App.4th 249, 262, fn. 12 quoting *Fairbank v. City of Mill Valley* (1999) 75 Cal. App. 4th 1243.) "This unusual 'fair argument' standard of review over a public agency's decision has been characterized as setting a 'low threshold requirement for initial preparation of an EIR and reflects a preference for resolving doubts in favor of environmental review when the question is whether any such review is warranted.'" (*Georgetown Preservation Society v. County of El Dorado* (2018) 30 Cal.App.5th 358, 370 quoting *Sierra Club v. County of Sonoma* (1992) 6 Cal.App.4th 1307, 1316–1317.)

Finally on the subject of CEQA, this matter is not subject to the ministerial exemption. The County has already demonstrated discretion exists, the boundary line adjustment is part of a broader project, and—as discussed below—state statutes and local codes contemplate that the project must be found to comport with the general plan, and such a finding is necessarily discretionary.

In other words, relying upon a categorical exemption is the weakest CEQA approach to rely upon if a matter ends up in Court. It is the approach most likely to expose the County of Mendocino, Swithenbank, and WM Partnership to a court order compelling it to comply with CEQA and to pay the opposing party's legal fees.

V. To Approve the Application Would Be Contrary to the General Plan

“[T]he general plan has been aptly described as the constitution for all future developments within the city or county.” (*Orange Citizens for Parks & Recreation v. Superior Court* (2016) 2 Cal.5th 141, 152 [“*Orange*”] (citations and quotation marks omitted).) “The propriety of virtually any local decision affecting land use and development depends upon consistency with the applicable general plan and its elements.” (*Citizens of Goleta Valley v. Board of Supervisors* (1990) 52 Cal.3d at 553, 570 quoting *Resource Defense Fund v. County of Santa Cruz* (1982) 133 Cal.App.3d 800, 806.) “An action, program, or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment;” (*Orange, supra*, 2 Cal.5th at p. 153 quoting Governor’s Office of Planning & Research, General Plan Guidelines (2003) p. 164.)

To approve this boundary line adjustment in the context of the applicant’s broader plan to subdivide real property for development would be contrary to Mendocino County’s General Plan. Moreover, Government Code section 66412, subdivision (d)—discussed above—specifically contemplates that body reviewing will consider whether a “lot line adjustment will conform to the local general plan.”

Mendocino County’s General Plan contemplates that part of the costal element is “[t]o preserve and maintain the character of the rural atmosphere and visual quality of” villages such as Cleone and other nearby communities. (General Plan, Costal Element, Chapter 2.2, Rural Village Land Use Classification.) The “principal permitted use” for parcels in rural coastal villages such as Cleone is “[o]ne dwelling unit per *existing* parcel and associated utilities and light agriculture.” (*Ibid.* (emphasis added).).

Expanded traffic pressure from a subdivision enabled by the boundary line adjustment may also run contrary to the Mendocino County General Plan’s specific acknowledgement of Public Resources Code section 30254’s requirement that “in rural areas of the coastal zone [Highway 1] remain a scenic two-lane road.” (General Plan, Costal Element, Chapter 3.8, Transportation, Utilities and Public Services.)

The applicable staff report also fails to adequately address Costal Element Policy 3.8-7. This policy requires that:

Land divisions and subdivisions creating new parcels or building sites or other proposed development, *including lot line adjustments*, mergers and issuance of conditional certificates of compliance shall be approved only where a community sewage disposal system with available capacity exists

and is obligated to provide service or where a satisfactory site for a sewage system exists. *Leach field approval shall require satisfactory completion of a site evaluation on the site of each proposed septic system.*

(Emphasis added.)

The plain reading of this policy is that before a boundary line adjustment can be processed in a coastal area such as Nameless Lane that does not have a community sewage disposal system then an actual site evaluation of any contemplated leach field must be completed prior to the boundary line adjustment. Per the subdivision map recorded at Map Case 2, Drawer 28, Page 72 “[t]he Division of Environmental Health has [long ago] determined that sub surface drainage may be required to assure proper functioning of sewage system disposal fields.” Nevertheless, the County is glossing over what it has already identified as being an issue.

VI. Judicial Relief Will Be Sought If Necessary

The County of Mendocino should not—and cannot—approve this boundary line adjustment application. The County would not be proceeding in a manner required by law for a plurality of separate and independent reasons. The County would be wantonly exposing itself, WM Partnership, and Swithenbank to a potential writ or declaratory relief action. A prevailing plaintiff attorney fee award under—without limitation—Code of Civil Procedure section 1021.5 inclusive of potential catalyst fees would almost be certain.

