Brasher's Northwest Auto Auction, Inc. 90485 Auction Way Eugene, OR 97402

Klamath County, Oregon



11/07/2008 01:29:38 PM

Fee: \$81.00

LINE OF CREDIT TRUST DEED

THIS TRUST DEED, is made this 13th DAY OF October 2008, between Adonewobi, Inc. dba Advantage Motors and /or Trevor Devenport as "Grantor" and BRASHER'S NORTHWEST AUTO AUCTION, INC. 90485 Auction Way Eugene, OR 97402 as "Beneficiary",

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the properties in Klamath County, Oregon described as follows:

Hot Springs, Block 36, lot 13

AND

P.P. 56-05 Parcel 3, Acres 4.01

The Real Properties or their address is commonly known as:

933 Eldorado Klamath Falls Oregon 97601

AND Unknown

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereto, belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and performance of the Dealer Flooring Security Agreement between Adonewobi Inc. dba Advantage Motors and/or Trevor Devenport and beneficiary according to the terms of said agreement. The consideration for this agreement being the prior, present and future credit advances made at the request of grantor. To a maximum value of \$250,000.00 There is no specific term for this agreement.

The above real property is not currently used for agricultural, timer or grazing purposes.

TO PROTECT THE SECURITY OF THIS TRUST DEED, GRANTOR AGREES:

- 1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.
- 2. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent.
- 3. To pay all costs, fees and expenses provided for in the Dealer Flooring Security Agreement and of this trust including to cost of title search as sell as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

IT IS MUTUALLY AGREED THAT:

- 4. Upon default by grantor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at its election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the said property to satisfy the obligations secured hereby in the manner provided in O.R.S. 86.740 to 86.795.
- 5. Should the beneficiary elect to foreclose by advertisement and sale then and after default at any time prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person so privileged by O.R.S. 86.760, may pay to the beneficiary or his successors in interest, respectively, the entire amount due under the terms of the trust deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding the amounts provided by law) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceeds shall be dismissed by the trustee.
- 6. Otherwise, the sale shall be held on the date and at the time and place designed in the notice of sale or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any convenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.
- 7. When trustee sells pursuant to the powers provided herein, trust shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor, or his successor in interest entitled to such surplus.
- 8. For any reason permitted by law beneficiary may from time to time appoint a successor or successors to any trustee named herein or appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder.
- 9. As additional security hereunder, Grantor hereby assigns to Lender the rents of the Property, provided that Grantor shall, prior to acceleration as provided for herein or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration or abandonment of the Property, Beneficiary, 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 Beneficiary 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.

This deed applies to, inures to the benefit of and binds all parties, their heirs, administrators, personal representatives, successors and assigns. The term beneficiary refers to Northwest Auto Auction, or its assignee.

IN WITNESS WHEREOF, said grantor has hereunto set his her hand the day and date first above written.

STATE OF OREGON)	
) ss	
County of Lane)	
Personally appeared the above-named <u>Trever Devenport</u> and acknowledged to foregoing instrument to be his/her voluntary act and deed. Before me this 17th day of <u>October</u> , 2008	the
Kaun D. Hoover	
~NOTARY PUBLIC FOR OREGON	



This is page 3
Of Line of Credit
Trust Deed between
Adonewabi Inc doa
Advantage Motors
and/or Trever Devenport
and Brashers Northwest
Auto Auction Inc.

dated 10/13/08

FLOORING SECURITY AGREEMENT

The undersigned, Adonewobi Inc. dba Advantage Motors, having its place of business at 522 S 5th St Klamath Falls, OR 97601 (hereinafter called Dealer) (a corporation a partnership a sole proprietorship), grants to Brasher's Northwest Auto Auction (hereinafter called Secured Party) having its principal place of business at 90485 Auction Way, Eugene, OR, 97402, as security for all debts and obligations of Dealer to Secured Party, a security interest in all of its inventory, present and future, of motor vehicles, and all proceeds of sale or other disposition of the foregoing. It is further agreed that:

