

**2010-007221**

**Klamath County, Oregon**



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06/14/2010 10:02:27 AM

Fee: \$77.00

Upon Recordation Please Mail To:

Rock Creek Funding, Inc.  
2533 N Carson St Ste 4014  
Carson City, NV 89706

### **DEED OF TRUST**

THIS DEED OF TRUST, made this 3rd day of March, 2010 by and between James Pyle, hereinafter referred to as GUARANTOR, whose address is 138 Gaywood Rd, Alamo, CA 94507, and Chicago Title hereinafter referred to as TRUSTEE, and Rock Creek Funding, Inc., a Nevada corporation hereinafter referred to as BENEFICIARY, who maintains an office and place of business at 2533 N Carson St Ste 4014, Carson City, NV 89706.

WITNESSETH, that for good and valuable consideration, receipt of which is hereby acknowledged, the GUARANTOR does hereby bargain, sell, grant, assign, and convey unto the TRUSTEE, his successors and assigns all of the following described property situated and being in the State of Oregon, County of Klamath, and described as follows:

RUNNING Y RESORT PHASE 2, LOT 105  
MAP: R-3808-004C0-09900-000  
KLAMATH COUNTY, OREGON

Together with and including all buildings, all fixtures, including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the GUARANTOR hereby declaring that it is intended that the items herein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing hereon; the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, and rents, issues, and profits of the above-described property. To have and to hold the same unto the TRUSTEE, and the successors is interest of the TRUSTEE, forever, in fee simple or such other estate, if any as is

stated herein in trust, to secure the payment of the note dated the 3rd day of March, 2010. The beneficial owner and holder of said note and of the indebtedness evidenced thereby is the BENEFICIARY.

1. This conveyance is made upon and subject to the further trust that the said GUARANTOR shall remain in quiet and peaceable possession of the above granted and described premises and take the profits thereof to his own use until default be made in any payment of an installment due on said note or in the performance of any of the covenants or conditions contained therein or in this Deed of Trust; and, also to secure the reimbursement of the BENEFICIARY or any other holder of said note, the TRUSTEE or any substitute TRUSTEE of any and all costs and expenses incurred including reasonable attorneys' fees on account of any litigation which may arise with respect to this Trust or with respect to the indebtedness evidenced by said note, the protection and maintenance of the property, hereinabove described or in obtaining possession of said property after any sale which may be made as hereinafter provided.

2. Upon the full payment of the indebtedness evidenced by said note and in the interest thereon, the payment of all other sums herein provided for, the repayment of all monies advanced or expended pursuant to said note or this instrument, and upon the payment of all other proper costs, charges, commissions, and expenses, the above described property shall be released and reconveyed to and at the cost of the GUARANTOR.

3. Upon default in any of the covenants and conditions of this instrument or of the note or loan agreement secured hereby, the BENEFICIARY or his assigns may without notice and without regard to the adequacy of security for the indebtedness secured, either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by the court, enter upon and take possession of said property, collect and receive the rents, royalties, issues, and profits thereof, including rents accrued and unpaid, and apply the same, less costs of operation and collection, upon the indebtedness secured by this Deed of Trust, said rents, royalties, issues, and profits, being hereby assigned to BENEFICIARY as further security for the payment of such indebtedness. Exercise of rights under this paragraph shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice but shall be cumulative to any right and remedy to

declare a default and to cause notice of default to be recorded as hereinafter provided, and cumulative to any other right and/or remedy hereunder, or provided by law, and may be exercised concurrently or independently. Expenses incurred by BENEFICIARY hereunder, including reasonable attorneys' fees, shall be secured hereby.

