

IN AND FOR THE CITY OF BROOKINGS
STATE OF OREGON

In the Matter of a Resolution)
Authorizing Granting of Consent) Resolution No. 00-R-675
Under Lease Agreement)


WHEREAS, the City of Brookings, a municipal corporation, as Lessor, and Felix Claveran, Lorraine Berkowitz, Steve Muir and The Claveran Group, LLC as Lessees, entered into a lease agreement for the development of a golf course in the City of Brookings on or about February 17, 1998, which mandates the Lessor's consent for Lessee to pledge its interest in the lease agreement for the sole purpose of security for the construction of the project contemplated by the lease; and

WHEREAS, Lessees have requested Lessor's consent to allow Lessees to execute Leasehold Trust Deed and supporting documents to Family Security Bank to secure construction funds;

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BROOKINGS THAT:

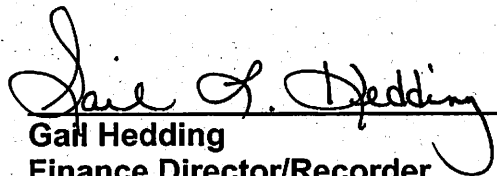
Mayor Bob Hagbom is authorized to execute and deliver a Landlord's consent agreement on behalf of Lessor in accordance with the terms of the proposed consent agreement considered and approved by the Brookings Common Council on June 12th, 2000.

PASSED BY THE Council and signed by the Mayor on this 12th day of June, 2000.



Bob Hagbom
Mayor

ATTEST:



Gail Hedding
Finance Director/Recorder

COPY

LANDLORD'S CONSENT

Borrower: The Claveran Group, LLC
Loan #

Lender: Family Security Bank &
CCD Business
Development Corporation

THIS LANDLORD'S CONSENT is entered into among The Claveran Group, LLC ("Borrower"), whose address is; 99040 South Bank Chetco River Road, Brookings, Oregon 97415, Family Security Bank ("Lender"), whose address is PO Box 3000G, 16271 Hwy 101 South, Harbor, Oregon 97415, CCD Business Development Corporation ("Lender"), 744 Southeast Rose Street, Roseburg, Oregon 97470; and The City of Brookings ("Landlord"), whose address is 898 Elk Drive, Brookings, Oregon 97415. Borrower and Lender(s) have entered into, or are about to enter into, an agreement whereby Lender(s) had acquired or will acquire a security interest or other interest in the Collateral. Some or all of the Collateral may be affixed or otherwise become located on the Premises. To induce Lender to extend the Loan to Borrower against such security interest in the Collateral and for the valuable consideration, Landlord hereby agrees with Lender(s) and Borrower as follows.

DEFINITIONS. The following words shall have the following meanings when used in this agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Agreement. The word "Agreement" means this Landlord's Consent, as this Landlord's Consent may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Consent from time to time.

Borrower. The word "Borrower" means The Claveran Group, LLC.

Collateral. The word "Collateral" means certain of Borrower's personal property in which Lender has acquired or will acquire a security interest in the following specific property: Leasehold Improvements to include Fencing, Club House, Decking, Well, Septic, Paving of lot and driveway and all fixtures associated with same.

Landlord. The word "Landlord" means The City of Brookings. Landlord's interest in the Premises is that of a fee owner.

Lease. The word "Lease" means that certain lease of the Premises, dated February 17, 1998 between Landlord and Borrower. The lease has not been recorded.

Lender. The word "Lender" means Family Security Bank and/or CCD Business Development Corporation, its successors and assigns.

Loan. The word "Loan" means the loan, or any other financial accommodations, Lender has made or is making to the Borrower.

