

reimburse Landlord for such taxes. Tenant shall make timely and direct payment of all ad valorem taxes and assessments assessed against Tenant's personal property, supplies or other property located on or used in connection with the, Leased Premises and of all privilege and business licenses, taxes and other similar charges for which Tenant is primarily responsible. Tenant's obligation to pay taxes and assessments shall include but shall not be limited to those assessed against trade furnishings, fixtures, and equipment that Tenant may install. *LANDLORD TO PAY TAXES CURRENT THROUGH MAY 1, 2010*

10. PROPERTY INSURANCE. Tenant shall maintain hazard insurance on the Leased Premises at all times. Such policy of insurance shall show as named insured the Tenant and Landlord as their interest may appear. The original or a duplicate of such policy shall be delivered to Landlord accompanied by satisfactory evidence that the premiums thereon have been paid. Further, such policy of insurance shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord at least ten (10) days prior written notice.

In the event Tenant fails to insure the Property, Landlord at its sole discretion may obtain a policy and Tenant shall reimburse Landlord for such insurance by paying, as Additional Rent, one-twelfth (1/12th) of the estimated amount of such insurance in each rental payment. At the end of each year, Landlord shall provide Tenant with a statement showing the actual amount paid for hazard insurance for the preceding year. Any excess amount collected for insurance shall be refunded by Landlord to Tenant. If an insufficient amount was collected, Tenant shall reimburse Landlord for the deficiency with fifteen (15) days of such statement.

11. LIABILITY INSURANCE. Tenant shall provide and keep in force for the protection of the general public and Landlord, liability insurance against claim for bodily injuries or death upon or near the Leased Premises or on or near the sidewalk, street and service and parking areas adjacent thereto to the extent of not less than One Million Dollars (\$1,000,000.00) in respect to bodily injuries or death to any one person to the extent of not less than One Million Dollars (\$1,000,000.00) for bodily injuries or death to any number of persons arising out of one accident or disaster and property damage with limits of not less than One Hundred Thousand Dollars (\$100,000.00). Tenant shall furnish Landlord with satisfactory evidence of such coverage within thirty (30) days after the commencement date of this Lease Agreement. Such policy of insurance shall show as named insured the Tenant and Landlord as their interest may appear. The original or a duplicate of such policy shall be delivered to Landlord accompanied by satisfactory evidence that the premiums thereon have been paid. Further, such policy of insurance shall contain a clause that the insurer will not cancel or change the insurance without first giving Landlord at least 10 days prior written notice.

12. PREMIUM AND SUBROGATION. With respect to any applicable insurance called for under the terms of this lease, Tenant shall not do or suffer to be done any action upon the Leased Premises or Landlord's property which will violate or invalidate any insurance policy or cause any increase in any insurance premiums the payment of which is the responsibility of Landlord, and Tenant shall use every reasonable precaution against fire or other casualty and shall observe and comply with the requirements of the insurer under any policy to the extent that Tenant's default in such requirement shall not thereby invalidate such policy or cause an increase in premiums.

For the purposes of waiver of subrogation, the parties mutually release and waive unto the other all rights to claim damages, costs or expenses for any injury to persons (including

death) or property caused by a casualty of any type whatsoever in, or about the Leased Premises if the amount of such damage, cost or expense has been paid to such damaged party under the terms of any policy of insurance. All insurance policies carried with respect to this Lease, if permitted under applicable law, shall contain a provision whereby the insurer waives prior to loss all rights of subrogation against either Landlord or Tenant.

13. DAMAGE TO OR DESTRUCTION OF PROPERTY. In the event the property which is a portion of the Landlord's property should be destroyed or damaged by fire or other occurrence (for which there is coverage provided by the casualty insurance required to be maintained thereof), Landlord may but is not required to repair or restore such damage or destruction with reasonable diligence and in a timely manner, but only if the cost of such restoration or repair does not exceed the amounts received by Landlord from the applicable insurance coverage. If Landlord does elect to make such repairs Landlord shall so notify Tenant within seven (7) days after the destruction or occurrence. Otherwise Landlord, by written notice to Tenant given within thirty (30) days of the destruction or occurrence, may thereupon terminate this Lease as of the date of such destruction or occurrence and in any unearned base and additional rent paid in advance shall be promptly refunded to Tenant and neither party shall have further liability hereunder. During the time such repair or restoration is being made this Lease will remain in full force and effect and a just proportion of the base rent shall be abated and suspended in the event Tenant is deprived of its intended use of the Leased Premises during the period from the date of such damage or destruction until the date the same is substantially repaired or replaced.

14. INDEMNIFICATION OF LANDLORD. Subject to Landlord's covenants of liability for certain repairs and restorations to the property as set forth herein, Tenant shall indemnify and save Landlord harmless from any and all claims arising from the use, occupancy, conduct or management of, or from any work or thing whatsoever done in or about the Leased Premises, unless done by Landlord or any of Landlord's agents or employees.

15. ASSIGNMENT AND SUBLETTING. Tenant shall neither have the right to sublease the Leased Premises nor assign this lease or any part thereof without the written consent of Landlord. If Landlord gives its consent, such approval shall be limited only to the particular instance described in the consent. In the event of any subletting or assigning, Tenant shall continue to remain primarily liable for the payment of the rent stipulated herein and for the performance of the terms and conditions of this lease undertaken to be performed by Tenant. Additionally, the sub-Tenant or assignee of Tenant shall assume and undertake to perform and abide by all the terms and conditions of this lease.

16. ENCUMBRANCES. Landlord hereby reserves the right to encumber the Leased Premises by the granting of a mortgage or deed of trust, and the liens of such mortgages or deeds of trust shall be superior to this lease. Tenant's interest in this lease is subordinate to Landlord's current or future encumbrances to lenders. Upon Landlord's request Tenant shall upon demand, execute, acknowledge and deliver to Landlord any and all instruments requested, necessary or proper to further evidence of record the subordination of this lease and all rights of Tenant hereunder to the lien of any such mortgages or deeds of trust.

If Tenant is notified of Landlord's assignment of this lease as security for a mortgage loan and of the name and address of the mortgagee or trustee Tenant shall not terminate or cancel

this lease for any default on the part of the Landlord without first (a) giving notice of its intention to do so to such mortgagee or trustee, the notice to describe in reasonable detail the nature and extent of the default and (b) affording such mortgagee or trustee reasonable opportunity to perform on behalf of the Landlord its obligations under this lease. Tenant shall in the event of the sale or assignment of Landlord's interest in the Premise or in the event of any proceedings brought for the foreclosure of or in the event of the exercise of the power of sale under any mortgage made by Landlord covering the Leased Premises attorn to the purchaser and recognize such purchaser as the Landlord under this lease.

At no cost to Landlord's lender, existing now or in the future, Landlord and Tenant shall upon request by Landlord's lender, execute and deliver, within five (5) calendar days thereof, to Lender, a written Estoppel Letter, as to the status of this lease, in form and substance, required by said Lender. Landlord warrants that if Tenant purchases the Leased Premises, the entirety of the golf course property shall be delivered to Tenant Purchaser at Closing free of all liens and encumbrances.

17. ENTRY OF LANDLORD. Landlord may, at all times during Tenant's normal business hours and at any time in the event of an emergency or after the Tenant has abandoned the Leased Premises, enter the Leased Premises: (a) to inspect or protect the Leased Premises or any of its equipment thereon; (b) to effect compliance with any law, order or regulation of any lawful authority; (c) to make or supervise repairs, alterations or additions; (d) to exhibit the Leased Premises to prospective tenants, purchasers or other person; and (e) to alter or otherwise prepare the Leased Premises for reoccupancy at any time after Tenant has vacated the Leased Premises. No such entry by Landlord shall constitute an eviction of Tenant or a deprivation of Tenant's rights, alter the obligation of Tenant, or create any right in Tenant adverse to Landlord's interests hereunder and the rent specified herein shall in no way abate, by reason of loss or interruption of business of Tenant, or otherwise, while any repairs, alterations, improvements or additions are being made. During the last three (3) months prior to the expiration of the term of this Lease, Landlord may place upon the Leased Premises the usual notices "to let" or "for sale", which notices Tenant shall permit to remain thereon, Landlord shall make a reasonable effort not to interfere with Tenant's normal business operations upon any entry by Landlord made during Tenant's normal business hours.