There is no guarantee that Swithenbank in his capacity as applicant will have the resources to actually indemnify the County of Mendocino for what could potentially prove a costly attorney’s fee award in favor of Dr. Schieve as a prevailing party and the County of Mendocino may be stuck footing the bill.

At the end of the day this unlawful boundary line adjustment is nothing more than an effort by WM Partnership and Swithenbank to do an end around longstanding protections coastal protections. WM Partnership and Swithenbank should not be allowed to make use of an unlawful boundary line adjustment in lieu of going through the coastal development permitting process. Law and pragmatism both compel the denial of the present application.

On behalf of my client, Dr. William Schieve, I respectfully ask that the present boundary line application be denied.

Respectfully submitted,



Colin Morrow

County of Mendocino
Department of Planning and Building Services
April 6, 2021
Page 9 of 9

CC (email only): Client
 Concerned Neighbors of the Cleone Community

EXHIBIT C



Redwood Empire Title Company of Mendocino County

405 S. Orchard Avenue, P. O. Box 238

Ukiah, CA 95482

Phone: (707)462-8666 • Fax: (707)462-5010

Our No.: 20210736AP

Your No.:

Seller: Owner of Record

Buyer:

When replying Please Contact:

ESCROW OFFICER: Adriane Pardini

apardini@redwoodtitle.com

PRELIMINARY REPORT

Property Address: 32800 and 32700 Nameless Lane, Fort Bragg, CA 95437

In response to the above referenced application for a policy of title insurance, **Redwood Empire Title Company of Mendocino County** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of March 17, 2021 at 07:30 AM.

Steve Burlesci
Chief Title Officer

sburlesci@redwoodtitle.com

The form of policy of title insurance contemplated by this report is:

ALTA 2006 Extended Loan Policy

CLTA Standard 1990 Owners Policy

Underwritten by Old Republic National Title Insurance Company

SCHEDULE A

1. The estate or interest in the land hereinafter described or referred to covered by this Report is:

a Fee

2. Title to said estate or interest at the date hereof is vested in:

WM Partnership, LLC, a California Limited Liability Company, as to Tract One; Travis Swithenbank, an unmarried man, as to Tract Two

3. The land referred to in this report is situated in the State of California, County of Mendocino and is described as follows:

Tract One:

Parcel 1, as numbered and designated upon the Parcel Map of Minor Subdivision No. 18-76, filed July 1, 1976 in Map Case 2, Drawer 28, Page 72, Mendocino County Records.

APN: 069-320-01

Tract Two:

Parcel 2, as numbered and designated upon the Parcel Map of Minor Subdivision No. 18-76, filed July 1, 1976 in Map Case 2, Drawer 28, Page 72, Mendocino County Records.

APN: 069-320-02

SCHEDULE B

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in the said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2021 - 2022, a lien not yet due or ascertainable.
2. Taxes and assessments, general and special, for the fiscal year 2020 - 2021, as follows
Assessor's Parcel No.: 069-320-02
Code No.: 076-013
1st Installment: \$676.07, Paid
2nd Installment: \$676.07, Unpaid
3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq. of the Revenue and Taxation Code of the State of California.
4. Easement(s) for the purposes stated herein and incidental purposes as provided in the document(s):
Recorded: June 28, 1887 in Book 40 of Deeds, Page 543
For: road and public utilities
5. Easement(s) for the purposes stated herein and incidental purposes as provided in the document(s):
Recorded: January 30, 1889 in Book 46 of Deeds, Page 365
For: road and public utilities
6. Easement(s) for the purposes stated herein and incidental purposes as provided in the document(s):
Recorded: August 29, 1972 in Book 898, Page 163 of Official Records
For: roadway and public utilities
7. Easements, building setback lines, notations and/or recitals as shown or provided for on the map referred to in the legal description.
8. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,
Amount : \$100,000.00
Trustor/Borrower : Travis Swithenbank, an unmarried man
Trustee: Redwood Trust Deed Services
Beneficiary/Lender: Richard L. Perry, Jr. and Dorothy L. Perry, Trustees of the Richard L. Perry, Jr. and Dorothy L. Perry Living Trust dated March 1, 2005
Dated: December 14, 2018
Recorded: January 3, 2019 as 2019-00113 of Official Records