- 1. Agreement and Addendum. For each unit financed pursuant to this agreement Dealer agrees to the terms contained herein and to pay all fees and charges itemized on the attached "Flooring Security Agreement Fee Addendum" (the Addendum), which may be amended from time to time and which is attached hereto and incorporated herein by this reference. Secured Party will advance a percentage of the sale price of each vehicle purchased by Dealer at any Brasher's auto auction, unless the foregoing percentage amount, when added to amounts previously advanced, would exceed the maximum to be advanced under this Agreement and the Addendum.
- A. Creation of Security Interest. Dealer hereby acknowledges that Dealer, as trustee for Secured Party, has received or is about to receive and may from time to time receive motor vehicles, documents of title for motor vehicles, and other documents associated with the sale, purchase or financing of motor vehicles, which together with all notes, chattel paper, contracts, deeds, liens, titles, promissory notes, and instruments are all hereafter called the "Collateral". Dealer hereby grants a security interest in favor of Secured Party in the Collateral and a security interest in any contract rights relating thereto and in the proceeds and products of both, as security for the payment of sums due or to become due to Secured Party. The vehicles for which advances are made shall be more fully described in the Addendum; however, all vehicles are part of the collateral regardless of the manner in which they are or were obtained. Dealer covenants that it will execute any financing statements in connection with the Collateral as requested by Secured Party, and that this Agreement may be filed as a financing statement with the Oregon Secretary of State.
- **B.** No Obligation. Any advances made by Secured Party under this Agreement are at the pleasure and in the sole discretion of the Secured Party, and may be made on a vehicle by vehicle basis, or in any other manner Secured Party deems appropriate.
- C. Ordinary Course. Dealer agrees to hold the Collateral, in trust for the Secured Party, at Dealer's principal place of business, subject to Secured Party's security interest, to be used promptly by Dealer, without expense to Secured Party, for resale in the ordinary course of Dealer's business.
- **D.** Breadth of Security. Dealer agrees that the security interest granted herein secures payment of any and all liabilities of Dealer to Secured Party, direct or indirect, absolute or contingent, due or to become due, now existing or hereinafter existing, whether or not associated with the purchase or sale of motor vehicles.
- 2. Repayment. Each advance made by Secured Party under this Agreement for the purpose of enabling Dealer to acquire inventory, together with any unpaid interest, shall be fully repaid by Dealer pursuant to the terms of the Addendum.
- A. Prompt Notification. Dealer will notify Secured Party promptly of the sale, transfer, lease or relinquishment of any item secured hereby and pay Secured Party therefore in accordance with this Agreement.
- **B.** Sale or other disposition. In the event that the Collateral is sold, transfered, leased or otherwise relinquished, by Dealer, Dealer agrees to accept for and deliver to Secured Party all proceeds and other property received for the Collateral within 1 business day of Dealer's receipt thereof.