18. HOLDING OVER BY TENANT. Tenant shall not acquire any right or interest in the Leased Premises by remaining in possession after termination or expiration of this Lease. During any such period of holding over, Tenant shall be a Tenant by will subject to all the obligations imposed upon it by this Lease. If Landlord and Tenant mutually agree to enter into the hold-over period, the Purchase Option shall be deemed extended. During any such period of holding over, Tenant shall pay increased rent of Fifteen Thousand Dollars (\$15,000.00) per month.

19. DEFAULT. As used in this Lease, the term "event of default" shall mean any of the following: (a) Tenant's failure to make payment of any rental installment or any other amounts payable by Tenant to Landlord hereunder within ten (10) days after receipt of notice that same is due and payable; (b) Tenant's failure, within ten (10) days after receipt of demand from Landlord to commence, in good faith, to fulfill any obligation imposed on Tenant by this Lease and to meet this obligation within thirty (30) days; (c) Tenant shall File in any court a petition in bankruptcy or insolvency or for reorganization, or for the assignment or for the appointment of

a receiver or trustee of all or a portion of Tenant's property; or (d) an involuntary petition of the kind referred to in subparagraph (c) of this paragraph shall be filed against Tenant, and such petition shall not be vacated within thirty (30) days after the date of filing thereof; or (e) Tenant shall make an arrangement for the benefit of creditors, or shall be adjudicated bankrupt; or (f) any property used in connection with Tenant's leasehold interest shall be taken on execution; or (g) Tenant shall lose any required license to operate a golf course, or (h) Tenant shall for reasons other than those specifically permitted in this Lease, cease to conduct its normal business operations in the Leased Premises and leave the same vacated or abandoned for a period of ten (10) days. Upon the happening of an "event of default", Landlord at its option, may (a) terminate this Lease; or (b) if default consists in whole or in part of Tenant's failure to expend funds, make the necessary expenditures for the account of Tenant who shall reimburse Landlord therefore with interest at the maximum legal rate of interest from date of expenditure; or (c) terminate Tenant's rights to possession of the Leased Premises without terminating the terms of this Lease. It is specifically noted that Tenant's obligations under this lease, including payment of rent shall continue in the event of a termination hereunder due to a default of Tenant, subject to Landlord's obligation to investigate damages as specified in Paragraph 20 herein. Upon termination of this Lease for any reason, or upon termination of the Tenant's right of possession as provided above, Tenant shall promptly surrender possession to Landlord and vacate the leased Premises.

20. RE-ENTRY AT DEFAULT. If this lease be terminated by Landlord as provided herein, or in the event Tenant vacates or abandons the Leased Premises in breach of this lease before expiration of the term hereof, Landlord's agent or representative may re-enter the Leased Premises by summary proceedings or by force, or otherwise, and without being liable for prosecution thereof, or civil liability, take possession of the Leased Premises and remove all persons and property therefrom and re-let the same and receive the rent therefor, applying the same first to the payment of any expense, charges or costs for conditioning and repairing the Leased Premises, and to all other expenses and costs of Landlord, including attorneys, fees, and only then to the mitigation of Landlord's damages and the rent payable under this lease and the fulfillment of all of Tenant's obligations hereunder.

21. WAIVERS. No waiver of any covenant, agreement, stipulation or condition of this lease, not failure to enforce strictly any provision herein, shall be construed to be a waiver of any succeeding breach of the same covenant, agreement, stipulation or condition or any other covenant, agreement, stipulation or condition nor prevent future strict enforcement of any provision; the payment by Tenant or the receipt by Landlord of rent with knowledge of the breach by the other party of any covenant hereof shall not be deemed a waiver of such breach.

22. LANDLORD'S WARRANTIES. Landlord warrants that it has the legal right to make the agreements and covenants contained herein without the consent of any other party, Tenant, upon paying the rent herein provided to be paid and complying with all material terms and conditions of this lease, shall peaceably and quietly have, hold and enjoy the Leased Premises for the term hereof subject to the conditions and agreements herein.

23. NOTICE AND RENTAL PAYMENTS. Any notice required or permitted hereunder shall be in writing and shall be made and given by either personal delivery or United States mail, return receipt requested, postage prepaid, by Landlord to Tenant at its address as stated after its

execution herein, or by Tenant to Landlord at its address as stated after its execution herein, or such other places that may otherwise be designated by the respective parties hereto in writing to the other.

At the time of execution Notice should be sent to the following:

LANDLORD

Glenn Goldan
ReProp Financial
555 H Street
Eureka CA 95501

David A. Gill
Danning, Gill, Diamond & Kollitz, LLP
2029 Century Park East, Third Floor
Los Angeles CA 90067

TENANT

Marcus Gooden
Linville Falls Golf Group, LLC
764 Crooked Creek Road
HOLLY SPRING, NC 28737

Notice is deemed given on the day of its personal delivery or the day of the receipt of its delivery by mail, as the case may be, and shall nevertheless be effective if acceptance of such delivery be refused. All rental payments shall be mailed to Landlord at its address stated after its execution herein or to such other address as Landlord may hereafter request.

24. DEFAULT BY LANDLORD.

(A) Landlord shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Landlord shall have failed, to perform such obligations within ten (10) days after written notice by Tenant to Landlord properly specifying wherein that Landlord has failed to perform such obligation, or if circumstances are such that the default cannot be reasonably cured within said ten (10) days period, unless Landlord has not commenced to perform such obligations within said ten (10) days after written notice, and has not completed performance within a reasonable time thereafter.

(B) Notice to Mortgagee: Tenant agrees that in the event Landlord is in default under this lease, Tenant shall give simultaneous written notice of such default to the holder of record of the first mortgage if any covering the Leased Premises, provided Tenant shall have first been notified, in writing, of the name and address of such mortgagee.

25. CONDEMNATION. If, under the exercise of the right to eminent domain, the whole of the Lease Premises hereby leased shall be taken, then the term of this lease shall cease as of the date of such taking and no further rent shall be thereafter due and payable hereunder, but any unearned rent paid in advance shall be apportioned as of the date of such taking, and promptly

refunded to Tenant. If, however, a portion of the Leased Premises shall be taken and such taking shall prevent the Tenant's intended use of the Leased Premises then Tenant shall have the right to cancel this lease as of the date of such taking by ten (10) days written notice to Landlord prior to such taking, or as of the first day of any calendar month with a period of ninety (90) days following the date of such taking by twenty (20) days prior written notice to Landlord, failing which this lease shall continue in full force and effect, If, however, a portion of the Leased Premises shall be taken and such taking shall not prevent Tenant from using the Leased Premises for it's intended purpose then this lease shall remain in full force and effect except that the base rental shall be proportionately adjusted.

All damages which may be awarded or paid by reason of the exercise of eminent domain on account of the taking of any part of the realty and improvements which constitute the Leased Premises shall be due and payable to Landlord and all damages for loss of business and the cost of moving its business and equipment, as well as any damage for any personal property actually installed, furnished or placed on the Leased Premises by Tenant and removable by Tenant under the terms of the lease, shall be due and payable to Tenant.

26. ENTIRE AGREEMENT. This lease contains the entire and only agreement between Landlord and Tenant relating to the Leased Premises, and as such supersedes all negotiations, commitments, understandings and agreements, whether oral or otherwise.