Affects Tract Two
9. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,
Amount : \$500,000.00
Trustor/Borrower : WM Partnership, LLC, a California Limited Liability Company
Trustee: Redwood Empire Title Company of Mendocino County
Beneficiary/Lender: Summit State Bank
Dated: May 22, 2019
Recorded: May 31, 2019 as 2019-06260 of Official Records

Affects Tract One

10. Prior to the issuance of any policy of title insurance, the Company will require the following with respect to WM Partnership, LLC, a California Limited Liability Company:
 - a. A copy of any management or operating agreements and any amendments thereto, together with a current list of all members of said LLC.
 - b. A certified copy of its Articles of Organization (LLC-1), any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10).
 - c. Recording a certified copy of said LLC-1 and any "amendments thereto".

END OF SCHEDULE B

INFORMATIONAL NOTES:

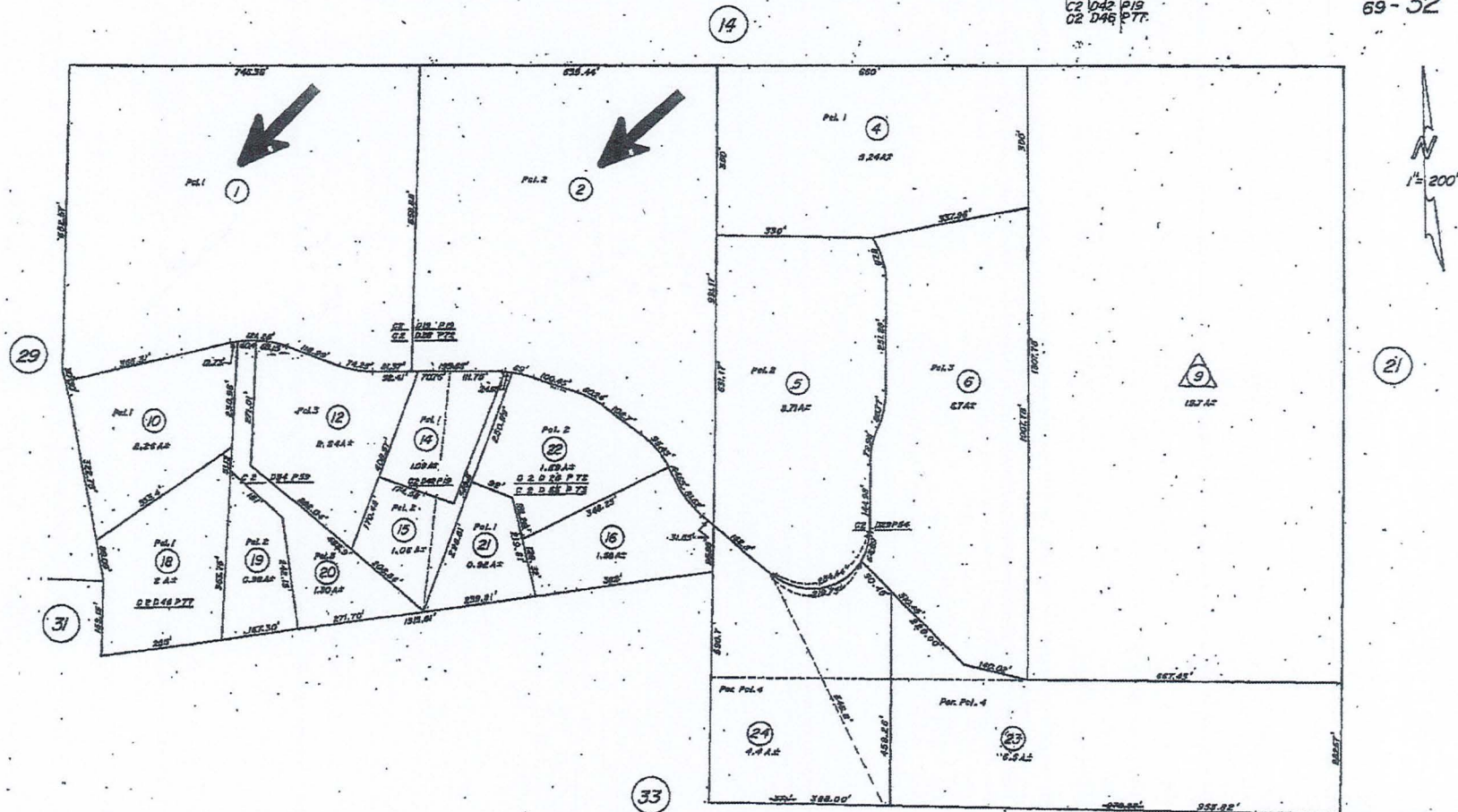
1. Taxes and assessments, general and special, for the fiscal year 2020 - 2021, as follows
Assessor's Parcel No.: 069-320-01
Code No.: 076-013
1st Installment: \$3,419.47, Paid
2nd Installment: \$3,419.47, Paid
2. NOTE: According to the public records, there have been no deeds conveying the property described in this report recorded within a period of 24 months prior to the date hereof except as follows: NONE