- Application of Proceeds. Cash proceeds shall be applied by Secured Party toward payment of all of Dealer's liabilities to Secured Party. Proceeds such as notes, accounts receivable or acceptances in any form other than cash shall not be applied by Secured Party until the same are reduced to cash. Secured Party shall have the right and option, at any time, to sell or discount, for commercially reasonable amounts, any notes, accounts receivable, contracts, acceptances or other non-cash proceeds and apply the net proceeds thereof toward payment of Dealer's liabilities to Secured Party. Secured Party shall have the full power to compromise and collect any proceeds in its own name or that of the Dealer.
- **D.** On Demand. Secured Party may, at any time, make demand for immediate payment of the entire unpaid indebtedness of Dealer. Upon such demand, Dealer shall make payment of the entire unpaid indebtedness to Secured Party within 5 business days.
- 3. Memorandum of Advance. For each advance made by Secured Party to Dealer, Dealer will execute a Memorandum of Advance in a form approved by Secured Party, which will memorialize the amount of each advance.
- 4. Interest/Penalty Interest. The interest rate applicable to each Advance shall be indicated on the Memoranda of Advance. In the event that the interest rate is not indicated on any Memorandum of Advance, or if any interest charge or penalty interest charge in this Agreement, the Addendum or any Memorandum of Advance is held to be unenforceable, then the interest rate shall be 12% annually. All Interest Advances shall be payable monthly. If Dealer fails to pay any amount, including any interest, when due, Dealer agrees to pay an additional 2% of the amount Dealer has failed to pay.
- 5. Unconditional Right of Entry. Secured Party shall have the right to enter Dealer's business premises at any time to inspect the property secured hereunder. Secured Party may, at its discretion, remove any items of Collateral or documents of title at the time of any inspection.
- A. Books & Records. Secured Party shall also have the right to enter upon Dealer's business premises during regular business hours to inspect Dealer's books and records, and Dealer shall assist Secured Party in any such inspection.
- **B.** Power to execute. Secured Party, by any employee, may execute, sign, endorse, transfer or deliver in the name of the Dealer, notes, checks, drafts, negotiable instruments, documents of title, or any other instrument for the payment of money and receipts to Dealer, certificates of origin, applications for certificates of title, or any other documents necessary to evidence, perfect and realize upon the Collateral for payment of the obligations due under the terms of this Agreement. Further, if Dealer fails to do any of the things referred to in sections 2, 3, 4 and 5 of this Agreement, Secured Party may do so for and in the name of Dealer and entirely at Dealer's expense. For such purposes, Dealer hereby irrevocably appoints Secured Party as Dealer'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 Secured Party's sole opinion, to accomplish the matters referred to in sections 2, 3, 4, and 5 of this Agreement.

6. Protection of Security Interest & Collateral.

A. General. Dealer shall not lend, rent, lease, give, convert to the personal use of any person or entity, or otherwise relinquish possession of of the Collateral or any interest therein except as authorized in this Agreement or in writing by Secured Party, and Dealer shall keep the Collateral free from unpaid liens or charges, including but not limited to taxes, encumbrances and security interests other than those of Secured Party.

Further Assurances. At anytime, and from time to time, upon request of Secured Party, Dealer will make, execute and deliver, or will cause to be made, executed or delivered, to Secured Party or to Secured Party's designee, and when requested by Secured Party, cause to be filed, recorded or re-filed, or

re-recorded, as the case may be, at such times and in such offices and places as Secured Party 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 Secured Party, be necessary or desirable in order to effectuate, comple, perfect, continue, or preserve (a) the obligations of Dealer under this Agreement, the Deed of Trust, the Memoranda of Advance, and related documents, and (b) the liens and security interests created by the Deed of Trust as first and prior liens against the Collateral, whether now owned or hereafter acquired by Dealer. Unless prohibited by law or agreed to the contrary by Secured Party in writing, Dealer shall reimburse Secured Party for all costs and expenses incurred in connection with the matters referred to in this paragraph.

- **B.** Endorsement. Dealer shall sign and execute, alone or with Secured Party, any financing statement or other document or procure any document and pay all connected costs necessary to protect the security interest of this Agreement against the rights or interests of third parties.
- C. Separation. Dealer shall at all times keep the Collateral and its proceeds separate and distinct from other property of the Dealer and shall keep accurate and complete records of the Collateral and the sale and the proceeds thereof at Dealer's principal place of business.
- D. No Waste. Dealer will not waste or destroy the Collateral or any part thereof or use the Collateral in violation of any statute or ordinance. The Collateral shall remain at Dealer's risk of loss, in Dealer's possession or control at all times, and be kept at Dealer's principal place of business, as stated in this Agreement, except for its temporary removal in connection with its ordinary use or unless Dealer notifies Secured Party in writing and Secured Party consents in writing in advance of its removal to another location.
- E. Charges/Insurance. Dealer will promptly pay when due, all taxes, transportation, reconditioning, and other charges on the Collateral and shall keep the Collateral insured for its full value against any and all risk of loss or damage, with loss payable to Dealer and Secured Party as the parties' interest may appear and with policies subject to cancellation or modification only upon ten days written notice to Secured Party. The provisions of this section shall specifically continue to apply if the Dealer changes its name or its organizational structure.
- **F. Notification.** Dealer shall immediately notify Secured Party in writing of any changes in Dealer's place of business or discontinuance of Dealer's business.
- G. Prior Interest. Dealer shall advise Secured Party at the time this Agreement is executed, of any person or entity known or reasonably believed to be known by Dealer to have a security interest in the same item or type of Collateral and shall advise Secured Party whether said person or entity has filed a financing statement or perfected a security interest covering the same item or type of Collateral. This requirement includes but is not limited to, blanket inventory security interests held by banks or any other lender granting Dealer floor financing or general inventory financing.
- 7. **Default.** Dealer shall be in default under this Agreement upon the happening of any of the following events or conditions:
- A. If Dealer fails to pay when due any amount payable on any of the advances made by Secured Party, or under this Agreement, or on any other indebtedness of Dealer to any party; or
 - **B.** If Dealer fails to observe or perform any of the provisions of this Agreement; or
- C. If Dealer assigns for the benefit of creditors, or ceases to do business as a going concern, or fails to keep the business premises open for more than three consecutive business days; or
- D. If Dealer fails to pay within 15 days of receipt of a billing statement from Secured Party; or
- E. If a petition under any of the chapters of the Bankruptcy Act or for a receiver be filed by or against Dealer, or an assignment is made for the benefit of creditors of all or a substantial portion of Dealer's business assets; or

