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TRUST DEED

Vol M03 Page 08861
STATE OF OREGON, 1

Erskine Deloe
P.O. Box 1303
Klamath Falls, Or 97601
Grantor's Name and Address
Green River Clinical Path. PCPSP
P.O. Box 706
Grants Pass, Or 97528
Beneficiary's Name and Address

SPACE RESERVED
FOR
RECORDER'S USE

State of Oregon, County of Klamath
Recorded 02/13/2003 11:35 a m.
Vol M03 Pg 08861-65
Linda Smith, County Clerk
Fee \$ 4.00 # of Pgs 5

eputy.

After recording, return to (Name, Address, Zip):
Rogue River Mortgage LLC
P.O. Box 706
Grants Pass, Or 97528

THIS TRUST DEED, made on January 24, 2003, between

Erskine Deloe, as Grantor,
Aspen Title & Escrow, Inc., as Trustee, and
Green River Clinical Pathologists PC Profit Sharing Plan,
Dr. Frank Hong, trustee, as Beneficiary,

WITNESSETH:

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

See Exhibit "A"

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any way now or hereafter appertaining, and the rents, issues and profits thereof, and all fixtures now or hereafter attached to or used in connection with the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of (\$300,000.00)
THREE HUNDRED THOUSAND DOLLARS AND NO/100
Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest, if not sooner paid, to be due and payable on February 13, 2008.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable. Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the property, or all (or any part) of grantor's interest in it without first obtaining the written consent or approval of the beneficiary, then, at the beneficiary's option*, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable. The execution by grantor of an earnest money agreement** does not constitute a sale, conveyance or assignment.

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or improvement thereon; and not to commit or permit any waste of the property.

2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require, and to pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or damage by fire and other hazards, as the beneficiary may from time to time require, in an amount not less than \$ 300,000.00, written by one or more companies acceptable to the beneficiary, with loss payable to the latter. All policies of insurance shall be delivered to the beneficiary as soon as issued. If the grantor shall fail for any reason to procure any such insurance and to deliver the policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, the beneficiary may procure the same at grantor's expense. 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 grantor. 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.

5. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the property before any part of such taxes, assessments and other charges becomes past due or delinquent and promptly deliver receipts therefor to beneficiary. Should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof. For such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described. All such payments shall be immediately due and payable without action, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and shall constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of this trust, including the cost of title search, as well as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation, and trustee and attorney fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed or any suit or action related to this instrument, including but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney fees. The amount of attorney fees mentioned in this paragraph in all cases shall be fixed by the trial court, and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking which are in excess of the amount required to pay all reasonable costs, expenses and attorney fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable costs and expenses and attorney fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby. Grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation promptly upon beneficiary's request.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 896.505 to 896.585.

*WARNING: 12 USC 1701j-3 regulates and may prohibit exercise of this option.

**The publisher suggests that such an agreement address the issue of obtaining beneficiary's consent in complete detail.



9. At any time, and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any map or plat of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; or (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may, at any time without notice, either in person, 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 the property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder, or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such event, the beneficiary may elect to proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded a written notice of default and election to sell the property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753 may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed, together with trustee and attorney fees not exceeding the amounts provided by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which the sale may be postponed as provided by law. The trustee may sell the 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 covenant 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.

15. When trustee sells pursuant to the powers provided herein, trustee 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 to any successor in interest entitled to such surplus.

16. Beneficiary may, from time to time, appoint a successor or successors to any trustee named herein or to any successor trustee 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. Each such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, 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 of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

The grantor covenants to and agrees with the beneficiary and the beneficiary's successors in interest that the grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereto, except as may be set forth in any addendum or exhibit attached hereto, and that the grantor will warrant and forever defend the same against all persons whomsoever.

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are (choose one):*

(a) primarily for grantor's personal, family or household purposes (see Important Notice below).

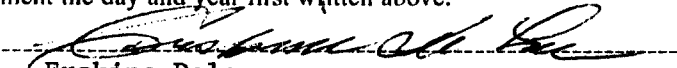
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein.

In construing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

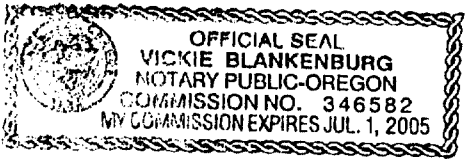
IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first written above.