Premises. The word "Premises" means the real property located in Curry County, State of Oregon, commonly known as 99040 South Bank Chetco River Road, Brookings, OR 97415, and legally described as:

See Attached Legal Description: "Exhibit A"

COPY

BORROWER'S ASSIGNMENT OF LEASE. Borrower hereby assigns to Lender all of Borrower's rights in the Lease, as partial security for the Loan. The parties intend that this assignment will be a present transfer to Lender of all of Borrower's rights under the Lease, subject to Borrower's rights to use the Premises and enjoy the benefits of the Lease while not in default on the Loan or Lease. Upon full performance by the Borrower under the Loan, this assignment shall be ended, without the necessity of any further action by any of the parties. This assignment includes all renewals of and amendments to the Lease or the Loan, until the Loan is paid in full.

CONSENT OF LESSOR. The city of Brookings, an Oregon municipal corporation, Lessor under the Lease dated February 17, 1998, the subject of the Lender's Leasehold Trust Deed, consents to the encumbrance by Lessee of Lessee's Leasehold, but Lessor waives none of its rights under the Lease as to the Beneficiary under the Leasehold Trust Deed. Specifically, as examples and without limiting the generality of the foregoing, this consent is subject to the following:

1. It is hereby acknowledged that the Lender's Leasehold Trust Deed and the interests created hereby shall specifically be subordinate to the interests of Lessor under the Lease Agreement.
2. The Trustee under the Lender's Leasehold Deed Trust shall notify Lessor of any and all defaults on the part of Trustor.
3. The Trustee and Beneficiary shall give Lessor the right of first refusal, for a purchase price equal to the amount owed to Beneficiary under the Promissory Note and any additional indebtedness which the Lender's Leasehold Deed of Trust secures, in any foreclosure or other action to enforce rights given under the Lender's Leasehold Deed of Trust.
4. Lessor's consent to this encumbrance of the Leasehold should not be deemed a consent to any other encumbrance or transfer to the estate or a waiver or Lessor's right to grant or withhold consent to any other encumbrance or transfer.
5. If the Beneficiary under the Lender's Leasehold Trust Deed acquires the leasehold estate from the Lessee, Beneficiary's rights as Lessee's successor shall remain subject to the requirements and provisions of the Lease regarding construction, use and operation of the golf course and related improvements upon the demised premises.
6. This consent of Lessor shall be attached to and made part of the recorded Lender's Leasehold Deed of Trust.

LEASE DEFAULTS. Both Borrower and Landlord agree and represent to Lender that, to the best of their knowledge, there is no material breach or offset existing under the Lease or under any other agreement between Borrower and Landlord. Landlord agrees not to terminate the Lease, despite any default by the Borrower, without giving Lender written notice of the default and an opportunity to cure the default within a period of sixty (60) days from the receipt of notice. If the default is one that cannot reasonably be cured by Lender (such as insolvency, bankruptcy, or other judicial proceedings against Borrower), then Landlord will not terminate the Lease so long as Landlord receives all sums due under the Lease for the period during which Lender is in possession of the Premises, or so long as Lender reassigns the Lease to a new lessee reasonably satisfactory to Landlord.

DISCLAIMER OF INTEREST. Subject to the other provisions of this Agreement, Landlord hereby consents to Lender's security interest (or other interest) in the Collateral as defined as Leasehold Improvements to include Fencing, Club House, Decking, Well, Septic, Paving of lot and driveway and all fixtures associated with same, and disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral. Subject to the other provisions of this Agreement, Landlord agrees that any lien or claim it may now have or hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement.

ENTRY ON TO PREMISES. Landlord and Borrower grant to Lender the right to enter upon the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Landlord that Borrower no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Landlord not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

MISCELLANEOUS PROVISIONS. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply. Lender need not accept this Agreement in writing or otherwise make it affective. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. If Landlord is other than an individual, any agent or other executing this Agreement on behalf of Landlord shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by Lender Without notice to Landlord and without affecting the validity of this Consent, Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligors on the Loan, or any Collateral for the Loan; including without limitation extending, renewing, rearranging, accelerating any of the Loan indebtedness. No delay or omission on the part of the 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 Agreement shall not constitute a waiver of or prejudice of Lender's right otherwise to demand strict compliance with that provision or any other provision. Whenever consent by Lender is required in this Agreement, the granting of such consent by Lender in any one instance shall not constitute continuing consent to subsequent instances where such consent is required.