Por. of N1/2 of SE1/4 of Sec. 20 T.19N. R.17W. M.D.B.&M.

Ref. Map C2 D19 P19
" " C2 D28 P72
C2 D29 P54
C2 D34 P59
C2 D42 P19
C2 D46 P77.

76-013

69-32



"Notice: This is neither a plat nor a survey. It is furnished merely as a convenience to aid you in locating the land indicated hereon with reference to streets and other land. No liability is assumed by reason of any reliance hereon."

NOTE: This map was prepared for assessment purposes only. No liability is assumed for the data delineated.

Assessor's Map
County of Mendocino, Calif.
September, 1982

NOV 03 2004

CLTA PRELIMINARY REPORT FORM (EXHIBIT A) (01-01-08)

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990**

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

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 records.
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 the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).
- The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that 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 Records; (b) proceedings by a public agency that 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that 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 Records; (b) proceedings by a public agency that 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 that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

Privacy Statement

July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by us, our affiliates, or others;
- From our Internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement providers. We may also disclose your Personal Information:

- to agents, brokers or representatives to provide you with services you have requested.
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We may also disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability to Correct Errors or Request Changes or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer
Redwood Empire Title Company
P.O. Box 238
Ukiah, CA 95482

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

EXHIBIT D

RECORDATION REQUESTED BY:

2019-06260

Recorded at the request of
REDWOOD EMPIRE TITLE
05/31/2019 03:11 PM
Fee: \$121.00 Pgs: 1 of 12

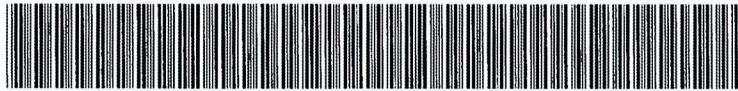
OFFICIAL RECORDS
Katrina Bartolomie - Clerk-Recorder
Mendocino County, CA



WHEN RECORDED MAIL TO:

Summit State Bank
P.O. Box 6188
500 Bicentennial Way
Santa Rosa, CA 95406

FOR RECORDER'S USE ONLY



#####034005222019LN01

DEED OF TRUST

THIS DEED OF TRUST is dated May 22, 2019, among WM Partnership, LLC, a California Limited Liability Company, whose address is 18631 N. Highway 1, Fort Bragg, CA 95437 ("Trustor"); Summit State Bank, whose address is P.O. Box 6188, 500 Bicentennial Way, Santa Rosa, CA 95406 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Redwood Empire Title Company of Mendocino County, whose address is 405 S. Orchard Avenue, Ukiah, CA 95482 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, for the benefit of Lender as Beneficiary, all of Trustor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Mendocino County, State of California:

See Exhibit A, which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as 32800 Nameless Lane, Fort Bragg, CA 95437. The Assessor's Parcel Number for the Real Property is 069-320-01.

Trustor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Trustor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. This is an absolute assignment of Rents made in connection with an obligation secured by real property pursuant to California Civil Code Section 2938. In addition, Trustor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF THE TRUSTOR UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Trustor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Trustor's obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Trustor agrees that Trustor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Trustor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Trustor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Trustor represents and warrants to Lender that: (1) During the period of Trustor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Trustor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any



#####034005222019LN02

DEED OF TRUST (Continued)