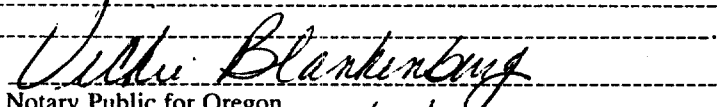
***IMPORTANT NOTICE:** Delete, by lining out, whichever warranty (a) or (b) is inapplicable. If warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary **MUST** comply with the Act and Regulation by making required disclosures. For this purpose use Stevens-Ness Form No. 1319, or the equivalent. If compliance with the Act is not required, disregard this notice.


Erskine Deloe

STATE OF OREGON, County of Klamath ss.
This instrument was acknowledged before me on February 6, 2003
by Erskine Deloe

This instrument was acknowledged before me on _____
by _____
as _____
of _____




Notary Public for Oregon
My commission expires 7/1/05

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 the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed, the estate now held by you under the same. Mail the reconveyance and documents to _____

DATED _____
Do not lose or destroy this Trust Deed OR THE NOTE which it secures.
Both should be delivered to the trustee for cancellation before reconveyance is made.

Beneficiary

Grantor: Erskine Deloe
Trustee: Aspen Title
Beneficiary: Green River Clinical Pathologists
PC Profit Sharing Plan
EXHIBIT A

08863

Legal description:

See Exhibit "C"

TOGETHER WITH all interests, estates, and rights that Grantor now has or may acquire in (1) the property; (2) any and all options, agreements, and contracts for the purchase or sale of all or any part or parts of the property or interests in the property; (3) all easements, rights-of-way, and rights used in connection with the property or as a means of access to the property; and (4) all tenements, hereditaments, and appurtenances in any manner belonging, relating, or appertaining to the property; and

TOGETHER WITH any and all mineral, oil and gas rights, air rights, development rights, water rights, water stock, and water service contracts, drainage rights, zoning rights and other similar rights or interest that benefit or are appurtenant to the property or the improvements or both, and any of their proceeds; and

TOGETHER WITH all rights, interests, and claims that Grantor now has or may acquire with respect to any damage to or taking of all or any part of the property or the Improvements, including without limitation any and all proceeds of insurance in effect with respect to the improvements, any and all awards made for taking by eminent domain or by any proceeding or purchase in lieu thereof, of the whole or any part of the property or the improvements, and any and all awards resulting from any other damage to the property or the improvements, all of which are assigned to Beneficiary, and, subject to the terms of this Trust Deed, Beneficiary is authorized to collect and receive such proceeds, to give proper receipts and acquittances for the proceeds, and to apply them to the Obligations secured by the Trust Deed.

EXHIBIT B

ADDITIONAL TERMS AND CONDITIONS;

Grantor agrees that Grantor's possession and use of the property shall be governed by the following provisions:

18. Until the occurrence of an event of default, Grantor may (a) remain in possession and control of the property, (b) use, operate or manage the property, and (c) collect any rents from the property.
19. Grantor at Grantor's expense shall comply with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county, and municipal authorities pertaining to Grantor's use of the property and with all recorded covenants, conditions, and restrictions, regardless of when they become effective. These include, without limitation, any alteration of the property or the improvements located thereon because of Grantor's specific use, and all applicable federal, state, and local laws, regulations, or ordinances pertaining to air and water quality, hazardous materials (as listed in the United States Department of Transportation Hazardous Materials Table, 49CFR 172,101 or by the United States Environmental Protection Agency or any successor thereto as hazardous substances, 40 CFR part 302 or any petroleum products or other products which may become so listed or regulated), waste disposal, air emissions, and other environmental matters, and utility availability, and with any direction of any public officer (s) pursuant to law, which shall impose any duty upon Beneficiary or Grantor with respect to the use or occupation of the property or the improvements located thereon.