- **F.** If an involuntary petition in bankruptcy is filed and not dismissed within 30 days from the date of filing; or
- G. The death, dissolution, insolvency, business failure of any guarantor or surety of Dealer; or
- **H.** If any warranty, representation or statement, whether written or oral, made or furnished to Secured Party by or on behalf of Dealer is false or misleading, or becomes misleading due to changes in Dealer's financial position and Dealer fails to notify Secured Party in writing within 10 days; or
- I. There is an event which accelerates the maturity of any indebtedness of Dealer to another party under any note, contract, agreement, indenture or undertaking, or to Secured Party under any other agreement; or
- J. The uninsured loss, theft, damage or destruction of any of the Collateral, or any levy, seizure, or attachment thereof or thereon; or
- K. The failure by Dealer to notify Secured Party of an insured loss within 10 days of the discovery of the loss; or
- L. The loss of a license or bond or insurance coverage required by law for the conduct of Dealer's business; or
- M. If the Secured Party deems itself insecure in the prospect of payment or performance by Dealer.
- 8. Secured Party's Rights and Remedies upon Default. Upon Default and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code, and shall have the following additional rights and remedies:
- A. Action. Secured Party may give notice of default of this Agreement to the account Dealers or obligors of any accounts, chattel paper, negotiable instruments or other evidence of indebtedness remitted by Dealer to Secured Party and instruct such parties to pay proceeds directly to Secured Party. Secured Party may take such action on said accounts or instruments as Secured Party deems necessary. Dealer agrees to pay Secured Party the sum of \$250.00 for Secured Party's expenses in giving notice of default under this section. Nothing in this section shall limited any other fees, costs and expenses due Secured Party by Dealer for any default under this Agreement.
- **B.** Application of Reserve. Secured Party shall have the right to apply any money of Dealer held in reserve by Secured Party, under the terms of this or any other agreement between Secured Party and Dealer, toward the payment of all liabilities owed by Dealer to Secured Party. This includes proceeds from the sale of Dealer's vehicles in the ordinary course of business or at auction.
- C. Repossession/Assembly of Collateral. Secured Party may at any time cancel this Agreement and without prior notice or demand, repossess any and all Collateral. For the purpose of repossession of any Collateral, any employee or agent of Secured Party may enter into or on any premises where Collateral may be found and remove Collateral without being guilty of trespass, or Secured Party may require Dealer to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties.
- D. Notice. Following the repossession or assembly of Collateral, Secured Party shall give Dealer reasonable notice of the time and place of any public sale of the Collateral or of the time after which any private sale or other intended disposition is to be made. Requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Dealer as shown at the beginning of this Agreement, at least five (5) days prior to the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses and other costs, which shall bear interest at the same rate as the interest rate indicated in the Addendum.