Page 2

Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Trustor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Trustor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Trustor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Trustor or to any other person. The representations and warranties contained herein are based on Trustor's due diligence in investigating the Property for Hazardous Substances. Trustor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Trustor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Trustor's ownership or interest in the Property, whether or not the same was or should have been known to Trustor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Trustor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Trustor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Trustor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Trustor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Trustor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Trustor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Trustor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Trustor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Trustor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Trustor agrees neither to abandon or leave unattended the Property. Trustor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any restructuring of the legal entity (whether by merger, division or otherwise) or any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor. However, this option shall not be exercised by Lender if such exercise is prohibited by applicable law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Trustor shall pay when due (and in all events at least ten (10) days prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Trustor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Trustor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment,



#####034005222019LN03

DEED OF TRUST (Continued)

Page 3

Trustor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Trustor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Trustor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Trustor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Trustor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Trustor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Trustor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Trustor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Trustor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Trustor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Trustor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Notwithstanding the foregoing, in no event shall Trustor be required to provide hazard insurance in excess of the replacement value of the improvements on the Real Property. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Trustor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Trustor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Trustor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Trustor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Trustor fails to do so within fifteen (15) days of the casualty. If in Lender's sole judgment Lender's security interest in the Property has been impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If the proceeds are to be applied to restoration and repair, Trustor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Trustor from the proceeds for the reasonable cost of repair or restoration if Trustor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Trustor as Trustor's interests may appear.

Trustor's Report on Insurance. Upon request of Lender, however not more than once a year, Trustor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Trustor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Trustor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Trustor's failure to discharge or pay when due any amounts Trustor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Trustor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Trustor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of



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any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Trustor warrants that: (a) Trustor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Trustor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Trustor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Trustor's title or the interest of Trustee or Lender under this Deed of Trust, Trustor shall defend the action at Trustor's expense. Trustor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Trustor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Trustor warrants that the Property and Trustor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Trustor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Trustor's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to eminent domain and inverse condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any eminent domain or inverse condemnation proceeding is commenced affecting the Property, Trustor shall promptly notify Lender in writing, and Trustor shall promptly take such steps as may be necessary to pursue or defend the action and obtain the award. Trustor may be the nominal party in any such proceeding, but Lender shall be entitled, at its election, to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Trustor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If any award is made or settlement entered into in any condemnation proceedings affecting all or any part of the Property or by any proceeding or purchase in lieu of condemnation, Lender may at its election, and to the extent permitted by law, require that all or any portion of the award or settlement be applied to the indebtedness and to the repayment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation proceedings.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Trustor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Trustor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

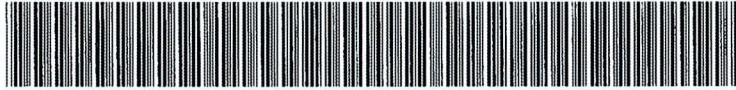
Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the indebtedness secured by this Deed of Trust; (2) a specific tax on Trustor which Trustor is authorized or required to deduct from payments on the indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Trustor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Trustor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Trustor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. Trustor shall reimburse Lender for all expenses incurred in perfecting or



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continuing this security interest. Upon default, Trustor shall not remove, sever or detach the Personal Property from the Property. Upon default, Trustor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Trustor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Trustor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Trustor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Trustor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Trustor. Unless prohibited by law or Lender agrees to the contrary in writing, Trustor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Trustor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Trustor and at Trustor's expense. For such purposes, Trustor hereby irrevocably appoints Lender as Trustor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Trustor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Trustor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Trustor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Lender may charge Trustor a reasonable reconveyance fee at the time of reconveyance.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Trustor fails to make any payment when due under the Indebtedness.

Other Defaults. Trustor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Trustor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Trustor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Should 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 Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Trustor or on Trustor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

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

Death or Insolvency. The dissolution of Trustor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Trustor's existence as a going business or the death of any member, the insolvency of Trustor, the appointment of a receiver for any part of Trustor'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 Trustor.

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 Trustor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Trustor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Trustor as to the validity or reasonableness of the claim which is the



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basis of the creditor or forfeiture proceeding and if Trustor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Trustor under the terms of any other agreement between Trustor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Trustor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

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

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment, is curable and if Trustor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Trustor, after Lender sends written notice to Trustor demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) 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 reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Trustor under this Deed of Trust, after Trustor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Foreclosure by Sale. Upon an Event of Default under this Deed of Trust, Beneficiary may declare the entire Indebtedness secured by this Deed of Trust 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 the Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note, other documents requested by Trustee, and all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the 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 the 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 in accordance with applicable law. 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 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 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.

