

2011-013178

Klamath County, Oregon



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11/29/2011 09:19:00 AM

Fee: \$77.00

Affix R.P.T.T.

ACCT NO : 3910-008CO-00300-000

Key 592273

RECORDING REQUESTED BY  
AND MAIL DOCUMENT TO:  
SPENCEVILLE TECHNOLOGIES, INC.  
8635 W. SAHARA AVE. #619  
LAS VEGAS, NEVADA 89117

## **DEED OF TRUST** **AND ASSIGNMENT OF RENTS**

This **DEED OF TRUST**, made this 21<sup>st</sup> day of October, 2011 between **ROYAL MONARCH HOLDINGS, LLC**, a Nevada Limited Liability Company, herein called "**TRUSTOR**", whose address is 7514 Westcliff Drive, Las Vegas, NV 89145 and **NEVADA TRUST DEED SERVICES, INC.** as "**TRUSTEE**" and **SPENCEVILLE TECHNOLOGIES, INC.**, a Nevada corporation, herein called "**BENEFICIARY**". WITNESSETH: That Trustor irrevocable grants, transfer and assigns to Trustee in Trust, with Power of Sale, that property in the County of Klamath, State of Oregon, described as:

**Parcel 2 of Miner Land Partition 48-90 situated in the E1/2 of the SW1/4 of Section 8, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, and filed in the office of the Klamath County Clerk on September 5, 1991.**

**Account No: 3910-008CO-00300-000**

**Key No.: 592273**

Together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now together 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:** (1) payment of the sum of One Hundred Twenty Five Thousand Dollars and 00/100 (**\$125,000.00**) with interest thereon according to the terms of a Promissory Note of even date herewith (hereinafter "the Secured Note") made by Trustor, payable to the order of the Beneficiary, and extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated by reference or contained herein.

**A. SENIOR DEED OF TRUST:**

This DEED OF TRUST, securing the SECURED NOTE is herein after referred to as the "Deed of Trust".

**B. TO PROTECT THE SECURITY OF THE DEED OF TRUST, TRUSTOR AGREES:**

- 1) To keep said property in good condition and repair: not to remove or demolish any building thereon: to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore: to comply with all laws affecting said property in violation of law: to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonable necessary, the specific enumeration's herein not excluding the general. The provisions hereof are subject to the mutual agreements of the parties as below set forth.
- 2) To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to the Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. The provisions hereof are subject to the mutual agreements of the parties as below set forth.
- 3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
- 4) To pay: (a) at least ten {10} days before delinquency, all taxes and assessments affecting said property, including assessments on appurtenant water stock: (b) when due, subject to the mutual agreements of the parties as below set forth, all encumbrances, charges and liens, with interest on said property or any part thereof, which appear to be prior or superior hereto: (c) all allowable expenses of this Trust. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent may deem necessary to protect the security hereof.

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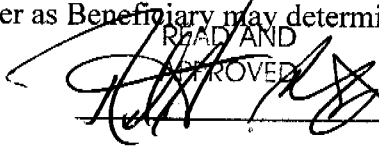


Beneficiary or Trustee being authorized to enter upon said property for such purposes: appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee: pay, purchase, contest or compromise any encumbrance, charge or lien which in judgment of either appears to be prior or superior hereto, and, in exercising any such powers: pay reasonable expenses, employ counsel and pay reasonable attorney's fees.

- 5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate provided in the Secured Note.

**C. IT IS MUTUALLY AGREED:**

- 1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 2) That by accepting payment of any sum secured hereby after it's due date, Beneficiary does not waive it's right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
- 3) That at any time or from time to time, without liability therefore ad without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby. Trustee may: reconvey any part of said property, consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.
- 4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in it's sole discretion may choose and upon payment of it's fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
- 5) Notwithstanding anything to the contrary contained herein, Trustor irrevocably assigns, gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserve unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in it's own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid and apply the same, less allowable expenses of operation, upon indebtedness secured hereby, and in such order as Beneficiary may determine.

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The entering upon and taking possession of said property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.

- 6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause to be sold said property, which notice,



Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Secured Note and all documents evidencing expenditure secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of breach, and notice of sale having been given as required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale.

Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the proceeding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied.

The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary as hereinafter defined, may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of the sale to the payment of all sums expended under the terms hereof, not then repaid with accrued interest at the rate provided by the Secured Note: all other sums then secured hereby: and the remainder, if any, to the person or persons legally entitled thereto.

- 7) Beneficiary, or any successor in ownership, if any, indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, where said property is situated, shall be conclusive proof to proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this Deed of Trust is recorded and the name and address of the Trustee.
- 8) That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder; including pledges, of the note secured hereby, whether or not named Beneficiary herein. In this number included the plural.

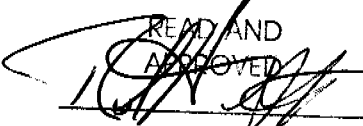
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- 9) That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