27. INVALID TERMS. In the event any provision contained in this lease shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this lease and the lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

28. CONTROLLING LAW. This lease shall be read and construed and take effect in all respects in accordance with the laws of the State of North Carolina.

29. CONSTRUCTION OF TERMS. Whenever the context so requires, any gender is deemed to include any other gender, and the singular is deemed to include the plural, and conversely, the singular possessive ('s) is used exclusively and is deemed grammatically correct.

30. COUNTERPARTS. This lease may be executed in a number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same instrument.

31. AUTHORITY OF AGENTS OF LANDLORD. No agent, employee, partner or representative of Landlord has any authority to bind Landlord to any affirmation or representation concerning this lease, and unless such affirmation or representation is specifically included within this written lease, or a proper amendment as provided herein, it shall not be enforceable against Landlord.

32. HEIRS AND ASSIGNS. The provisions of this Lease shall bind and inure to the benefit of Landlord and Tenant, and their respective successors, heirs, legal representatives and assigns. It is understood and agreed, however, that the term "Landlord", as used in this Lease, means only the owner or the Landlord for the time being of the Property of which the Premises are a part, so

that in the event of any sale or sales (including, without limitation, any judicial sale, and sale in foreclosure and any sale pursuant to power of sale contained in a mortgage or deed of trust affecting all or any part of the Property or the Land or a leasehold interest in the Land of the Property) of such property or of any lease, the Landlord named herein shall be and is entirely freed and relieved of all covenants and obligations of Landlord hereunder accruing thereafter, and it shall be deemed without further agreement that the purchaser has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder during the period such party has possession of the Land and Property. Tenant shall from time to time upon request of Landlord execute and deliver to Landlord a certificate or certificates stating that this Lease is unmodified and in full force and effect or in full force and effect as modified and stating modifications. Such certificates shall also state the amount of Base Rent and Additional Rent then in effect, the dates to which rent has been paid in advance, the amount of any security deposit, and shall specify any default in Landlord's performance claimed by Tenant.

33. MISCELLANEOUS. If Tenant shall default in the performance of any covenant required to be performed by virtue of any provisions of this lease, Landlord may, after any notice and the expiration of any period with respect thereto as required pursuant to the applicable provisions of this lease, perform the same for the account of Tenant. If Landlord, at any time is compelled to pay or elects to pay any sum of money or do any acts which would require the payment of any sum of money by reason of the failure of Tenant, after any notice and the expiration of any period with respect thereto as required pursuant to the applicable provisions of this lease, to comply with any provisions of this lease, or if Landlord is compelled to incur any expense including reasonable attorney's fees, instituting, prosecuting or defending any action or proceeding instituted by reason of any default of Tenant hereunder, the sum or sums so paid by Landlord, with all interest, costs and damages, shall be deemed to be Additional Rental hereunder.

34. OPTION TO PURCHASE. So long as Tenant is not then in default under the terms of this Lease, Tenant shall have the option to purchase the Premises in "as-is" condition, at anytime within the Lease Term at a purchase price of One Million and No/xx Dollars (\$1,000,000.00) payable in cash at the closing (the "Closing"). Closing shall occur on or before the end of the Lease Term.

Landlord and Tenant shall both use good faith efforts and diligence within the first four (4) month of the Lease Term to execute finalize the terms of the sale of the Property in a Purchase Agreement. The Purchase Agreement shall cover the specific terms of the sale, which shall include, but are not limited to, legal description of the property, establishment of cross easements for access, amendments to the covenants so that the golf course remain a semi-private club, address the issues of the water line from the sewer station, the holding pond and the treated water use for irrigation. Further, Landlord shall, be obligated to convey the Property to Tenant for such amount upon the terms set forth herein. If Tenant elects to purchase the Property, it must provide written notice thereof to Landlord not less than sixty (60) days prior to due end of the Term. Tenant shall establish the date, time and location of the Closing, with not less than sixty (60) days prior notice thereof to Landlord and the same must be within the Lease Term. The Closing shall be held at a date, time and location which is mutually acceptable to the parties, but if they are unable to agree, then at the office of MacNeill & Carlino, PLLC on the sixtieth (60) day (or first business day thereafter) subsequent to the date the notice of exercise is

furnished to Landlord. At Closing, Landlord shall convey fee simple insurable title in the balance of the Premises to Tenant (or as Tenant directs), by a Special Warranty Deed. Landlord shall convey said balance of the Property free of encumbrance, other than the Permitted Exceptions, taxes for 2010 and all subsequent years, easements, and rights of way of record or in place as of the date Closing, restrictions of record as of the date of Closing, and such other matters as may encumber the Property. At Closing, Landlord shall be responsible to pay the Revenue Stamps, shall furnish a customary lien affidavit as all other Closing costs shall be borne by Tenant.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals the day and year first above written.

LANDLORD:
DIVERSIFIED LENDING GROUP, INC.

By: DA Gill (SEAL)
David A. Gill, solely in his capacity as Receiver

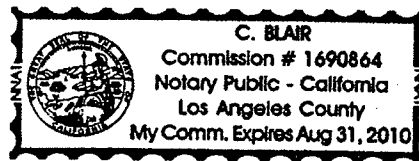
STATE OF CALIFORNIA)
COUNTY OF Los Angeles)

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: David A. Gill in his capacity as Receiver of Diversified Lending Group, Inc., a California corporation.

Date: May 11, 2010

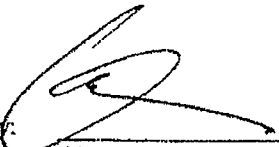
C. Blair

Notary Public



My commission expires: August 31, 2010

**LANDLORD:
REPROP FINANCIAL MORTGAGE
INVESTORS, LLC.**

By:  (SEAL)
Glenn Goldan, Manager

~~STATE OF CALIFORNIA)
)
COUNTY OF _____)~~

~~I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Glenn Goldan in his capacity as Member of ReProp Financial Mortgage Investors, LLC, a California limited liability company.~~

~~Date: _____~~

Notary Public

My commission expires: _____

ACKNOWLEDGMENT

State of California
County of Humboldt

On May 10, 2010 before me, Jean Gillmore, Notary Public
(insert name and title of the officer)

personally appeared Glenn Goldan
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 Jean Gillmore (Seal)



FIRST ADDENDUM TO LEASE

David A. Gill, Receiver for the estate of Diversified Lending Group, Inc. (the "Receiver"), in the matter *Securities & Exchange Comm. v. Diversified Lending Group, Inc., et al.*, case no. CV 09-01533-R (SSx) in the U.S. District Court for the Central District of California, Western Division (the "District Court") and REPROP Financial Mortgage Investors, LLC, hereinafter jointly referred to as "Landlord" and LINVILLE FALLS GOLF GROUP, LLC, a North Carolina limited liability company, hereinafter called "Tenant," are entering into a written lease of the real property commonly known as the premises consisting of the golf course, driving range and its related structures located on US 221, Linville, McDowell County, North Carolina, upon the terms and conditions of said written Lease ("Lease"), as amended by the following terms and conditions:

1. Addendum. This Agreement is an Addendum to the Lease between Landlord and Tenant executed on May 16, 2010. In the event any term or condition of this Addendum is contrary to a term or condition in the Lease, the provision or condition of the Addendum shall supersede the provision or condition of Lease.

2. Limitation of Liability of Receiver, David A. Gill. Any obligation or liability whatsoever of David A. Gill as Receiver which may arise at any time under the Lease or any obligation or liability which may be incurred by him pursuant to any other instrument, transaction, or undertaking contemplated hereby, shall be in his official capacity as Receiver and not in his personal capacity, and shall be satisfied, if at all, out of the assets vested in the assets of the DLG receivership estate. No such obligation or liability shall be personally binding upon, nor shall there be recourse for the enforcement thereof the property of David A. Gill, either individually or in any other professional capacity, or of any of his agents or employees, or to the firm of Danning, Gill, Diamond & Kollitz, LLP, regardless of whether such obligation or liability is in the nature of contract, tort, or otherwise.