- E. Discharge of Encumbrances. Secured Party may discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance of the Collateral and may pay for the maintenance and preservation of the Collateral. Dealer agrees to reimburse Secured Party within 1 business day of demand for any payment made or any expense incurred by Secured Party pursuant to the foregoing authorization including but not limited to all attorney fees, collection costs, title fees, processing fees, location expenses, towing fees, and reconditioning fees.
- E. Waiver. No Waiver by Secured Party of the rights and remedies, before or after default, shall operate as a waiver of any other default or of the same default on a future occasion.
- 9. Conformity with laws/Indemnification. Dealer will at all times abide by all applicable federal, state and local laws, rules and regulations in purchasing, transporting, reconditioning, selling, transferring and leasing motor vehicles financed under this agreement. Dealer hereby indemnifies and agrees to hold Secured Party harmless, and agrees to defend Secured Party against all claims and liabilities arising from acts of Secured Party with respect to motor vehicles covered by this Agreement. Secured Party may elect to defend itself and select its own counsel, including attorneys, law firms, accountants, and accounting firms to assist in its defense, all at Dealer's expense.
- 10. Purchase Money Lender. The Secured Party is a purchase money lender. All property financed pursuant to this agreement is to be resold and therefore no sales tax assessed. The gross amount of any purchase price is unknown at this time. However, if any tax is due upon any sale, lease, transfer or other relinquishment by Dealer, Dealer agrees to hold Secured Party harmless and indemnify Secured Party from all taxes, whether sales, excise or other.
- 11. Dealer's Warranties, Representations and Affirmations. Dealer agrees and affirms the following:
- A. Correctness of Information. Dealer warrants that the information supplied and the statements made by Dealer in any financial, credit or accounting statement furnished to Secured Party prior to or pursuant to this Agreement are true and correct.
- B. No Other Financing Statements. There is no other financing statement covering the Collateral or its proceeds on file in any public office and, except for the security interests granted in this Agreement, there is no adverse lien, security interest, or encumbrance in or on the Collateral.
- C. No Responsibility. Secured Party assumes no responsibility for the correctness, validity or genuineness of any documents released to Dealer hereunder or for the existence, character, quantity, quality, condition, value or delivery of any goods reported to be represented by such documents or which constitute the Collateral of this Agreement.
- **D.** Defense. Dealer will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. However, Secured Party may elect to defend itself and select its own counsel, including attorneys, law firms, accountants, and accounting firms to assist in its defense, all at Dealer's expense.
- 12. Credit Check. Dealer hereby authorizes Secured Party to complete a background and credit check of Dealer, its Principals and guarantors.
- 13. Acknowledgment. Dealer's execution of this Agreement is: an acknowledgment that Dealer has had the opportunity to have this Agreement reviewed in its entirety by counsel, including any addenda, schedules, and exhibits hereto; that such counsel has answered any questions and negotiated and resolved any concerns Dealer had with respect to this Agreement; and acknowledges Dealer's receipt of a copy of this Agreement.

14. Remedies and Attorneys Fees. The Parties hereto shall have all remedies at law and equity to enforce the terms and obligations hereunder including the right to injunctive relief. If the Secured Party incurs any costs or fees to enforce the terms of this Agreement, or any note or other instrument executed in connection with this Agreement, or the collateral which is part of this Agreement, Dealer agrees to pay Secured Party's reasonable attorneys fees and any collection costs, even though no suit or action is filed upon this Agreement. The amount of such attorney fees incurred by Secured Party shall be paid to Secured Party within ten (10) days after written demand or, at Secured Party's option, shall be added back to the unpaid balance due and owing to Secured Party by Dealer, and shall bear interest at the rate set forth in the Memoranda of Advance, or if no interest rate is set forth in the Memoranda of Advance, then at the rate of 12% per annum, until paid by Dealer. Secured Party shall submit proof of such attorney fees, in the form of a billing statement without itemization, to the Dealer.