BORROWER AND LANDLORD ACKNOWLEDGED HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S CONSENT, AND BORROWER AND LANDLORD AGREE TO ITS TERMS. THIS AGREEMENT IS DATED June 13,2000.

BORROWER:

The Claveran Group, LLC

X. 
Pete Pavich, Manager

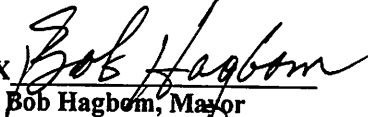
LENDER:

Family Security Bank

X. 
Genie Gilliam, President/CEO

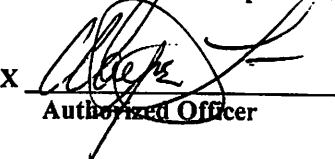
LANDLORD:

City of Brookings, Oregon

X. 
Bob Hagbom, Mayor

LENDER:

CCD Business Development Corporation

X. 
Authorized Officer

LEGAL DESCRIPTION

PARCEL 1

A parcel of land lying within the Southwest Quarter of Section 35, Township 40 South, Range 13 West, Willamette Meridian, Section 2 and the Northeast Quarter of Section 11, Township 41 South, Range 13 West, Willamette Meridian, Curry County, Oregon, being more particularly described as follows:

Beginning at a point described as being South 69.06 feet and East 446.92 feet from the Northeast Corner of Section 2; thence South 81°23'40" East 532.76 feet;
thence North 43°01'27" East 159.17 feet;
thence North 49°57'28" East 292.07 feet;
thence North 77°19'41" East 373.18 feet;
thence South 88°42'58" East 131.41 feet;
thence South 36°11'57" East 98.18 feet;
thence South 05°04'26" East 149.57 feet;
thence South 13°47'19" East 190.63 feet;
thence South 25°43'47" West 454.58 feet;
thence South 14°31'34" East 93.71 feet;
thence South 58°15'59" East 263.48 feet;
thence South 88°12'41" East 304.99 feet;
thence South 71°51'10" East 344.73 feet;
thence South 23°58'03" East 482.40 feet;
thence South 35°21'37" East 126.51 feet;
thence North 65°29'12" East 90.15 feet;
thence South 06°41'08" East 473.33 feet;
thence South 40°38'16" East 208.48 feet;
thence South 29°50'48" East 114.34 feet;
thence South 01°54'27" East 183.18 feet;
thence South 52°33'47" 106.16 feet;
thence South 65°59'56" East 106.36 feet;
thence South 36°16'54" East 90.63 feet;
thence South 88°47'57" East 109.96 feet;
thence South 85°52'57" East 110.09 feet;
thence North 71°47'24" East 399.03 feet;
thence South 23°48'24" East 242.67 feet;
thence South 85°30'22" West 249.02 feet;
thence South 65°46'10" West 143.47 feet;
thence North 80°36'30" West 90.98 feet;
thence South 05°19'33" West 288.10 feet;
thence South 03°37'17" West 981.41 feet;
thence South 38°36'29" East 393.55 feet;
thence South 29°57'47" East 292.91 feet;
thence South 33°34'12" East 249.01 feet;
thence South 48°32'52" East 461.52 feet;
thence South 24°35'08" East 138.52 feet;