Judicial Foreclosure. With respect to all or any part of the Real Property, Lender shall have the right in lieu of foreclosure by power of sale to foreclose by judicial foreclosure in accordance with and to the full extent provided by California law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code, including without limitation the right to recover any deficiency in the manner and to the full extent provided by California law.

Collect Rents. Lender shall have the right, without notice to Trustor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Trustor irrevocably designates Lender as Trustor's attorney-in-fact to endorse instruments received in payment thereof in the name of Trustor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve



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without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Trustor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Trustor, Trustor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

Notice of Sale. Lender shall give Trustor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Trustor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Trustor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Trustor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Trustor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of Mendocino County, State of California. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Trustor, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

NOTICES. Any notice required to be given under this Deed of Trust shall be given in writing, and shall be effective when actually delivered,



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when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Trustor requests that copies of any notices of default and sale be directed to Trustor's address shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Trustor agrees to keep Lender informed at all times of Trustor's current address. Unless otherwise provided or required by law, if there is more than one Trustor, any notice given by Lender to any Trustor is deemed to be notice given to all Trustors.

STATEMENT OF OBLIGATION FEE. Lender may collect a fee, not to exceed the maximum amount permitted by law, for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

ADDITIONAL PROVISION. Without limiting the generality of the subparagraph above captioned "Compliance with Governmental Requirements," Trustor shall not use or permit the use of all or any portion of the Real Property for, or lease or agree to lease all or any portion of the Real Property to a tenant engaged in, the operation of any marijuana- or cannabis-related business, including, without limitation, the growing, cultivation, manufacturing, distribution or selling of marijuana, in violation of federal, state or local law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Trustor's residence, Trustor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Trustor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of California.

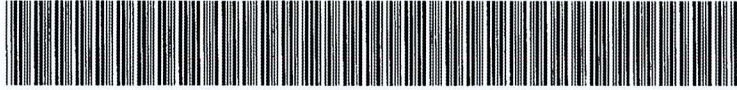
No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Trustor, shall constitute a waiver of any of Lender's rights or of any of Trustor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Trustor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Trustor, Lender, without notice to Trustor, may deal with Trustor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Trustor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words



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and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means Summit State Bank, and its successors and assigns.

Borrower. The word "Borrower" means WM Partnership, LLC, a California Limited Liability Company and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Trustor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Trustor's obligations or expenses incurred by Trustee or Lender to enforce Trustor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

Lender. The word "Lender" means Summit State Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated May 22, 2019, **in the original principal amount of \$500,000.00** from Trustor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO TRUSTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Trustor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

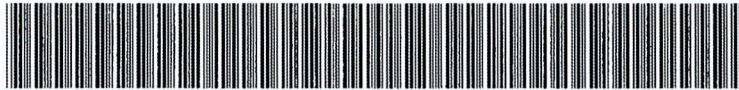
Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness; except that the words do not mean any guaranty or environmental agreement, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future leases, rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property together with the cash proceeds of the Rents.

Trustee. The word "Trustee" means Redwood Empire Title Company of Mendocino County, whose address is 405 S. Orchard Avenue, Ukiah, CA 95482 and any substitute or successor trustees.



#####034005222019LN10

DEED OF TRUST (Continued)

Page 10

Trustor. The word "Trustor" means WM Partnership, LLC, a California Limited Liability Company.

TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND TRUSTOR AGREES TO ITS TERMS, INCLUDING THE VARIABLE RATE PROVISIONS OF THE NOTE SECURED BY THIS DEED OF TRUST.

TRUSTOR:

WM PARTNERSHIP, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: [Signature]
Travis Swithenbank, Member of WM Partnership, LLC, a California Limited Liability Company

By: [Signature]
Michaela Biaggi, Member of WM Partnership, LLC, a California Limited Liability Company

CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF California)
) SS
COUNTY OF Mendocino)

On 5-23-19, 20____ before me, Debra Niesen - Notary Public
(here insert name and title of the officer)

personally appeared Travis Swithenbank and Michaela Biaggi, who 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 [Signature]
Debra Niesen



(Seal)



#####034005222019LN11

**DEED OF TRUST
(Continued)**

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(DO NOT RECORD)
REQUEST FOR FULL RECONVEYANCE
(To be used only when obligations have been paid in full)

To: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Note secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

Date: _____

Beneficiary: _____

By: _____

Its: _____

Escrow No.: 20190695DN
Title Order No.:

EXHIBIT A

THE LAND REFERRED TO HEREIN BELOW IS DESCRIBED AS FOLLOWS:

Parcel 1, as numbered and designated upon the Parcel Map of Minor Subdivision No. 18-76, filed July 1, 1976 in Map Case 2, Drawer 28, Page 72, Mendocino County Records.