In the event that an arbitration, suit, action, or other legal proceeding is instituted upon this Agreement, or any matter arising therefrom, the prevailing party shall be entitled to recover from the other party, in addition to costs and disbursements allowed by law, all receivership expenses, and such sum as the court or other tribunal may adjudge reasonable as an attorney's fee in said suit, action, or proceeding, including appeals therefrom. Such sum shall include an amount estimated by the court as the reasonable costs and fees to be incurred by the prevailing party in collecting any monetary judgment or award or otherwise enforcing each award, order, judgment or decree entered in such proceeding. This clause applies in, but is not limited to bankruptcy proceedings as well as other federal or state civil proceedings. All attorneys fees awarded to Secured Party shall be secured by the security interest granted by this Agreement. All attorney fees awarded to the Dealer may be set off against any amounts owing to Secured Party under this or any other agreement between the Parties.

- 15. Assignment. Dealer acknowledges that this Agreement entered into by Secured Party because of Dealer's experience and financial condition. Therefore, any transfer or assignment by Dealer of this Agreement without the prior written consent of Secured Party (which may be arbitrarily withheld) shall be void and of no effect. However, in the event that Secured Party consents to an assignment by Dealer, the heirs, successors and assigns of Dealer shall be bound by all the terms of this Agreement. Secured Party may freely transfer, sell or assign all or a portion of its rights under this Agreement without notice to Dealer.
- 16. Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. Any other oral or written agreements entered into with respect to the subject matter herein are revoked and superseded by this agreement. No modifications shall be made hereto except by an agreement in writing signed by both parties. No Waiver of any provision herein by Secured Party shall constitute a waiver of any other provision or of the enforceability of this Agreement.
- 17. Severability. If any paragraph, term or provision of this Agreement is held to be invalid or unenforceable then such offending provision, term or paragraph shall be stricken and all other provisions, terms and paragraphs of this Agreement shall be carried into full force and effect.
- 18. Authority/Construction. The Parties acknowledge that the undersigned have the full and complete authority to bind the parties to this Agreement, and acknowledge that they have each had the opportunity to have this Agreement reviewed by Counsel, and agree that the rule of construction against the drafting party shall not apply to this Agreement. This Agreement may be executed in counterpart copies, and facsimile or electronic signatures shall be considered originals.
- 19. Jurisdiction & Venue. The Parties agree that the laws of the State of Oregon shall govern this Agreement, and that venue is proper in the courts of Lane County.

OFFICIAL SEAL KAREN D HOOVER NOTARY PUBLIC - OREGON COMMISSION NO. 388172 MY COMMISSION EXPIRES FEB 19, 2009 COUNTY OF	day of $OC+ 2008$ (r	nonth and year)
STATE ON COMMISSION NO. 388172 COUNTY OF	Secured Party	Dealer
Karen Hoover	STATE ONLOW : COUNTY OF COUNTY OF COUNTY	OFFICIAL SEAL KAREN D HOOVER NOTARY PUBLIC - OREGON COMMISSION NO. 388172
Hoover NOTARY PUBLIC	Subscribed and sworn before me this 174	day of <u>OC+</u> , 199 2008
	Kai	NOTARY PUBLIC
	My Commission expires:	

FLOORING SECURITY AGREEMENT FEE ADDENDUM SUMMARY OF TERMS

This addendum to that specific Flooring Security Agreement dated October 13, 2008 between Adonewobi Inc. dba Advantage Motors (Dealer) and Brasher's Northwest Auto Auction (Secured Party) is hereby adopted and incorporated therein. In the event any conflict between this addendum and the original agreement or any other addendum thereto, the terms of the Flooring Security Agreement shall take precedent. The terms to take effect at the signing of this Addendum are:

1. The set up fee and handling charge for each unit of inventory financed shall be according to the following flooring fee schedule:

Up to	-	\$ 2,999.00	\$ 50.00
\$ 3,000.00	_	\$ 3,999.00	\$ 60.00
\$ 4,000.00	-	\$ 4,999.00	\$ 70.00
\$ 5,000.00	-	\$ 5,999.00	\$ 80.00
\$ 6,000.00	-	\$ 6,999.00	\$ 90.00
\$ 7,000.00	-	\$ 7,999.00	\$100.00
\$ 8,000.00	_	\$ 8,999.00	\$110.00
\$ 9,000.00	-	\$ 9,999.00	\$120.00
\$10,000.00	_	\$10,999.00	\$130.00
\$11,000.00	-	\$11,999.00	\$140.00
\$12,000.00	_	\$12,999.00	\$150.00
\$13,000.00	-	\$13,999.00	\$160.00
\$14,000.00	-	\$14,999.00	\$170.00
\$15,000.00	-	\$15,999.00	\$180.00
\$16,000.00	-	\$16,999.00	\$190.00
\$17,000.00	-	\$17,999.00	\$200.00
Plus \$10.00	for e	each additional \$1,000	.00 financed.