thence South 30°53'25" East 388.72 feet;
 thence South 34°32'00" East 181.81 feet;
 thence South 02°04'40" East 234.26 feet;
 thence South 17°25'16" East 241.17 feet;
 thence South 00°09'59" West 82.94 feet;
 thence South 30°47'32" West 196.47 feet;
 thence South 77°36'23" West 72.03 feet;
 thence North 66°51'26" West 206.57 feet;
 thence North 82°30'08" West 239.76 feet;
 thence North 29°00'56" West 125.11 feet;
 thence North 12°23'39" West 237.97 feet;
 thence North 28°46'53" West 407.03 feet;
 thence North 50°32'55" West 245.18 feet;
 thence North 30°54'34" West 783.81 feet;
 thence North 26°48'11" West 211.27 feet;
 thence North 65°08'02" West 397.18 feet;
 thence North 85°44'07" West 245.88 feet;
 thence North 07°33'46" East 202.18 feet;
 thence North 23°02'55" East 501.32 feet;
 thence North 01°01'40" East 273.70 feet;
 thence North 05°13'49" West 185.89 feet;
 thence North 06°12'57" West 393.39 feet;
 thence North 16°50'33" West 692.41 feet;
 thence North 28°11'14" West 398.94 feet;
 thence North 24°59'15" West 411.45 feet;
 thence North 71°39'36" West 434.91 feet;
 thence North 63°55'36" West 572.67 feet;
 thence North 05°50'56" East 447.16 feet;
 thence North 02°29'51" East 175.06 feet;
 thence North 52°18'40" West 85.50 feet;
 thence North 72°58'12" West 61.44 feet,
 thence South 59°14'38" West 100.67 feet;
 thence South 77°18'49" West 117.98 feet;
 thence North 83°02'14" West 406.98 feet;
 thence North 37°14'23" West 300.0 feet;
 thence North 30°41'39" West 133.25 feet to the Point of Beginning.

EXCEPT any portion thereof lying within the South Bank Chetco River Road.

PARCEL 2

A parcel of land lying within Section 2, Township 41 South, Range 13 West, Willamette Meridian, Curry County, Oregon, described as follows:

Beginning at a point South 422.48 feet and East 696.49 feet from the Northwest corner of said Section 2; thence along the Westerly boundary of that property described in Volume 138, Page 604 Curry County Book of Records, the following courses:

South 83°02'14" East 406.98 feet;
 North 77°18'49" East 117.98 feet;
 North 59°14'38" East 100.67 feet;
 South 72°58'12" East 61.44 feet;
 South 52°18'40" East 85.50 feet;
 South 02°29'51" West 175.06 feet;
 South 05°30'56" West 447.16 feet;
 South 63°55'36" East 572.67 feet;
 South 71°39'36" East 434.91 feet;
 South 24°59'15" East 411.45 feet;
 South 28°11'14" East 398.94 feet;
 South 16°50'33" East 692.41 feet;
 South 06°12'57" East 393.39 feet;
 South 05°13'49" East 185.89 feet;
 South 01°01'40" West 273.70 feet;
 South 23°02'55" West 501.32 feet;
 South 07°33'46" West 202.18 feet;
 South 85°44'07" East 245.88 feet;
 South 65°08'02" East 397.18 feet;
 South 26°48'11" East 211.27 feet;
 thence leaving said Westerly boundary North 64°06'41" West 836.27 feet to a point lying on the North-South centerline of said Section 2;
 thence North 00°37'03" East, along said centerline, 1724.91 feet to the center one-quarter corner of said Section 2;
 thence North 00°23'15" East, along said centerline, 374.32 feet;
 thence North 42°40'54" West 1249.82 feet;
 thence North 63°58'37" West 557.46 feet;
 thence North 05°47'35" West 369.21 feet;
 thence North 45°11'05" West 265.32 feet;
 thence North 83°05'02" West 308.24 feet;
 thence North 37°14'23" West 119.84 feet to the Point of Beginning.