APN: 069-320-01

Recording Requested By
Redwood Empire Title

When Recorded Mail To
First Equity
528 S. Main St.
Fort Bragg CA 95437

Title Order No. 20181262CW

2019-00113
Recorded at the request of
REDWOOD EMPIRE TITLE
01/03/2019 10:35 AM
Fee: \$103.00 Pgs: 1 of 6

OFFICIAL RECORDS
Susan M. Ranochak - Clerk-Recorder
Mendocino County, CA



Space above this line for recorder's use

DEED OF TRUST

RECORDER: INDEX FOR SPECIAL NOTICE

Loan No. 201701738

This Deed of Trust, made this **14th** day of **December 2018**, among the Trustor, **Travis Swithenbank, an unmarried man** (herein "Borrower"), **Redwood Trust Deed Services** (herein "Trustee"), and the Beneficiary, **Richard L. Perry, Jr. and Dorothy L. Perry, Trustees of the Richard L. Perry, Jr. and Dorothy L. Perry Living Trust dated March 1, 2005, Who's address is: PO Box 1639, Pilikoa St. Hanalei, HI 96714** (herein "Lender").

The beneficiaries (or assignees) of this deed of trust have agreed in writing to be governed by the desires of the holders of more than 50% of the record beneficial interest therein with respect to actions to be taken on behalf of all holders in the event of default or foreclosure or for matters that require direction or approval of the holders, including designation of the broker, servicing agent, or other person acting on their behalf, and the sale, encumbrance or lease of real property owned by the holders resulting from foreclosure or receipt of a deed in lieu of foreclosure.

GRANT IN TRUST

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants, transfers, conveys and assigns to Trustee, in trust, with power of sale, the following described property located in the county of **Mendocino**, State of California: **Parcels 2, as numbered and designated upon the Parcel Map of Minor Subdivision No. 18-76, filed July 1, 1976 in Map Case 2, Drawer 28, Page 72, Mendocino County Records**

APN: **069-320-02**, which has the address of **32700 Nameless Ln. Fort Bragg CA 95437** (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, and water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

THIS DEED OF TRUST IS MADE TO SECURE TO LENDER:

(a) the repayment of the indebtedness evidenced by Borrower's note (herein "Note") dated **12/14/2018**, in the principal sum of U.S. **\$100,000.00**, with payment of interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; the performance of the covenants and agreements of Borrower herein contained; and (b) repayment of any future advances, with interest thereon, made to the Borrower by Lender pursuant to paragraph 19 hereof (herein "Future Advances"); and in addition (c) this Deed of Trust shall provide the same security on behalf of the Lender, to cover extensions, modifications or renewals, including without limitation, extensions, modifications or renewals of the Note at a different rate of interest; and the performance of the covenants and agreements of Borrower herein contained.

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the **Property, that the Property is unencumbered except for encumbrances of record, and that Borrower will warrant and defend** generally the title to the Property against all claims and demands, subject to encumbrances of record.

UNIFORM COVENANTS. BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

1. Payments of Principal and/or Interest. Borrower shall promptly pay, when due, the principal of and/or interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and/or interest on any Future Advances secured by the Deed of Trust.

2. Funds for Taxes and Insurance (Impounds). Subject to applicable law, and if required by the Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional Lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such an agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under Paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, if applicable, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. Prior Mortgages and Deeds of Trust; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid, at least 10 days before delinquency, all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

5. Hazard Insurance. Borrower agrees to provide, maintain and deliver to Lender fire insurance satisfactory and with loss payable to Lender. The amount collected under any fire or other insurance policy may be applied by Lender upon any indebtedness secured hereby and in such order as Lender may determine, or at option of Lender the entire amount so collected or any part thereof may be released to the Borrower. 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.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

In the event of a loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply their insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