**D. THE PARTIES FURTHER AGREE:**

- 1) By Beneficiary's acceptance of this Deed of Trust, Beneficiary agrees that, provided Trustor is not in default on the Secured Note, Trustor may make said payments directly to the holder of such Secured Note: any and all payments so made shall be credited to the Secured Note against the next succeeding installments of principal and interest. Nothing contained herein shall be construed to create a third party Beneficiary relationship between the Beneficiary relationship between the Beneficiary and any other person.
- 2) Notwithstanding any covenants contained in the Secured Note or Deed of Trust securing the same, Beneficiary shall have no further duty under this Deed of Trust when: (I) the lien of this Deed of Trust has been extinguished by the foreclosure sale or (II) this Deed of Trust has been duly reconveyed after payment in full of the Secured Note and subsequent to the payment by Beneficiary herein of Trustor's portion of the Secured Note which the Beneficiary herein is required to pay to holder of said Secured Note. Should Trustor be in default under the terms of the Secured Note and if Beneficiary consequently incurs any penalties, charges, or other expenses on account of the Secured Note during the period of such default, the amount of such penalties, charges and expenses shall be immediately payable by Trustor to Beneficiary. If at any time the total of the unpaid balance of the Secured Note, the accrued interest hereon, all other sums due under terms thereof and all sums advanced by Beneficiary pursuant to the terms of this Deed of Trust, is equal to or less than unpaid principal balance of the Secured Note and accrued interest hereon, the Secured Note at the option of Beneficiary, shall be cancelled and said property shall be re-conveyed for the lien of this Deed of Trust.
  - 3) Trustor and Beneficiary agree that in the event the proceeds of any condemnation award or settlement in lieu thereof, or the proceeds of any casualty insurance, if any covering destructible improvements located upon said, are applied by the holder of the Secured Note in reduction of the unpaid principal amount thereof, the unpaid principal balance of the Note secured hereby shall be reduced by an equivalent amount and be deemed applied to the last sums due under the Secured Note.
  - 4) At such time as the Secured Note becomes fully due and payable, the unpaid indebtedness of principal and interest owing thereon shall be reduced by the then unpaid balance of principal and interest due on the Secured Note.
- 5) Any demand hereunder delivered by Beneficiary to Trustee for the foreclosure of the lien of this Deed of Trust may be not more that the sum of the following amounts;
  - (I) The equity of Beneficiary in the note secured hereby being the unpaid balance of principal and interest accrued and unpaid on the Secured Note on the date of such

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foreclosure sale and the then unpaid balance of principal and interest so accrued and unpaid on the Secured Note as of the date of such foreclosure sale, plus (II) The aggregate of all amounts therefore paid by Beneficiary pursuant to the terms of this Deed of Trust prior to the date of such foreclosure sale, for taxes and assessments. Insurance premiums, delinquency charges, foreclosure costs, and any other sums advanced by the Beneficiary pursuant to the terms of this Deed of Trust, to the extent the same were not previously paid by Trustor to Beneficiary: plus (III) The costs of foreclosure together with attorney's fees and costs incurred by Beneficiary in enforcing this Deed of Trust or the Note secured hereby as permitted by Oregon law.

- 6) Trustor covenants and agrees that Trustor shall perform and observe all obligations to be performed and observed by Trustor under the Deed of Trust securing the Secured Note.
- 7) The following covenants, under OR. REV. STAT. § 93.780, 93.790, 93.802, 93.804, and 93.806, (2009) inclusive, are hereby adopted and made a part hereof.

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE  
BY SUPERIOR MORTGAGES OR DEEDS OF TRUST  
UNDER OR. REV. STAT. § 93.915 (2009)**

IN ACCORDANCE WITH OR. REV. STAT. § 93.915 (2009), Oregon Revised Statutes for the State of Oregon(2009), and pursuant to ORCP 7 D(2) and 7 D(3), Trustor and Beneficiary request the holder of any mortgage, deed of trust or other encumbrance(s) with a lien which has priority over this Deed of Trust, forward a copy of any Notice of Default and/or Notice of Sale under the superior encumbrance(s) or other formal foreclosure action to Trustor, at the Trustor's address set forth herein.

IN WITNESS WHEREOF, said Trustor(s) & Beneficiary(s) has/have hereunto set their hand the day and year first written above.

**TRUSTOR(S)**

**ROYAL MONARCH HOLDINGS,  
INC.,** a Nevada Limited Liability Company

  
RONALD I. HESKETT, Manager

  
SUZANNE D. HESKETT, Manager

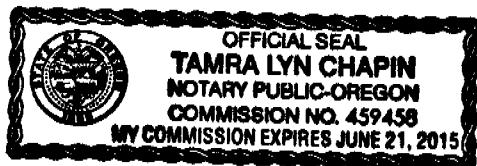
**BENEFICIARY(S)**

**SPENCEVILLE TECNOLOGIES,  
INC.,** a Nevada Corporation

  
STACY BUSH, President

STATE OF Oregon )  
 )ss  
County of Deschutes )

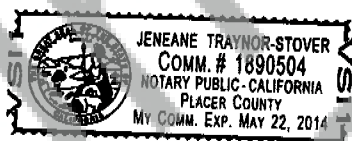
Personally appeared before me, **RONALD I. HESKETT AND SUZANNE D. HESKETT**, this 13 day of November, 2011, and acknowledged said instrument to be her voluntary act and deed.



Tamra L Chapin  
Notary public for Oregon

STATE OF California )  
 )ss  
County of Placer )

Personally appeared before me, **STACY BUSH**, this 28<sup>th</sup> day of October, 2011, and acknowledged said instrument to be her voluntary act and deed.



Jeneane Traynor-Stover  
Notary public for California

## REQUEST FOR FULL RECONVEYANCE

**To be used only when obligations have been paid.**

TO: \_\_\_\_\_, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You are hereby directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same.

Mail reconveyance documents to:

DATED: \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
Beneficiary

**DO NOT LOSE OR DESTROY THIS TRUST DEED OR THE NOTE WHICH IT SECURES. BOTH MUST BE DELIVERED TO THE TRUSTEE FOR CANCELLATION BEFORE RECONVEYANCE WILL BE MADE.**