

AFTER RECORDING RETURN TO:

FRED MEYER SAVINGS AND LOAN ASSOCIATION
P.O. Box 5555
Portland, OR 97228
KEY ESCROW COMPANY
P.O. Box 1310, Corvallis

SUPPLEMENTAL LOAN AGREEMENT

THIS SUPPLEMENTAL LOAN AGREEMENT, Made this 14th day of January, 1980, by and between FRED MEYER SAVINGS & LOAN ASSOCIATION, an Oregon corporation, hereinafter called "First Party", and DON E. DENLINGER, LEE H. QUIRING, S. W. McPHERSON, JOHN F. KUMLEY, MARY A. KUMLEY, GLEN R. DURHAM and SIBYLL G. DURHAM, hereinafter called "Second Parties";

WITNESSETH That:

WHEREAS, First Party is the owner and holder of the beneficiary's interest in certain trust deeds upon contiguous properties in Benton County, Oregon, which said trust deeds are more particularly identified as follows:

<u>Loan Number</u>	<u>Date Deed of Trust Recorded</u>	<u>Parcel</u>	<u>Instrument Number</u>	<u>Microfilm Number</u>
24-256391-8	10/20/78	A	99831	100440
24-256394-2	10/20/78	B	99833	100442
24-256392-6	10/20/78	C	99832	100441
24-256393-4	10/20/78	D	99830	100439
24-256396-7	10/20/78	E	99835	100444
24-256395-9	10/20/78	F	99834	100443
24-256390-0	10/ 2/78	I	99253	99822
As modified and recorded			4098	4219
24-256388-7	10/ 3/78	J	99251	99820
24-256389-5	10/ 3/78	K	99252	99821
24-255684-7	6/28/78	L	95509	96060
24-255685-4	6/28/78	M	95506	96057
24-255682-1	6/28/78	N	95507	96058
24-254495-5	3/ 7/78	O	90547	91656
24-254494-8	3/ 7/78	P	90546	91655
24-255683-9	6/28/78	R	95508	96059

all of which cover an apartment complex known as "CINNAMON PARK" and are hereinafter referred to as the "Cinnamon Park trust deeds", which trust deeds were modified by an agreement dated and recorded May 10, 1979, Microfilm No. 4220, Benton County Records; and

WHEREAS, Second Parties propose to purchase the Cinnamon Park property, subject to said Cinnamon Park trust deeds; and

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WHEREAS, in order to complete said purchase, the said Don E. Denlinger, Lee H. Quiring and S. W. McPherson, hereinafter referred to as the "Denlinger group", propose to borrow ***** One Hundred Sixty-Five Thousand and no/cents----- (\$165,000.00*) from First Party, to be evidenced by a note and secured by a mortgage (the word "mortgage" shall be deemed to include "trust deed", if used, and also any security agreement and financing statement given with respect to the personal property pursuant to the Uniform Commercial Code of Oregon) upon certain real property in Klamath County, Oregon, more particularly described in Exhibit "A" attached hereto and hereinafter referred to as the "motel property"; and

WHEREAS, the parties have made certain agreements with respect to said Cinnamon Park trust deeds and the loan on the motel property which they desire to memorialize in writing as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual rights and obligations of the parties hereinafter set forth, it is agreed as follows:

1. First Party will loan the Denlinger group the sum of \$ 165,000.00* evidenced by a promissory note in said amount, bearing interest at the rate of 15.00% per annum, payable in equal monthly installments, including interest, to retire the principal balance thereof in twenty-five (25) years, but payable in full on or before four (4) years. Said note shall be secured by a mortgage upon the motel property.

2. Cinnamon Park includes two parcels which are each to be improved by a 4-plex. First Party has agreed to make construction loans to Second Parties on each of said two parcels, for the purpose of completing the proposed improvements thereon, according to the terms of a separate commitment letter issued by

First Party. It is understood and agreed that the trust deeds to be placed upon said two parcels shall be included within the definition of "Cinnamon Park trust deeds", as used herein.

3. The parties agree that any default upon the Cinnamon Park trust deeds shall be deemed a default upon the mortgage on the motel property, and that any default upon the mortgage on the motel property shall be deemed a default upon the Cinnamon Park trust deeds, and in either of such events shall permit the First Party to pursue any or all of its remedies provided in said trust deeds and mortgage, concurrently or consecutively, separately or in a single suit or action, for as long as such delinquency shall continue with respect to either or any of said security instruments.

4. Second Parties agree to proceed with all deliberate speed to convert the Cinnamon Park property into a condominium, and First Party agrees to cooperate toward that end. Upon the sale of units in said condominium, Second Parties agree that eighty percent (80%) of the scheduled sale prices of units, previously submitted to First Party and approved by it, shall be paid and applied toward the reduction of the Cinnamon Park trust deeds. When the Cinnamon Park trust deeds have been paid in full, then forty percent (40%) of the scheduled sale prices of the remaining condominium units shall be paid and applied on the balance of the note and mortgage upon the motel property. After the Cinnamon Park trust deeds have been paid in full, any units remaining unsold shall continue to secure the balance due on the note and mortgage on the motel property. After the Cinnamon Park trust deeds and the notes secured thereby have been paid in full, and the note and mortgage on the motel property have been paid in full, First Party shall deliver its cancelled notes to the Den-

linger group and Second Parties, satisfy its mortgage on the motel property and re-convey to Second Parties all of the units and property remaining subject to the lien of the Cinnamon Park trust deeds.

5. If the payments for unit releases in the amounts set forth above should, with respect to any trust deed and note secured thereby, exceed the balance due on such note and trust deed, then the excess shall, nevertheless, be paid to First Party for application to such other note or notes, secured by Cinnamon Park trust deeds, remaining unpaid.

