



August 17, 2009

<p>Via Certified Mail Return Receipt Requested 7007 2680 0002 1119 8707 and Via USPS First Class Mail</p>	<p>Via Certified Mail Return Receipt Requested 7007 2680 0002 1119 8714 and Via USPS First Class Mail</p>
<p>Riley Coyote, LLC Attn: Registered Agent Lane D. Lyons 1567 SW Chandler Dr. Ste 101 Bend, OR 97701</p>	<p>Brian D. Stevens 197 NW Outlook Vista Bend, OR 97701</p>
<p>Via Certified Mail Return Receipt Requested 7007 2680 0002 1119 8752 and Via USPS First Class Mail</p>	<p>Via Certified Mail Return Receipt Requested 7007 2680 0002 1119 8745 and Via USPS First Class Mail</p>
<p>Riley Coyote, LLC Attn: Registered Agent Kevin Padrick 10260 SW Greenburg Rd, Ste 1150 Portland, OR 97223</p>	<p>Tim D. Larkin 4700 W. Antler Ave. Redmond, OR 97556</p>
	<p>Via Certified Mail Return Receipt Requested 7007 2680 0002 1119 8769 and Via USPS First Class Mail</p>
	<p>Mark A. Neuman 2922 NW Moore Court Bend, OR 97701</p>
	<p>Via Certified Mail Return Receipt Requested 7007 2680 0002 1119 8738 and Via USPS First Class Mail</p>
	<p>Lane Lyons 19570 Buck Canyon Rd Bend, OR 97702</p>

**LOAN NUMBER:** 50126319  
**PRINCIPAL BALANCE:** \$88,000.00  
**ACCRUED INTEREST:** \$ 683.51  
**UNPAID FEES, COSTS, AND EXPENSES:** \$ 340.00  
**TOTAL DUE AS OF AUGUST 17, 2009** \$89,023.51  
**PER DIEM:** \$22.90411 default rate

Greetings:

Borrower is obligated to Bank of the Cascades ("Lender") on account of the above captioned Loan. The Loan is secured by, among other things, Borrower's prior grant to Lender of liens against and security interests in LOT SEVEN (7), BLOCK THIRTY-SIX (36), OREGON WATER WONDERLAND, UNIT 2, DESCHUTES COUNTY, OREGON or it's address commonly know as

17483 Grebe Road, Bend, Oregon, "against real property and improvements more particularly and legally described in that certain deed of trust dated August 14, 2006 and recorded in the official real property records of Deschutes County, on August 16, 2006 as instrument number 2006-56227 (the "Collateral"). Guarantors Brian D. Stevens, Tim D. Larkin, Mark A. Neuman and Lane Lyons have guaranteed payment of the Loan and the full amount of the indebtedness arising under the Loan, pursuant to that certain commercial guaranty dated August 14, 2006 the Guarantors executed in favor of Lender.

The Loan matured on August 15, 2009, at which time Borrower and the Guarantors (together, for purposes of this Notice, "you" or "your") were obligated to immediately pay to Lender the full amount of the indebtedness due under the Loan. You are in continuing and uncured payment default to Lender on account of your failure to pay to Lender when and in the full, the indebtedness due under the Loan.

On account of the maturity of the Loan and your continuing and uncured payment default thereunder, please take notice that Bank of the Cascades hereby accelerates the Loan (to the extent that any acceleration is necessary) and makes formal demand upon you for the full amount of the indebtedness outstanding under the Loan, an amount that as of the date of this Notice is \$89,023.51, together with additional accruing interest from and after August 18, 2009 at the default rate applicable to the Loan, 9.50 percent per annum, or \$22.90411 per diem.

Please take further notice that if you fail to pay to Lender, to the attention of the undersigned, by the close of business on August 27, 2009, in immediately available funds, the full amount of the indebtedness due under the Loan as set forth above, an amount that is currently not less than \$89,023.51, Lender intends to immediately enforce its rights and remedies against Borrower, any Collateral securing the loan, and the Guarantor, whether pursuant to documents Borrower and/or the Guarantors have previously executed in favor of Bank of the Cascades, at law, or in equity, all of which rights and remedies Bank of the Cascades fully reserves unto itself without limitation.

If you have any questions concerning this Notice, please contact the undersigned by telephone at 541-617-6890 or via email at [ndague@botc.com](mailto:ndague@botc.com). Bank of the Cascades urges you to give the matters set forth in this Notice your careful and immediate attention.

**STATUTORY NOTICE: UNDER OREGON LAW MOST AGREEMENTS, PROMISES, AND COMMITMENTS MADE BY LENDER CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION, AND BE SIGNED BY LENDER TO BE ENFORCEABLE.**

Very truly yours,

Bank of the Cascades



By: Niina Dague  
Regional Loan Portfolio Officer