3. Conditions of Sale of Real Property in Event of Exercise of Option to Purchase. The sale of the Property as provided for pursuant to the option to purchase granted under the Lease shall be subject to the following terms and conditions:

a. Entry of an order of the District Court authorizing the Receiver to sale the Property. Receiver shall use his reasonable efforts to file a motion to obtain such approval at the earliest possible moment after his receipt of the fully executed purchase agreement ("PA") to be negotiated by the parties.

b. In the event the Receiver fails or is unable to obtain entry of an order of the District Court authorizing the Receiver to sell the Property to Tenant within sixty days of receipt of the fully executed PA, then in such event, the option to purchase shall expire and either party may terminate the Lease upon ten days notice. The Landlord shall have no liability therefore and the Tenant's sole remedy shall be the return of any money that the Tenant has deposited towards the purchase of the Property.

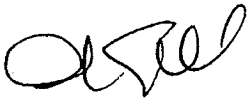
c. If after obtaining an order of the District Court authorizing the sale of the Property to Tenant, the Receiver is unable to deliver possession or title to the Property to Tenant, the Tenant's sole remedy shall be the return of any money that the Tenant has deposited towards the purchase of the Property.

4. Entire Agreement. This Addendum and the Lease constitute the entire contract between the parties. Its terms are intended by the parties as a final expression of their agreement with respect to such terms as are included herein, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete, final and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this agreement.

5. District Court Jurisdiction. The District Court shall have exclusive jurisdiction to resolve any and all disputes relating to this Addendum and Lease sitting without a jury, which jury right is specifically waived. This agreement and any disputes related thereto shall be governed by North Carolina law.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals the day and year first above written.

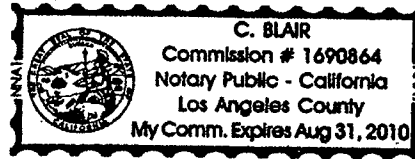
LANDLORD:
DIVERSIFIED LENDING GROUP, INC.


By:  (SEAL)
David A. Gill, solely in his capacity as
Receiver

STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles)

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: David A. Gill in his capacity as Receiver of Diversified Lending Group, Inc., a California corporation.


Date: May 11, 2010




Notary Public

My commission expires: August 31, 2010

**LANDLORD:
REPROP FINANCIAL MORTGAGE
INVESTORS, LLC.**

By:  _____ (SEAL)
Glenn Goldan, Manager

~~STATE OF CALIFORNIA)
)
COUNTY OF _____)~~

~~I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Glenn Goldan in his capacity as Member of ReProp Financial Mortgage Investors, LLC, a California limited liability company.~~

~~Date: _____~~

Notary Public

My commission expires: _____

ACKNOWLEDGMENT

State of California
County of Humboldt)

On May 10, 2010 before me, Jean Gillmore, Notary Public
(insert name and title of the officer)

personally appeared Glenn Gordan
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 Jean Gillmore (Seal)



TENANT:
Linville Falls Golf Group, LLC,

By: William M. ... (SEAL)

STATE OF NORTH CAROLINA)

COUNTY OF Avery)

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: William M. ... member of Linville Falls Golf Group, LLC.

Date: 5/12/10

Marla Kay Martin
Notary Public

My commission expires: 11-5-2014

A mtb

LINVILLE FALLS

MOUNTAIN CLUB & PRESERVE

IN LEAD



1440 TO 1450 TOWNERS
120' TOWNERS PROPERTY



Blue Ridge Parkway

MICROS



FUTURE DEVELOPMENT
EXISTING HOME
THE INN AT BLUE RIDGE

EXHIBIT A

(Legal Description)

Exhibit A

TRACT X: (The Golf Course Tract)

BEGINNING on an existing concrete monument, said beginning point having NCGS Coordinates of N = 240251.133 Meters and E = 343991.747 Meters, NAD 83, said beginning point being located South 78 degrees, 19 minutes, 36 seconds West 360.637 Meters from NCGS Monument "Garaventa", said NCGS Monument "Garaventa" having NCGS Coordinates of N = 240324.102 Meters and E = 344344.925 Meters, NAD 83, said NCGS Monument "Garaventa" being located N 38 degrees, 37 minutes, 46 seconds East 271.26 Meters from NCGS Monument "Pond", said NCGS Monument "Pond" having NCGS Coordinates of N = 240112.194 Meters and E = 344175.582 Meters, NAD 83, said beginning point also being located North 49 degrees, 32 minutes, 58 seconds West 451.78 feet from an existing 5/8" rebar, the northwest corner of the 0.61 acre Sewage Treatment Plant which is an exception to this description; thence from said beginning point North 63 degrees, 47 minutes, 12 seconds East 361.28 feet to an existing iron pipe; thence North 00 degrees, 54 minutes, 29 seconds East 112.22 feet to an existing iron pipe; thence North 88 degrees, 19 minutes, 43 seconds West 331.62 feet to an existing 5/8" rebar; thence North 30 degrees, 17 minutes, 04 seconds West 72.12 feet to an existing iron pipe; thence North 08 degrees, 31 minutes, 47 seconds East 52.89 feet to an existing iron pipe; thence North 30 degrees, 55 minutes, 04 seconds East 156.31 feet to an existing concrete monument; thence North 38 degrees, 17 minutes, 09 seconds East 433.48 feet to an existing concrete monument; thence North 35 degrees, 25 minutes, 43 seconds East 471.46 feet to an existing 5/8" rebar; thence North 62 degrees, 16 minutes, 20 seconds West 69.43 feet to an existing 5/8" rebar; thence North 26 degrees, 57 minutes, 39 seconds East 217.18 feet to an existing solid iron pin; thence North 05 degrees, 02 minutes, 32 seconds West 216.70 feet to an existing solid iron pin; thence North 03 degrees, 06 minutes, 35 seconds West 146.94 feet to existing iron pipe; thence North 05 degrees, 54 minutes, 15 seconds East 142.21 feet to an existing railroad spike; thence North 05 degrees, 54 minutes, 15 seconds East 135.05 feet to an existing magnetic nail thence North 07 degrees, 29 minutes, 09 seconds West 101.56 feet to a magnetic nail set; thence South 84 degrees, 48 minutes, 44 seconds West 110.25 feet to an existing iron pipe; thence North 47 degrees, 35 minutes, 35 seconds West 185.12 feet to an existing iron pipe; thence South 89 degrees, 10 minutes, 27 seconds West 382.32 feet to an existing iron pipe; thence South 82 degrees, 15 minutes, 50 seconds West 297.62 feet to an existing iron pipe; thence North 34 degrees, 26 minutes, 03 seconds West 213.06 feet to an existing iron pipe; thence North 07 degrees, 30 minutes, 33 seconds West 32.52 feet to a 5/8" iron rebar set; thence North 07 degrees, 30 minutes, 33 seconds West 10.16 feet to an unmarked point; thence North 61 degrees, 18 minutes, 29 seconds East 3.00 feet to a 5/8" iron rebar set; thence North 61 degrees, 18 minutes, 29 seconds East 67.24 feet to an existing concrete monument; thence South 88 degrees, 37 minutes, 26 seconds East 111.55 feet to an existing iron pipe; thence South 87 degrees, 39 minutes, 13 seconds East 297.26 feet to an existing 5/8" iron rebar; thence North 83 degrees, 45 minutes, 15 seconds East 154.25 feet to an existing 5/8" iron rebar; thence North 89 degrees, 55 minutes, 40 seconds East 53.02 feet to an existing iron pipe; thence South 84 degrees, 04 minutes, 42 seconds East 113.03 feet to an existing iron pipe; thence South 84 degrees, 09 minutes, 31 seconds East 73.00 feet to an existing 5/8" rebar; thence North 44 degrees, 54 minutes, 06 seconds East 104.16 feet to an existing magnetic nail; thence South 89 degrees, 59 minutes, 04 seconds East 27.44 feet to an unmarked point; thence South 89 degrees, 59 minutes, 04 seconds East 8.51 feet to an existing iron pipe; thence North 89 degrees, 59 minutes, 09 seconds East 78.54 feet to an existing iron pipe; thence North 20 degrees, 33 minutes, 19 seconds East 57.64 feet to an existing iron pipe; thence North 14 degrees, 06 minutes, 34 seconds East 68.92 feet to an existing iron pipe; thence North 05 degrees, 18 minutes, 51 seconds West 104.98 feet to an existing iron pipe; thence North 05 degrees, 18 minutes, 51