- 2. Dealer shall repay Secured Party the full amount advanced under each Memorandum of Advance, within 90 days of the purchase of the vehicle from any Brasher's Auto Auction, or immediately upon sale of the inventory financed, or upon demand of Secured Party, whichever is earlier. Additionally, Dealer shall make a payment of 10% monthly on the original principal amount financed for each unit of inventory purchased. This payment is known as the Reduction or Curtailment payment.
- 3. Secured Party will advance 100% of the sale price of each vehicle purchased by Dealer at any Brasher's auto auction, unless the foregoing percentage amount, when added to amounts previously advanced, would exceed the maximum to be advanced under this Agreement and the Addendum.

- 4. Interest shall be paid at a rate of Prime + 5% (percent) from the date of each advance paid in full. If Dealer fails to pay when due, any amount payable on the advances made, then Dealer agrees to pay a penalty of 2% of the amount due.
 - 5. Maximum per vehicle financed shall be \$20,000.00.
 - 6. Total flooring limit shall not exceed \$250,000.00.
- 7. For each unit of inventory financed, Dealer shall pay to Secured an additional amount of \$300.00 to be accumulated in a Dealer Reserve Account to secure Dealer's indebtedness. The Dealer reserve account will not earn interest.
 - 7. As additional security Dealer has deposited \$0 with secured party to serve as a dealer reserve account to secure Dealers' indebtedness. The dealer reserve account will not earn interest.

	Dated this	2008 ———————————————————————————————————	MAA
,	STATE OF MIGON: COUNTY OF Lave:		OFFICIAL SEAL KAREN D HOOVER NOTARY PUBLIC - OREGON COMMISSION NO. 388172 MY COMMISSION EXPIRES FEB 19, 2009
	Subscribed and sworn before me this	174h	day of Octobe (, 199_2008
		NOTAL	D. Hoover

My Commission expires:

Addendum

PERSONAL GUARANTY

This guaranty given this 13th day of October, 2008 by Trever Devenport hereinafter called the "Guarantor(s)".

- 1. The Guarantor(s) hereby guarantees the prompt and complete performance by Adonewobi Inc. dba Advantage Motors (Dealer) of all of the covenants, terms and conditions contained in the foregoing Dealer Flooring Agreement and addendums; and payment of the Memorandum of advance signed by Dealer and the payment of all damages, costs and expenses, including attorney's fees, which by virtue of the Memorandum of advance may become due and owing by Dealer to Brashers Northwest Auto Auction (Auction).
- 2. The Guarantor(s) hereby waives notice of acceptance hereof of the non performance or nonpayment by Dealer of any of its obligations or liabilities under the foregoing Dealer Flooring Agreement and Memorandum of Advance.
- 3. This Guaranty shall benefit Auction, its successors and assigns and shall be binding upon the Guarantor(s), his successors and assigns.
- 4. It shall not be necessary for Auction to exhaust its legal remedies against Dealer in order that Auction be able to exercise its rights under this Guaranty and legal action to enforce this Guaranty may be commenced by Auction upon default by Dealer without prior written notice of default to the Guarantor(s). The Guarantor(s) acknowledges to waive and agrees not to enforce the one action rule against Auction as governed by provisions of the state Judicial Code .

WITNESS this hand(s) of the Guarantor(s) this 17 day of 2008.

GUARANTOR(S):

OFFICIAL SEAL
KAREN D HOOVER
NOTARY PUBLIC - OREGON
COMMISSION NO. 388172
MY COMMISSION EXPIRES FEB 19, 2008