If Borrower obtains earthquake, flood or any other hazard insurance, or any other insurance on the Property, and such insurance is not specifically required by the Lender, then such insurance shall: (i) name the Lender as loss payee thereunder, and (ii) be subject to all of the provisions of this paragraph 5.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which affects Lender's interest in the Property, including but not limited to proceedings by the Lender to obtain relief from stay in any bankruptcy proceeding which would prohibit Lender enforcing its rights under the Deed of Trust, then Lender, at Lender's option, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, including but not limited to payment of delinquent taxes and assessments, insurance premiums due, and delinquent amounts owed to prior lien holders, shall become additional indebtedness of Borrower secured by this Deed of Trust. Such amounts as are disbursed by Lender shall be payable, upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable on the Note. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in conjunction with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

10. Borrower Not Released. At any time or from time to time, without liability therefore and without notice upon written request of Lender 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 thereof. Trustee may, but shall be under no obligation or duty to, appear in or defend any action or proceeding purporting to affect said property or the title thereto, or purporting to affect the security hereof or the rights or powers of Lender or Trustee.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 18 hereof. All covenants and agreements of Borrower shall be joint and several.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower or the Property at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender, in care of Lender's Servicing Agent ("Agent"), **First Equity, 528 S. Main St. Fort Bragg CA 95437** or to such other address as Lender or Agent may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. This Deed of Trust shall be governed by the Laws of the State of California. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not effect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust are declared to be severable.

16. Lender's Right to Require The Loan to be Paid Off Immediately. If the Borrower shall sell, enter into a contract of sale, lease for a term of more than 6-years (including options to renew), lease with an option to purchase for any term, or transfer all or any part of the Property or an interest therein, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) or

a transfer by devise, descent, or by operation of law upon the death of a joint tenant, the Lender may, at its option declare the Note and any other obligations secured by this Deed of Trust, together with accrued interest thereon, immediately due and payable, in full. No waiver or the Lender's right to accelerate shall be effective unless it is in writing.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 17 hereof.

BORROWER AND LENDER FURTHER COVENANT AND AGREE AS FOLLOWS:

17. 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.

18. Default. Upon default by Borrower in payment of any indebtedness secured hereby 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 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.

19. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such advances with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

20. Reconveyance. Upon written request of Lender stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Note to Trustee for cancellation and retention 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." The Trustee may destroy said Note, this Deed or Trust (and any other documents related thereto) upon the first to occur of the following: 5 years after issuance of a full reconveyance; or, recordation of the Note and Deed of Trust in a form or medium which permits their reproduction for 5 years following issuance of a full reconveyance.

21. Substitution of Trustee. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

22. Request for Notices. Borrower requests that copies of the notice of sale and notice of default be sent to Borrower's address which is the Property Address.

23. Statement of Obligation. Lender may collect a fee, not to exceed the maximum amount permitted by law, for furnishing the statement of obligations as provided by Section 2943 of the Civil Code of California.

MISCELLANEOUS PROVISIONS

24. Construction or Home Improvement Loan. If the loan secured by this Deed of Trust is a construction or home improvement loan, Borrower is required to perform according to the terms and conditions of each agreement contained in any building, home improvement or similar agreement between the Borrower and Lender.

25. Acceptance by Lender of a Partial Payment After Notice of Default. By accepting partial payment (payments which do not satisfy a default or delinquency in full) of any sums secured by this Deed of Trust after a Notice of Default has been recorded, or by accepting late performance of any obligation secured by this Deed of Trust, or by adding any payment so made to the loan secured by this Deed of Trust, whether or not such payments are made pursuant to a court order, the Lender does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to make any such prompt payment or to perform any such act. No exercise of any right or remedy of the Lender or Trustee under this Deed of Trust shall constitute a waiver of any other right or remedy contained in this Deed of Trust or provided by law.

IN WITNESS WHEREOF, BORROWER HAS EXECUTED THIS DEED OF TRUST

W 12/27/18
 Borrower Travis W. Swithenbank Date Borrower Date

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of MENDOCINO

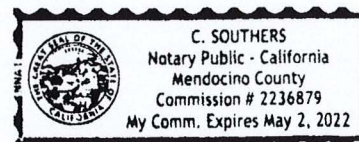
On DEC. 27, 2018 before me, C. SOUTHERS, NOTARY PUBLIC,
 personally appeared TRAVIS W. SWITHENBANK

who 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.

C. SOUTHERS
 Signature



(Seal)

REQUEST FOR FULL RECONVEYANCE

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and

this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Signature of Beneficiary (the "LENDER")

Date

Signature of Beneficiary (the "LENDER")

Date

When recorded, mail to

Att: _____