4. The GUARANTOR covenants and agrees that if he shall fail to pay said indebtedness, or any part thereof, when due, or shall fail to perform any covenant or agreement of this instrument or of the promissory note secured hereby, the entire indebtedness hereby secured shall immediately become due, payable, and collectible without notice, at the option of the BENEFICIARY or assigns, regardless of maturity, and the BENEFICIARY or assigns may enter upon said property and collect the rents and profits thereof. Upon such default in payment or performance, and before or after such entry, the TRUSTEE, acting in the execution of this Trust, shall have the power to sell said property, and it shall be the TRUSTEE's duty to sell said property (and in the case of any default of any purchaser, to resell) at public auction, to the highest bidder, first giving four weeks' notice of the time, terms, and place of such sale, by advertisement not less than once during each of said four weeks in a newspaper published or distributed in the county or political subdivision in which said property is situated, all other notice being hereby waived by the GUARANTOR (and the BENEFICIARY or any person on behalf of the BENEFICIARY or any person on behalf of the BENEFICIARY may bid and purchase at such sale). Such sale will be held at a suitable place to be selected by the BENEFICIARY within said county or political subdivision. The TRUSTEE is hereby authorized to execute and deliver to the purchaser at such sale a sufficient conveyance of said property, which conveyance shall contain recitals as to the happening of a default upon which the execution of the power of sale herein granted depends; and the said GUARANTOR hereby constitutes and appoints the TRUSTEE as his agent and attorney in fact to make such recitals and to execute said conveyance and hereby covenants and agrees that the recitals so made shall be binding and conclusive upon the GUARANTOR, and said conveyance shall be effectual to bar all equity or right of redemption, homestead, dower, right of appraisement, and all other rights and exemptions of the GUARANTOR, all of which are hereby expressly waived and conveyed to the TRUSTEE. In the event of a sale as hereinabove provided, the GUARANTOR, or any person in possession under the GUARANTOR, shall then become and be tenants holding over and shall forthwith deliver possession to the purchaser at such sale or be summarily dispossessed, in accordance with the provisions of law applicable to tenants holding over.

The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are granted as cumulative to all other remedies for the collection of said indebtedness. The BENEFICIARY or Assigns may take any other appropriate action pursuant to state or Federal statute either in state or Federal court or otherwise for the disposition of the property.

5. In the event of a sale as provided in paragraph 4, the TRUSTEE shall be paid a fee by the BENEFICIARY in an amount not in excess of 2 per cent (2%) of the gross amount of said sale or sales, provided, however, that the amount of such fee shall be reasonable and shall be approved by the BENEFICIARY as to reasonableness. Said fee shall be in addition to the costs and expenses incurred by the TRUSTEE in conducting such sale. The amount of such costs and expenses shall be deducted and paid from the sale's proceeds. It is further agreed that if said property shall be advertised for sale as herein provided and not sold, the TRUSTEE shall be entitled to a reasonable fee, in an amount acceptable to the BENEFICIARY for the services so rendered. The TRUSTEE shall also be reimbursed by the BENEFICIARY for all costs and expenses incurred in connection with the advertising of said property for sale if the sale is not consummated.

6. The proceeds of any sale of said property in accordance with paragraph 4 shall be applied first to payment of fees, costs, and expenses of said sale, the expenses incurred by the BENEFICIARY for the purpose of protecting or maintaining said property and reasonable attorneys' fees; secondly, to payment of the indebtedness secured hereby; and thirdly, to pay any surplus or excess to the person or persons legally entitled thereto.

7. In the event said property is sold pursuant to the authorization contained in this instrument or at a judicial foreclosure sale and the proceeds are not sufficient to pay the total indebtedness secured by this instrument and evidenced by said promissory note, the BENEFICIARY will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisal, the GUARANTOR having waived and assigned all rights of appraisal to the TRUSTEE.

8. The GUARANTOR covenants and agrees as follows:

a. He will promptly pay the indebtedness evidenced by said promissory note at the times and in the manner therein provided.

b. He will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provisions have not been made hereinbefore, and will promptly deliver the official receipts therefore to the BENEFICIARY.

c. He will pay such expenses and fees as may be incurred in the protection and maintenance of said property, including the fees of any attorney employed by the BENEFICIARY for the collection of any or all of the indebtedness hereby secured, or such expenses and fees as may be incurred in any foreclosure sale by the TRUSTEE, or court proceedings or in any other litigation or proceeding affecting said property, and attorneys' fees reasonably incurred in any way.

d. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of the payment of the indebtedness evidenced by said note or any part thereof secured hereby.

e. He will continuously maintain hazard insurance of such type or types and in such amounts as the BENEFICIARY may from time to time require, on the improvements now or hereafter on said property, and will pay promptly when due any premiums therefore. All insurance shall be carried in companies acceptable to BENEFICIARY and the policies and renewals thereof shall be held by BENEFICIARY and the policies and renewals thereof shall be held by BENEFICIARY and have attached thereto loss payable clauses in favor of and in form acceptable to the BENEFICIARY. In the event of loss, GUARANTOR will give immediate notice in writing to BENEFICIARY and BENEFICIARY may make proof of loss if not made promptly by GUARANTOR, and each insurance company concerned is hereby authorized and directed to make payment for such part thereof, may be applied by BENEFICIARY at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event of a TRUSTEE's sale or other transfer of title to said property in extinguishment of the indebtedness secured hereby, all right, title, and interest of the GUARANTOR in and to any insurance policies then in force shall pass at the option of the BENEFICIARY to the purchaser or BENEFICIARY.