PARCEL 3

A parcel of land lying within Section 2, Township 41 South, Range 13 West, Willamette Meridian, Curry County, Oregon, described as follows:

Beginning at a point South 83.25 feet and East 540.67 feet from the Northwest Corner of said Section 2;
 thence South 82°33'30" East, along the Southerly right-of-way line of the South Bank Chetco River County Road, 229.33 feet to the beginning of a 300.00 foot radius curve to the left, having a central angle of 71°00'00";
 thence along said curve the arc length of 371.76 feet, the long chord of which bears North 61°56'30" East 348.42 feet, to the beginning of a 425.00 foot radius reverse curve to the right, having a central angle of 52°20'00" ;

thence along said curve the arc length of 388.19 feet, the long chord of which bears North 52°36'30" East 374.84 feet, to the beginning of a 725.00 foot radius reverse curve to the left, having a central angle of 49°00'00" ;

thence along said curve the arc length of 620.03 feet, the long chord of which bears North 54°16'30" East 601.31 feet, to the beginning of a 250.00 foot radius reverse curve to the right, having a central angle of 12°56'19" ;

thence along said curve the arc length of 56.46 feet, the long chord of which bears North 36°14'40" East 56.34 feet;

thence South 08°50'34" East, leaving said right of way, 1362.38 feet;

thence North 81°09'26" East 788.13 feet;

thence South 18°35'37" East 2094.30 feet to a point lying on the Easterly boundary of that property conveyed by deed recorded November 27, 1987 in Volume 138, Page 604, Curry County Book of Records;

thence along said boundary the following courses;

North 88°47'57" West 109.96 feet;

North 36°16'54" West 90.63 feet;

North 65°59'56" West 106.36 feet;

North 52°33'47" West 106.16 feet;

North 01°54'27" West 183.18 feet;

North 29°50'48" West 114.34 feet;

North 40°38'16" West 208.48 feet;

North 06°41'08" West 473.33 feet;

South 65°29'12" West 90.15 feet;

North 35°21'37" West 126.51 feet;

North 23°58'03" West 482.40 feet;

North 71°51'10" West 344.73 feet;

North 88°12'41" West 304.99 feet;

North 58°15'59" West 263.48 feet;

North 14°31'34" West 93.71 feet;

North 25°43'47" East 454.58 feet;

North 13°47'19" West 190.63 feet;

North 05°04'26" West 149.57 feet;

North 36°11'57" West 98.18 feet;

North 88°42'58" West 131.41 feet;

South 77°19'41" West 373.18 feet;

South 49°57'28" West 292.07 feet;

South 43°01'27" West 159.17 feet;

North 81°23'40" West 437.95 feet to the Point of Beginning.

PARCEL 4

A parcel of land lying within Section 2, Township 41 South, Range 13 West, Willamette Meridian, Curry County, Oregon, described as follows:

Beginning at a point South 2703.69 feet and East 3668.73 feet from the Northwest corner of said Section 2, being a point on the Easterly boundary of that property conveyed by deed recorded November 27, 1987 in Volume 138, Page 604 Curry County Book of Records;

thence South 11°59'58" East 1473.07 feet;
thence South 46°46'09" East 584.95 feet;
thence South 41°54'12" East 644.12 feet;
thence South 16°07'53" East 536.74 feet;
thence South 09°18'13" West 348.44 feet;
thence South 06°45'57" West 235.37 feet to a 5/8 inch iron rod capped PLS 1868 lying on the Easterly boundary of that property referenced above;
thence along said boundary, the following courses;
North 17°25'16" West 241.17 feet;
North 02°04'40" West 234.26 feet;
North 34°32'00" West 181.81 feet;
North 30°53'25" West 388.72 feet;
North 24°35'08" West 138.52 feet;
North 48°32'52" West 461.52 feet;
North 33°34'12" West 249.01 feet;
North 29°57'47" West 292.91 feet;
North 38°36'29" West 393.55 feet;
North 03°37'17" East 981.41 feet;
thence North 05°19'33" East 288.10 feet to the Point of Beginning.

RESERVING AND EXCEPTING unto South Coast Lumber Company, an Oregon Corporation, all standing and severed timber on Parcels 2, 3 and 4.