20. Throughout the term of the trust deed, Grantor shall do or cause to be done all things necessary to preserve and keep in force and effect permits required for the conduct of its business and operations from the time of commencement of this trust deed until its expiration or termination.
21. Grantor shall not cause or permit any hazardous material or substance (defined above) to be brought upon, kept or used in or about the property by Grantor, its agents, employees, contractors or invitees without the prior written consent of the Beneficiary.
22. Grantor shall indemnify, defend, and hold Beneficiary harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, diminution in value of the property, damage for the loss or restriction on use of rentable or usable space or of any amenity of the property, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees) which arise during or after the note term as a result of contamination hazardous material resulting from material or substance present in the soil or ground water on or under the property. The foregoing indemnity shall survive the expiration or earlier termination of the note and trust deed.
23. Beneficiary, its agents and representatives shall have the right to enter upon the property and the improvements thereon at all reasonable times to inspect the property for purposes of determining Grantor's compliance with the terms and conditions of this Trust Deed.
24. Grantor hereby assigns to the Beneficiary all insurance proceeds that Grantor may be entitled to receive with respect to any casualty Beneficiary may, at its sole option, apply the insurance proceeds to the reduction of amounts secured by this Trust Deed in such order as the Beneficiary may determine, whether or not such obligations are then due. In the event that Beneficiary elects to apply the insurance proceeds to rebuilding and restoration, Beneficiary shall be entitled to hold the proceeds, and the proceeds shall be released only on such terms and conditions as Beneficiary may determine in its sole discretion. No proceeds shall be released if Grantor is in default under this Trust Deed.
25. Grantor assigns and transfers to Beneficiary all leases, subleases, licenses, rental contracts and other agreements, whether now existing or hereafter arising, and relating to the occupancy or use of all or any portion of the property or the improvements located thereon. Beneficiary shall have the right to notify any and all tenants, renters, licensees and other obligors under any such lease, license, contract or agreement that the same have been assigned to the Beneficiary and that all sums due and owing to the Grantor shall thereafter be paid directly to the Beneficiary, regardless of whether foreclosure proceedings have been commenced against the Grantor. Beneficiary shall have the right, power and authority to use and apply any sums received pursuant to this assignment for the payment of any and all costs and expenses incurred in connection with enforcing or defending the terms of this assignment, for the operation and maintenance of the property and improvements thereon, and to the establishment of such reserves as the Beneficiary may deem necessary for the proper management of the property and improvements located thereon. Beneficiary hereby grants to Grantor a limited, revocable license to collect rents and apply them in the manner determined by Grantor so long as Grantor is otherwise in compliance with the terms and conditions of this Trust Deed. This assignment shall not operate to place responsibility for the control, care, maintenance, or repair of the property or the improvements thereon upon Beneficiary or to make Beneficiary responsible for any condition of the property or the improvements thereon. Grantor shall hold Beneficiary harmless from, indemnify for, and defend Beneficiary against any and all claims, demands, liabilities, losses, damages and expenses, including attorney fees, arising out of or resulting in any way from any of such leases, licenses, contracts or agreements. This assignment shall continue in full force and effect until all obligations under this Trust Deed have been satisfied.
26. Grantor, Beneficiary and Trustee reserve the right to modify the interest rate, payment terms, loan term or principal balance of the loan (including future advances) from time to time upon the written consent of all parties.
27. Other Terms and Conditions:

Exhibit "C"

08865

PARCEL 1:

Lots 1, 2, 3, 4, 5 and 6, Block 25, ORIGINAL TOWN OF KLAMATH FALLS, (formerly Linkville), OREGON, in the County of Klamath, State of Oregon. ALSO that part of vacated Maple Alley adjoining Lot 6, Block 25 of said Original Town of Klamath Falls (formerly Linkville), Oregon, and all that portion of Lot 1 of Block 26, said Original Town of Klamath Falls, (formerly Linkville), lying Easterly of Conger Avenue. EXCEPTING from the above described property that portion thereof conveyed by Edward A. Dunham, et ux., to the City of Klamath Falls, Oregon, by deed recorded on Page 107 of Volume 123 of Deeds, Records of Klamath County, Oregon.

Lot 7, Block 25, ORIGINAL TOWN OF KLAMATH FALLS, (formerly Linkville), and that portion of vacated Maple Alley adjacent to said Lot 7 on the West and that portion of Lot 4, Block 26, Original Town of Linkville (now Klamath Falls) lying between said portion of vacated Maple Alley and the Easterly line of Conger Street, in the County of Klamath, State of Oregon.

SAVING AND EXCEPTING from the above described property all that portion thereof conveyed to the State of Oregon by Deed recorded on Page 193 of Volume 283 of Deeds, Records of Klamath County, Oregon.

PARCEL 2:

Lots 8 and 9, Block 25, ORIGINAL TOWN OF KLAMATH FALLS (formerly Linkville), in the County of Klamath, State of Oregon.

EXCEPTING that part in Book 283, Page 193, Deed Records of Klamath County, Oregon.

ALSO all that portion of South one-half of vacated Pine Street adjoining the above described property.