seconds West 15.72 feet to an existing iron pipe; thence North 19 degrees, 50 minutes, 13 seconds West 105.88 feet to an existing iron pipe; thence North 15 degrees, 50 minutes, 49 seconds West 14.50 feet to an existing iron pipe; thence North 20 degrees, 55 minutes, 10 seconds East 31.87 feet to an existing iron pipe; thence North 33 degrees, 06 minutes, 43 seconds East 44.15 feet to an existing iron pipe; thence North 00 degrees, 16 minutes, 04 seconds East 664.00 feet to an existing iron pipe; thence North 42 degrees, 16 minutes, 24 seconds East 47.90 feet to an existing concrete monument; thence North 32 degrees, 52 minutes, 14 seconds East 61.60 feet to an existing iron pipe; thence North 32 degrees, 52 minutes, 14 seconds East 27.40 feet to an existing concrete monument; thence North 02 degrees, 22 minutes, 48 seconds East 537.26 feet to an existing iron pipe; thence North 10 degrees, 55 minutes, 56 seconds East 119.97 feet to an existing 5/8" rebar; thence North 10 degrees, 55 minutes, 56 seconds East 207.57 feet to an existing 5/8" rebar; thence North 10 degrees, 55 minutes, 56 seconds East 158.77 feet to an existing iron pipe; thence North 41 degrees, 17 minutes, 24 seconds West 154.23 feet to an existing solid iron pin; thence North 41 degrees, 17 minutes, 24 seconds West 154.48 feet to an existing 5/8" rebar; thence North 41 degrees, 17 minutes, 24 seconds West 16.87 feet to an existing 5/8" rebar; thence North 18 degrees, 09 minutes, 48 seconds West 777.88 feet to an existing concrete monument; thence North 09 degrees, 51 minutes, 49 seconds West 315.08 feet to an existing 5/8" rebar; thence North 78 degrees, 01 minutes, 21 seconds East 71.59 feet to an existing 5/8" rebar; thence North 39 degrees, 39 minutes, 16 seconds East 79.15 feet to an existing 5/8" rebar; thence North 36 degrees, 28 minutes, 46 seconds East 58.21 feet to an existing 5/8" rebar; thence South 57 degrees, 34 minutes, 58 seconds East 211.55 feet to a 5/8" rebar set; thence South 57 degrees, 34 minutes, 58 seconds East 4.00 feet to an unmarked point; thence South 07 degrees, 18 minutes, 54 seconds East 5.00 feet to a 5/8" rebar set; thence South 07 degrees, 18 minutes, 54 seconds East 73.02 feet to an existing iron pipe; thence South 24 degrees, 53 minutes, 57 seconds East 87.64 feet to a 5/8" rebar set; thence South 20 degrees, 02 minutes, 28 seconds East 45.34 feet to an existing iron pipe; thence South 31 degrees, 38 minutes, 03 seconds East 65.55 feet to an unmarked point; thence South 48 degrees, 39 minutes, 43 seconds East 74.92 feet to an existing 5/8" rebar; thence South 30 degrees, 54 minutes, 31 seconds East 169.97 feet to an existing 5/8" rebar; thence South 25 degrees, 24 minutes, 54 seconds East 72.98 feet to an unmarked point; thence North 72 degrees, 13 minutes, 49 seconds East 15.73 feet to a 5/8" rebar set; thence North 72 degrees, 13 minutes, 49 seconds East 167.54 feet to an existing 5/8" rebar; thence North 72 degrees, 13 minutes, 49 seconds East 25.79 feet to an unmarked point, centerline of the branch; thence with the centerline of the branch the following fifteen (15) bearings and distances;

South 09 degrees, 55 minutes, 12 seconds East 40.86 feet to an unmarked point;
 South 04 degrees, 16 minutes, 50 seconds East 49.97 feet to an unmarked point;;
 South 64 degrees, 26 minutes, 20 seconds East 26.34 feet to an unmarked point;
 South 16 degrees, 18 minutes, 01 seconds East 23.60 feet to an unmarked point;
 South 04 degrees, 55 minutes, 19 seconds East 49.67 feet to an unmarked point;
 South 23 degrees, 37 minutes, 29 seconds East 47.44 feet to an unmarked point;
 South 39 degrees, 16 minutes, 02 seconds East 18.83 feet to an unmarked point;
 South 70 degrees, 02 minutes, 33 seconds East 105.40 feet to an unmarked point;
 North 60 degrees, 18 minutes, 31 seconds East 25.47 feet to an unmarked point;
 North 84 degrees, 54 minutes, 33 seconds East 13.34 feet to an unmarked point;
 South 40 degrees, 41 minutes, 34 seconds East 27.06 feet to an unmarked point;
 South 36 degrees, 03 minutes, 24 seconds East 21.65 feet to an unmarked point;
 South 50 degrees, 03 minutes, 24 seconds East 24.76 feet to an unmarked point;
 South 19 degrees, 44 minutes, 06 seconds East 20.79 feet to an unmarked point;
 South 51 degrees, 05 minutes, 04 seconds East 20.99 feet to an unmarked point; thence leaving said branch
 North 48 degrees, 48 minutes, 24 seconds East 15.96 feet to an existing iron pipe; thence North 48 degrees, 48 minutes, 24 seconds East 92.05 feet to an existing solid iron pin; thence North 48 degrees, 48 minutes,

24 seconds East 12.76 feet to an unmarked point in the centerline of US Highway 221; thence with the centerline of US Highway 221 South 24 degrees, 11 minutes, 46 seconds East 679.24 feet to an unmarked point; thence leaving US Highway 221 and with the line of Alfred Watson Wheatley, Jr. (Deed Book 856, Page 535) South 65 degrees, 53 minutes, 29 seconds West passing an existing concrete monument at 21.40 feet a total distance of 347.34 feet to an existing concrete monument; thence continuing with the line of Wheatley South 08 degrees, 29 minutes, 10 seconds East 497.99 feet to an existing concrete monument; thence South 87 degrees, 21 minutes, 05 seconds East 159.55 feet to a 5/8" rebar set in the line of the 7.46 acre tract purchased by Linville Falls Club, LLC (Deed Book 874, Page 354); thence leaving the line of Wheatley and with the line of Linville Falls Club South 33 degrees, 46 minutes, 53 seconds West 284.00 feet to an existing 5/8" rebar; thence South 31 degrees, 28 minutes, 55 seconds East 231.14 feet to an existing 5/8" rebar; thence South 10 degrees, 01 minutes, 04 seconds West 240.14 feet to a 5/8" rebar set; thence South 79 degrees, 51 minutes, 45 seconds East 70.14 feet to a 5/8" rebar set; thence leaving the line of Linville Falls Club, LLC and with the line of Phyllis A. Skorga (Deed Book 563, Page 586) South 79 degrees, 51 minutes, 45 seconds East 329.81 feet to an existing magnetic nail located in the centerline of US Highway 221; thence with the centerline of US Highway 221 the following four (4) bearings and distances:

South 12 degrees, 46 minutes, 44 seconds West 269.64 feet to an unmarked point;
 South 14 degrees, 38 minutes, 24 seconds West 266.36 feet to an unmarked point;
 South 14 degrees, 58 minutes, 51 seconds West 605.56 feet to an unmarked point;
 South 14 degrees, 53 minutes, 54 seconds West 30.00 feet to an unmarked point; thence leaving US Highway 221 and running with the southern edge of 60' right-of-way for Catawba River Drive and with the lines of Inn at Blue Ridge, LLC (Deed Book 786, Page 777) North 75 degrees, 32 minutes, 17 seconds West 60.28 feet to an existing railroad spike; thence continuing with the right-of-way line for Catawba River Drive and with the lines of Inn at Blue Ridge, LLC North 75 degrees, 07 minutes, 16 seconds West 129.76 feet to an existing railroad spike; thence along a curve to the left having a radius of 319.93 feet and an arc length of 143.81 feet, being subtended by a chord of North 87 degrees, 59 minutes, 00 seconds West 142.60 feet to an existing iron pipe; thence South 79 degrees, 07 minutes, 02 seconds West 109.02 feet to an existing iron pipe; thence South 79 degrees, 31 minutes, 15 seconds West 55.98 feet to an unmarked point in the west bank of North Fork Catawba River; thence continuing with the west bank of North Fork Catawba River and with the line of Inn at Blue Ridge, LLC the following ten (10) bearings and distances:

South 22 degrees, 26 minutes, 44 seconds East 34.30 feet to an unmarked point;
 South 30 degrees, 43 minutes, 31 seconds East 33.00 feet to an unmarked point;
 South 16 degrees, 50 minutes, 28 seconds East 73.19 feet to an unmarked point;
 South 29 degrees, 11 minutes, 17 seconds East 48.04 feet to an unmarked point;
 South 26 degrees, 08 minutes, 38 seconds East 50.31 feet to an unmarked point;
 South 28 degrees, 04 minutes, 38 seconds East 38.67 feet to an unmarked point;
 South 28 degrees, 02 minutes, 27 seconds East 44.18 feet to an unmarked point;
 South 01 degrees, 21 minutes, 56 seconds West 50.08 feet to an unmarked point;
 South 06 degrees, 59 minutes, 22 seconds West 32.66 feet to an unmarked point;
 South 06 degrees, 59 minutes, 22 seconds West 23.02 feet to an unmarked point; thence crossing North Fork Catawba River South 81 degrees, 50 minutes, 03 seconds East 36.14 feet to a 5/8" rebar set on the east bank of North Fork Catawba River; thence South 81 degrees, 50 minutes, 03 seconds East 31.00 feet to an existing iron pipe; thence South 20 degrees, 53 minutes, 39 seconds East 54.98 feet to an existing iron pipe; thence South 71 degrees, 25 minutes, 33 seconds East 124.59 feet to an existing iron pipe; thence South 71 degrees, 25 minutes, 33 seconds East 29.51 feet to an unmarked point in the centerline of US Highway 221; thence with the centerline of US Highway 221 the following eleven (11) bearings and distances:

South 14 degrees, 53 minutes, 54 seconds West 1350.19 feet to an unmarked point;
 South 17 degrees, 51 minutes, 24 seconds West 82.14 feet to an unmarked point;
 South 22 degrees, 13 minutes, 04 seconds West 76.22 feet to an unmarked point;
 South 30 degrees, 52 minutes, 44 seconds West 208.96 feet to an unmarked point;
 South 37 degrees, 12 minutes, 04 seconds West 674.21 feet to an unmarked point;
 South 35 degrees, 56 minutes, 14 seconds West 48.13 feet to an unmarked point;
 South 31 degrees, 21 minutes, 14 seconds West 52.82 feet to an unmarked point;
 South 26 degrees, 31 minutes, 14 seconds West 54.81 feet to an unmarked point;
 South 22 degrees, 33 minutes, 04 seconds West 44.90 feet to an unmarked point;
 South 18 degrees, 29 minutes, 04 seconds West 58.78 feet to an unmarked point;
 South 16 degrees, 14 minutes, 14 seconds West 42.25 feet to an unmarked point; thence leaving US Highway 221 and with the north line of CSX Railroad the following eight (8) bearings and distances:

North 79 degrees, 15 minutes, 44 seconds West 20.00 feet to an existing 5/8" rebar
 North 79 degrees, 18 minutes, 40 seconds West 161.81 feet to an unmarked point;
 North 88 degrees, 59 minutes, 23 seconds West 152.62 feet to an unmarked point;
 South 80 degrees, 51 minutes, 16 seconds West 201.20 feet to an unmarked point;
 South 71 degrees, 00 minutes, 06 seconds West 132.11 feet to an unmarked point;
 South 62 degrees, 30 minutes, 26 seconds West 162.16 feet to an unmarked point;
 South 55 degrees, 11 minutes, 56 seconds West 120.23 feet to an unmarked point;
 South 51 degrees, 41 minutes, 36 seconds West 546.30 feet to an unmarked point; thence leaving CSX Railroad and with the line of Edwina Y. Tatum (Deed Book 764, Page 840) North 58 degrees, 53 minutes, 26 seconds West 12.25 feet to an existing solid iron pin; thence North 58 degrees, 53 minutes, 26 seconds West 234.02 feet to an existing concrete monument; thence North 58 degrees, 53 minutes, 26 seconds West 206.12 feet to an existing square iron rod; thence North 38 degrees, 34 minutes, 41 seconds East 189.01 feet to an existing iron pipe; thence South 86 degrees, 37 minutes, 55 seconds East 49.49 feet to an existing iron pipe; thence North 36 degrees, 05 minutes, 45 seconds East 48.15 feet to an existing square iron rod; thence North 20 degrees, 25 minutes, 40 seconds East 73.83 feet to an existing iron pipe; thence North 52 degrees, 55 minutes, 56 seconds East 834.20 feet to an existing concrete monument; thence North 55 degrees, 20 minutes, 21 seconds East 360.83 feet to the BEGINNING containing 159.62 acres by coordinate computation as shown on unrecorded plat by R.L. Greene Surveying and Mapping dated August 10, 2006, entitled "Survey of certain properties described in deeds to Linville Falls Club, LLC" and bearing the Job # 6-088.

LESS AND EXCEPT, the 0.61 acre Sewage Treatment Plant more particularly described as follows:

BEGINNING on an existing 5/8" rebar, said existing 5/8" rebar being located South 49 degrees, 32 minutes, 58 seconds East 451.78 feet from an existing concrete monument, the beginning corner of the 159.62 acre parcel as described above of which this description is an exception thence from said beginning point South 55 degrees, 30 minutes, 58 seconds East 45.00 feet to a 5/8" rebar set on the west bank of the North Fork Catawba River; thence South 55 degrees, 30 minutes, 58 seconds East 23.03 feet to an unmarked point in the centerline of said river; thence South 30 degrees, 00 minutes, 22 seconds West 61.34 feet to an unmarked point on the west bank of said river; thence along the west bank of said river the following six (6) bearings and distances:

South 26 degrees, 42 minutes, 08 seconds West 33.61 feet to an unmarked point;

South 16 degrees, 08 minutes, 28 seconds West 40.99 feet to an unmarked point;
South 24 degrees, 29 minutes, 17 seconds West 58.22 feet to an unmarked point;
South 29 degrees, 55 minutes, 14 seconds West 32.54 feet to an unmarked point;
South 27 degrees, 49 minutes, 23 seconds West 33.81 feet to an unmarked point;
South 25 degrees, 48 minutes, 02 seconds West 52.33 feet to an unmarked point; thence leaving said west bank of river North 63 degrees, 29 minutes, 35 seconds West 32.95 feet to an existing 5/8" rebar; thence North 63 degrees, 29 minutes, 35 seconds West 63.57 feet to an existing 5/8" rebar; thence North 29 degrees, 49 minutes, 57 seconds East 182.97 feet to an existing 5/8" rebar; thence North 32 degrees, 41 minutes, 19 seconds East 139.55 feet to the BEGINNING, containing 0.61 acre by coordinate computation as shown on unrecorded plat by R.L. Greene Surveying and Mapping dated August 10, 2006, entitled "Survey of certain properties described in deeds to Linville Falls Club, LLC" and bearing the Job # 6-088.