f. He will keep the said premises in as good order and condition as they are now and will not commit or permit any waste thereof, reasonable wear and tear excepted, and in the event of the failure of the GUARANTOR to keep the buildings on said premises and those to be erected on said premises, or improvements thereon, in good repair, the BENEFICIARY may make such repairs as in the BENEFICIARY's discretion it may deem necessary for the proper preservation thereof, and any sums paid for such repairs shall bear interest from the date of payment at the rate specified in the note, shall be due and payable on demand and shall be fully secured by this Deed of Trust.

g. He will not without the prior written consent of the BENEFICIARY voluntarily create or permit to be created against the property subject to this Deed of Trust any lien or liens inferior or superior to the lien of this Deed of Trust and further that he will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises.

h. He will not rent or assign any part of the rent of said property or demolish, remove, or substantially alter any building without the written consent of the BENEFICIARY.

9. In the event the GUARANTOR fails to pay any Federal, state, or local tax assessment, income tax or other tax lien, charge, fee, or other expense charged to the property hereinabove described, the BENEFICIARY is hereby authorized to pay the same and any sum so paid by the BENEFICIARY shall be added to and become a part of the principal amount of the indebtedness evidenced by said promissory note. If the GUARANTOR shall pay and discharge the indebtedness evidenced by said promissory note, and shall pay such sums and shall discharge all taxes and liens and the costs, fees, and expenses of making, enforcing, and executing this Deed of Trust, then this Deed of Trust shall be canceled and surrendered.

10. The GUARANTOR covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except as hereinabove recited; and that he hereby binds himself and his successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the lawful claims of all persons whomsoever.

11. BENEFICIARY, its successors or assigns, shall execute and deliver a supplemental mortgage or mortgages covering any additions, improvements, or betterments made to the property hereinabove described and all property acquired after the date hereof (all in form satisfactory to Grantee). Furthermore, should GUARANTOR fail to cure any default in the payment of a prior or inferior encumbrance on the property described by this instrument, GUARANTOR hereby agrees to permit BENEFICIARY to cure such default, but BENEFICIARY is not obligated to do so; and such advances shall become part of the indebtedness secured by this instrument, subject to the same terms and conditions.

12. That all awards of damages in connection with any condemnation for public use of or injury to any of said property are hereby assigned and shall be paid to BENEFICIARY, who may apply the same to payment of the installments last due under said note, and the BENEFICIARY is hereby authorized, in the name of GUARANTOR, to execute and deliver valid acquaintances thereof and to appeal from any such award.

13. The irrevocable right to appoint a substitute TRUSTEE or TRUSTEES is hereby expressly granted to the BENEFICIARY, his successors or assigns, to be exercised at any time hereafter without notice and without specifying any reason therefore, by filing for record in the office where this instrument is recorded an instrument of appointment. The GUARANTOR and the TRUSTEE herein named or that may hereinafter be substituted hereunder expressly waive notice of the exercise of this right as well as any requirement or application to any court for the removal, appointment or substitution of any TRUSTEE hereunder.

14. Notice of the exercise of any option granted herein to the BENEFICIARY or to the holder of the note secured hereby is not required to be given the GUARANTOR, the GUARANTOR having hereby waived such notice.


15. If more than one person joins in the execution of this instrument as GUARANTOR or if anyone so joined be of the feminine sex, the pronouns and relative words herein shall be read as if written in the plural or feminine, respectively, and the term "BENEFICIARY" shall include any payee

of the indebtedness hereby secured or any assignee or transferee thereof whether by operation of law or otherwise. The covenants herein contained shall bind and the rights herein granted or conveyed shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto.

16 In compliance with section 101.1(d) of the Rules and Regulations of the Small Business Administration [13 C.F.R. 101.1(d)], this instrument is to be construed and enforced in accordance with applicable Federal law.

17 A judicial decree, order, or judgment holding any provision or portion of this instrument invalid or unenforceable shall not in any way impair or preclude the enforcement of the remaining provisions or portions of this instrument.

IN WITNESS WHEREOF, the GUARANTOR has executed this instrument and the TRUSTEE and BENEFICIARY have accepted the delivery of this instrument as of the day and year aforesaid.

  
\_\_\_\_\_  
GUARANTOR

CHRIS NICOL  
Mission # 1841864  
Public - California  
Santa Costa County  
Expires Apr 20, 2013

Acknowledgment for Individual

State of California

County of Contra Costa

On 5-28-10 before me, Chris Nicol, Notary Public (here insert name), a Notary Public, personally appeared James M. Pyle, personally known to me (or 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.

WITNESS my hand and official seal.

Chris Nicol

Notary Public

Print Name: Chris Nicol

My commission expires:

4-20-13