6. This agreement shall be executed in three (3) counterparts, one of which shall be for the Second Parties, and the other two of which shall be for the First Party to record simultaneously in Klamath and Benton counties.

IN WITNESS WHEREOF, the parties have caused these presents to be duly executed as of the day and year first hereinbefore written and, with respect to the corporate party, by its officers thereunto duly authorized by its Board of Directors.

FIRST PARTY:

FRED MEYER SAVINGS & LOAN ASSOCIATION

By Stuart A. Davis

Title: Executive Vice President

By Linda Jungkeit

Title: Corporate Secretary

SECOND PARTIES:

Don E. Denlinger
Don E. Denlinger

Lee H. Quiring
Lee H. Quiring

S. W. McPherson
S. W. McPherson

John F. Kumley
John F. Kumley

Mary A. Kumley
Mary A. Kumley

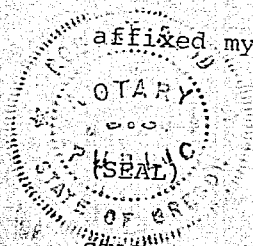
Glen R. Durham
Glen R. Durham

Sibyll G. Durham
Sibyll G. Durham

STATE OF OREGON)
) ss.
 County of Multnomah)

On this 14th day of January, 1980, before me appeared STUART DAVIS and LINDA JUNGKEIT, both to me personally known, who being duly sworn, did say that he, the said Stuart Davis, is the Executive Vice-President, and that she, the said LINDA JUNGKEIT, is the Corporate Secretary of FRED MEYER SAVINGS & LOAN ASSOCIATION, the within named corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and Stuart Davis and Linda Jungkeit acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



[Signature]
 Notary Public for Oregon
 My commission expires: 10-8-83

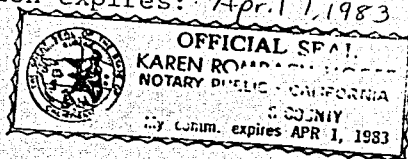
STATE OF ~~OREGON~~ Calif.)
) ss.
 County of Los Angeles)

On this 11th day of January, 1980, before me appeared the within named DON E. DENLINGER and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:

(SEAL)

Karen Rombach Moore
 Notary Public for Oregon
 My commission expires: Apr. 1, 1983

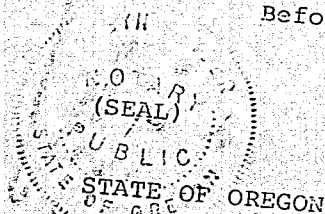


STATE OF OREGON)
) ss.
 County of Benton)

On this 17 day of January, 1980, before me appeared the within named LEE H. QUIRING and acknowledged the fore-

going instrument to be his voluntary act and deed.

Before me:



Robert Snider
Notary Public for Oregon
My commission expires: 5-16-81

STATE OF OREGON)
County of Benton) ss.

On this 17 day of January, 1980, before me
appeared the within named S. W. McPHERSON and acknowledged the
foregoing instrument to be his voluntary act and deed.

Before me:



Robert Snider
Notary Public for Oregon
My commission expires: 5-16-81

STATE OF CALIFORNIA)
County of LOS Angeles) ss.

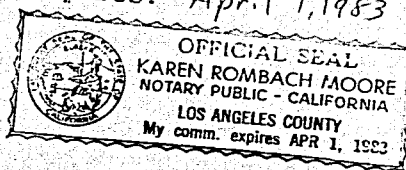
On this 11th day of January, 1980, before me
appeared the within named JOHN F. KUMLEY and MARY A. KUMLEY and
acknowledged the foregoing instrument to be their voluntary act
and deed.

Before me:

(SEAL)

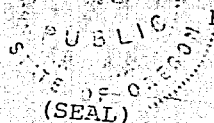
Karen Rombach Moore
Notary Public for California
My commission expires: Apr. 1, 1983

STATE OF OREGON)
County of) ss.



On this 21 day of January, 1980, before me
appeared the within named GLEN R. DURHAM and SIBYLL G. DURHAM and
acknowledged the foregoing instrument to be their voluntary act
and deed.

Before me:



Robert Snider
Notary Public for Oregon
My commission expires: May 16, 1981

PARCEL 2

A strip of land 16.5 feet by 100 feet in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 21, Township 27 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the Easterly right of way line of the Dalles-California Highway which lies South 19° 24' East a distance of 504.2 feet from the Southwest corner of Block 8, Chemult, Oregon, and running thence North 70° 36' East a distance of 100 feet; thence North 19° 24' West parallel with the Easterly line of the Dalles-California Highway a distance of 16.5 feet; thence South 70° 36' West 100 feet to the Easterly line of said highway; thence South 19° 24' East 16.5 feet to the point of beginning.

PARCEL 3

A portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 21, Township 27 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the Westerly line of the right of way of the Dalles-California Highway which is South 19° 24' East 130 feet from the Southeast corner of Lot 1, Block 7, Chemult, Klamath County, Oregon; thence South 70° 36' West 300 feet; thence South 19° 24' East 375 feet; thence North 70° 36' East 300 feet, more or less, to the Westerly line of the Dalles-California Highway; thence along the Westerly line of the right of way of said highway, North 19° 24' West 375 feet to the point of beginning.

STATE OF OREGON; COUNTY OF KLAMATH; ss.
 Filed for record at request of Transamerica Title Company
 this 22nd day of January A. D. 1980 at 4:41 o'clock P. M., and
 duly recorded in Vol. M-80, of Mortgages on Page 1344

W. D. MILNE, County Clerk

Fee \$24.50