SUBJECT TO, the Wilson Cemetery shown on the unrecorded plat by R.L. Greene Surveying and Mapping dated August 10, 2006, entitled "Survey of certain properties described in deeds to Linville Falls Club, LLC" and bearing the Job # 6-088.

Exhibit 2

1 JOHN J. BINGHAM, JR. (State Bar No. 75842)
 jbingham@dgdk.com
 2 KATHY BAZOIAN PHELPS (State Bar No. 155564)
 kphelps@dgdk.com
 3 GILBERT MIKALIAN (State Bar No. 244690)
 gmikalian@dgdk.com
 4 DANNING, GILL, DIAMOND & KOLLITZ, LLP
 2029 Century Park East, Third Floor
 5 Los Angeles, California 90067-2904
 Telephone: (310) 277-0077
 6 Facsimile: (310) 277-5735

7 Attorneys for David A. Gill, Receiver

8 **UNITED STATES DISTRICT COURT**
 9 **CENTRAL DISTRICT OF CALIFORNIA**
 10 **WESTERN DIVISION**

12 SECURITIES AND EXCHANGE
 13 COMMISSION,

14 Plaintiff,

15 vs.

16 DIVERSIFIED LENDING GROUP,
 INC.; APPLIED EQUITIES, INC.; AND
 17 BRUCE FRIEDMAN,

18 Defendants,

19 and

20 TINA M. PLACOURAKIS,

21 Relief Defendant.

Case No. CV 09-01533-R (SSx)

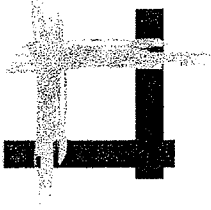
**[PROPOSED] ORDER
 APPROVING RECEIVER'S EX
 PARTE APPLICATION GRANT
 OF OPTION TO PURCHASE
 REAL PROPERTY OF RECEIVER
 HELD JOINTLY WITH REPROP
 FINANCIAL MORTGAGE
 INVESTORS, LLC, TO LINVILLE
 FALLS GOLF GROUP, LLC**

[No hearing requested]

22 There came before this Court the *Receiver's Ex Parte Application to Approve*
 23 *His Grant of Option to Purchase and to Sell Real Property of Receiver Held Jointly*
 24 *with ReProp Financial Mortgage Investors, LLC, to Linville Falls Golf Group, LLC*
 25 (the "Application") filed by David A. Gill, the Receiver (the "Receiver") in the
 26 above-captioned case. The Application having been considered by the Court and,
 27 good cause appearing,

28 **IT IS HEREBY ORDERED** that:

Exhibit 3



ReProp Financial®

Mortgage Banking
Commercial, Industrial,
Construction, Ag & Land Lending

Asset Management
Mortgage Backed Securities

555 H Street
Eureka CA 95501

main: 707.444.7711
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www.repropfinancial.com

Glenn Goldan began his real estate career in 1976 and has successfully owned and operated five real estate brokerage and two property management companies in California. His success consistently put his brokerage in the top 10% in both volume and service in Century 21's worldwide system. Glenn's experience has been broad, from brokerage to commercial real estate development, leasing and financing.

In 1986 Glenn launched ReProp Financial, a private small balance commercial mortgage banking company. Its niche is blending collateral and credit analysis to fund loans which are just beyond the reach of traditional institutional lenders. Since inception, ReProp Financial has underwritten placed and managed its real estate financing on behalf of its private investors. Today with ReProp Financial as Glenn's sole business venture, the company has transitioned to a structured financing model for its portfolio growth and is developing funding capacity in all states. Glenn also maintains a consulting practice focused on real estate development, project workouts and commercial real estate lending.

Glenn remains active in the mortgage banking community having served as Vice President and Legislative Chair for the California Trust Deed Broker's Association and Legislative Chair; Vice President and President for the California Mortgage Association. He currently leads the Commercial, Construction and Pool Managers Focus Groups for CMA and serves on its Board of Directors as well as its Education Committee. He is also a member of the Commercial Mortgage Securities Association.

Glenn and his wife Shelle and daughter Hannah have been very active members of their community and are especially involved in youth sports, Humboldt Sponsors and Court Appointed Special Advocates (CASA). Glenn is the immediate past chair of the Coastal Division Board of Directors for Umpqua Bank; has served on the Board of Directors of Eureka Rotary and the Eureka Historical Preservation Commission; chaired the Redevelopment Advisory Board for the City of Eureka well as the Private Industry Council for Humboldt County; and, has been president of the Eureka/Humboldt Economic Development Corporation.

Glenn G. Goldan

Lectures (partial list):

- Securities Registrations, Exemptions and Permits (with panelists) – Various Locations 2004 - 2005
 - Construction Lending – 4 Part Series – Various Locations 2004 - 2005
 - Construction Lending Documenting and Closing – San Francisco April 2005
 - Lending Using a CFL License (with Dennis Doss, Esq) - Las Vegas October 2005
 - Commercial Lending Participations – Las Vegas & Los Angeles 2005 & 2006
 - Construction Lending 101, Residential Lending – Los Angeles and San Francisco 2005 & 2006
 - Dirt Development Lending 101 (with John Graziano) – San Francisco April 2006
 - Introduction to Commercial Construction Lending - San Francisco April 2006
 - Construction Lending in a Slowing Markets (with John Bohannon) – Las Vegas October 2006
 - Marketing to and Managing Pool Investors (with Bill Blair) – Webinar March 2007
 - Loan Loss Reserves and RE0 (with Mark Lubin, Esq) – Webinar May 2007
 - Latest Pool Structures – Mutual's, CMO's Hybrids & Others (with Dennis Doss, Esq) Webinar May 2007
 - Underwriting Commercial Loans – San Diego July 2007
 - IRA and ERISA Considerations for Pool Managers – San Diego July 2007
 - Better Alternatives than Collapsing the Borrower (with John Bohannon) – Las Vegas October 2007
 - Current Pool Structures, Issues and Management Challenges in a Down Market (with Josh Nevarez) – Las Vegas 2007
 - Forecast for Commercial Real Estate Values (with Paul Chandler) - Los Angeles January 2008
 - Obtaining and Growing an Institutional Credit Facility (with Rich Temme) – Los Angeles January 2008
 - Participations, Starting a Second Security Offering, Tradition vs. Hedge Fund Model (with Dennis Doss) January 2008
 - Commercial REO – San Francisco April 2008
 - Web Tools for Quick Lending Execution – San Francisco April 2008
 - Good Loans in a Bad Market – San Diego July 2008
 - The Three Greatest Challenges Facing Pool Managers Today (moderator, speaker with other panelists) – Las Vegas October 2008
 - Underwriting Single Purpose Loans – Las Vegas October 2008 & by Webinar February 2009
 - Loan Loss Reserves and Their Treatment and Logistics – Webinar November 2008
 - Commercial Market Implosion – Los Angeles January 2009
 - Forensic Underwriting – San Francisco April 2009
 - The Judicial Foreclosures – A Practical Approach (with M. Wintringer, Esq) – San Diego July 2009
- Have also hosted or moderated many education programs and panels involving commercial real estate trends, values & best lending practices*

Other Significant Accomplishments:

- 1996 – 1999: Was appointed by the Northern California Judicial District to investigate and audit all files of the bankrupt estate of California Fidelity on behalf of the creditors and the State. Worked closely with the FBI in the investigation. Liquidated all assets on behalf Chapter 7 trustee, Charles E. Sims.
- 1996 – 2004: Personally worked to pass four separate consumer protection laws, State of California, working with industrial groups, bill authors, legislators, regulators and lobbyists.
- 2000 – 2001: Played a significant role in causing the merger of two competing trade associations and became the first elected president.

Glenn G. Goldan

Professional Memberships

- ⇒ Current Member: Umpqua Bank Divisional Board of Directors
- ⇒ Current Member: Commercial Mortgage Securities Association
- ⇒ Current Teaching Faculty: California Mortgage Association
- ⇒ Current Member: Education Committee, California Mortgage Association
- ⇒ Current Chairman: Commercial, Securities & Construction/Development Focus Groups, California Mortgage Association
- ⇒ Current Member: Board of Directors, California Mortgage Association
- ⇒ Immediate Past Chairman: Umpqua Bank Divisional Board of Directors
- ⇒ Past President: California Mortgage Association
- ⇒ Past Chairman: Redevelopment Advisory Board, City of Eureka
- ⇒ Past Member: Historic Preservation Commission, City of Eureka
- ⇒ Past Member, Board of Directors: Eureka Rotary
- ⇒ Past President: Eureka/Humboldt Economic Corporation
- ⇒ Past President: Private Industry Council, County of Humboldt
- ⇒ Past Chair: Coastal Advisory Committee, County of Humboldt
- ⇒ Past President: Humboldt County Association of Realtors
- ⇒ Past Legislative Chair & V.P.: California Trust Deed Brokers Association
- ⇒ Past President: National Brokers Communications Council

Civic Affiliations

Glenn and his wife Shelle and daughter Hannah have been very active members of their community and are especially involved in youth sports, Humboldt Sponsors and Court Appointed Special Advocates (CASA). Glenn is the immediate past chair of the Coastal Division Board of Directors for Umpqua Bank; has served on the Board of Directors of Eureka Rotary and the Eureka Historical Preservation Commission; chaired the Redevelopment Advisory Board for the City of Eureka well as the Private Industry Council for Humboldt County; and, has been president of the Eureka/Humboldt Economic Development Corporation.

Summary of Continuing Education

(Partial List - does not include college course studies in or equivalent course studies through the Century 21 Management Academy)

- 1978 - Pepperdine University School of Business Management:
Buying, Selling, and Evaluating Businesses – 40 hrs
- 1981 – Basic Steps in Real Estate Exchanging & Creative Marketing – 24 hrs
- 1982 – Investment Practices – 24hrs
- 1982 – Small Business Syndications – 6 hrs
- 1985 – Ethics, Professional Conduct & Legal Aspects of Real Estate – 3 hrs
- 1987 – Commercial – Investment Real Estate Council:
Fundamentals of Real Estate Investment and Taxation (CI 101) – 21 hrs
- 1988 – Commercial – Investment Real Estate Council:
Fundamentals of Location and Marketing Analysis (CI 102) – 21 hrs
- 1989 – Real Estate Ethics – 3 hrs
- 1989 – Real Estate Agency – 3 hrs
- 1993 – Economic Restructuring of Real Estate – 32 hrs
- 1993 – Real Estate Tax Aspects – 7 hrs
- 1993 – Real Estate Ethics – 3 hrs
- 1993 – Real Estate Agency – 3 hrs
- 1994 – Legislative & Legal Developments for 1993/1994 – 10 hrs
- 1994 – Loan Origination Practices and Policies – 8 hrs
- 1994 – Loan Servicing Practices and Policies – 10 hrs
- 1995 – Legislative & Legal Developments for 1994/1995 – 10 hrs
- 1995 – Beyond the Basics (Origination/Legal) 18 hrs
- 1995 – Real Estate Ethics – 3 hrs
- 1995 – Real Estate Agency – 3 hrs
- 1996 – Legislative & Legal Developments for 1995/1996 – 10 hrs
- 1996 – Loan Extensions and Other Modifications – 4 hrs
- 1996 – Foreclosure Policies and Procedures – 4 hrs
- 1997 – Legislative & Legal Developments for 1996/1997 – 10 hrs
- 1997 – Institutional Loan Origination & Processing – 4 hrs
- 1997 – Lender Servicing & Escrow Documents – 3 hrs
- 1997 – Title Insurance Endorsements – 3 hrs
- 1998 – Legislative & Legal Developments for 1997/1998 – 10 hrs
- 1999 – Legislative & Legal Developments for 1998/1999 – 10 hrs
- 1999 – Escrow & Loan Servicing – 12 hrs
- 2000 – Legislative & Legal Developments for 1999/2000 – 10 hrs
- 2001 – Legislative & Legal Developments for 2000/2001 – 10 hrs
- 2001 – Critical Changes in the California Mortgage Industry – 11 hrs
- 2001 – Agency Relationships, Duties & Disclosure – 3 hrs
- 2001 – Ethics, Professional Conduct & Legal Aspects – 3 hrs
- 2001 – Survey Course: Mandated Topics – 6 hrs
- 2001 – Key Regulation & Real Estate Lending Policy Issues – 10 hrs
- 2001 – Key Regulation & Underwriting Issues – 10 hr
- 2002 – 2004 Review of Significant Legal, Legislative, Regulatory Cases – 11 hrs

2002 – Escrow Challenges – 12 hrs

2003 – 2003 Loan Servicing Review – 6 hrs

2004 – 2003 Review of Significant Legal, Legislative, Regulatory Cases – 7 hrs

2004 – Eight Key Issues for Private Money Lending – 10 hrs

2005 – Agency Relationships – 3 hrs

2005 – Ethics & Professional Conduct – 3 hrs

2005 – Combined Survey Course – 6 hrs

2005 – Private Money Real Estate Lending – 13 hrs

2005 – Summer Seminar 2005 – 8 hrs

2007 – Summer Seminar 2007 – 5 hrs

2009 – Fair Housing – 3 hrs

2009 – Financing Options – 15 hrs

2009 – Risk Management – 3 hrs

PROOF OF SERVICE

I, Patricia Morris, declare:

I am employed by the law firm of DANNING, GILL, DIAMOND & KOLLITZ, LLP, in the County of Los Angeles, State of California. I am employed in the office of a member of the bar of this court at whose direction the service was made. I am over the age of 18 years and am not a party to the within action. My business address is 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904.

On May ²⁵18, 2010, I served the following document(s): **RECEIVER'S EX PARTE APPLICATION TO APPROVE HIS GRANT OF OPTION TO PURCHASE AND TO SELL REAL PROPERTY OF RECEIVER HELD JOINTLY WITH REPROP FINANCIAL MORTGAGE INVESTORS, LLC, TO LINVILLE FALLS GOLF GROUP, LLC; DECLARATIONS OF GLENN GOLDAN, DAVID A. GILL, AND GILBERT MIKALIAN** on the interested parties addressed as follows:

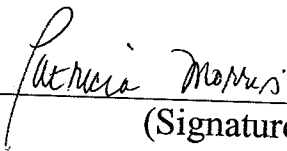
SEE ATTACHED SERVICE LIST

(By Mail) I placed the document for collection and deposit in the mail. I am familiar with this firm's practice for the collection and processing of correspondence for mailing. Under that practice, the document would be placed in a sealed envelope and deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904, in the ordinary course of business. The documents served were placed in sealed envelopes and placed for collection and mailing following ordinary business practices.

I declare under penalty of perjury under the laws of the State of California and of the United States of America that the foregoing is true and correct.

Executed on May ²⁵18, 2010, at Los Angeles, California.

Patricia Morris
(Type or print name)


(Signature)

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