

08-06-93A10:03 RCVD

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MTC 1396-6518

Vol. m93 Page 19455

FILED
STATE OF OREGON
MARION COUNTY
CLERK OF COURT

JUL 29 AM 8 30

TRIAL COURT ADMINISTRATOR

BY _____

Case No. 85-1842

1 IN THE CIRCUIT COURT FOR THE STATE OF OREGON
2 FOR THE COUNTY OF MARION

3 GILBERT C. CARDWELL, Limited)
4 Partner and Chairman of Committee)
5 for Limited Partners of REAL)
6 ESTATE LOAN FUND, OREG. LTD.)

7 Plaintiff,)

8 vs.)

9 REAL ESTATE LOAN FUND, OREG. LTD.,)
10 an Oregon limited partnership and)
11 MORTGAGE BANCORPORATION, an Oregon)
12 corporation, the general partner)
13 of REAL ESTATE LOAN FUND, OREG.)
14 LTD.)

15 Defendants.)

16 JUDGMENT ORDER

17 THIS MATTER having come before the Court upon Stipulation of
18 the parties, the plaintiff appearing by and through Bruce E.
19 Jarman and the defendants appearing by and through William
20 MacAllister; and the Court having reviewed and considered the
21 stipulated petition herein;

22 NOW, THEREFORE, IT IS ORDERED AS FOLLOWS:

23 1. That Real Estate Loan Fund, Oreg. Ltd. be dissolved and
24 that it continue in its winding-up phase.

25 2. That Michael B. Batlan be, and hereby is, appointed as
26 receiver of Real Estate Loan Fund, Oreg. Ltd. effective September
1, 1985, and that during August 1985, Mr. Batlan, for compen-
sation to be agreed upon between the parties and approved by the
Court, work with the present staff of Mortgage Bancorporation to

Page 1 - JUDGMENT ORDER

SCHLEGEL & JARMAN
Attorneys at Law

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TRIAL COURT RECORD

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1 effect an orderly transition of management.

2 3. That the amount of the receiver's bond is hereby fixed in
3 the amount of \$ 75,000.

4 4. That the compensation to be paid to the receiver be
5 \$3,500 a month, commencing September 1, 1985, for the first three
6 months and \$1,500 a month thereafter until termination of the
7 partnership; and, at termination a bonus of 6% of any amount
8 returned to limited partners in excess of 15% of their contri-
9 bution, said bonus not to exceed \$70,000.

10 DATED this 29th day of July, 1985.

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12 Circuit Court Judge
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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF MARION

GILBERT C. CARDWELL, Limited
Partner and Chairman of Committee
for Limited Partners of REAL
ESTATE LOAN FUND, ORE. LTD.,

No. 85-1842

Plaintiff,

STIPULATED ORDER
AMENDING AND SUPPLE-
MENTING JUDGMENT
ORDER ENTERED
JULY 29, 1985

vs.

REAL ESTATE LOAN FUND, ORE., LTD.
an Oregon limited partnership; and
MORTGAGE BANCORPORATION, an Oregon
corporation, the general partner
of REAL ESTATE LOAN FUND, ORE.,
LTD.,

Defendants.

THIS MATTER having come before this court upon the motion
of Michael B. Batlan, receiver of Real Estate Loan Fund, Ore.,
Ltd. (RELF), by and through Craig McMillin of Mills & McMillin,
of his attorneys, and it appearing to this court that the
plaintiff, as well as the secured creditor, have stipulated
and agreed to the entry of this order, and the court being fully
advised in the premises, now, therefore, it is hereby

ORDERED as follows:

1. The operating budget dated November, 1984 and the
receiver's first report dated November, 1985 are hereby approved;
2. The receiver may sell any asset with a book value
of \$35,000 or less without prior approval of the court and account
to the court thereafter for such sale(s);
3. Hereafter, the receiver shall only be required to
give notice of his actions, requests for authority to act, and

Page 1 - STIPULATED ORDER AMENDING AND SUPPLEMENTING JUDGMENT ORDER
ENTERED JULY 29, 1985

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JULY 29, 1985

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1 to provide copies of his periodic reports to Seafirst, Bruce E.
2 Jarman, attorney for plaintiff, claimants who specifically request
3 notice pursuant to paragraph 4 and the following five largest
4 creditors and limited partners of RELF:

- 5 a. George Gross, Trustee
- 6 b. Boatwright Engineering, Inc.
- 7 c. James O. or Barbara E. Gallagher
- 8 d. Desmond J. or Barbara C. Rains
- 9 e. Ernest E. Monner

10 4. Any limited partner or creditor desiring notice of
11 future actions of this receiver, including the filing of periodic
12 reports and the requests by the receiver of specific authority
13 to take certain actions, shall file with the court a statement
14 of their desire to receive such notice. Any person not requesting
15 such notice shall not receive notice of future actions and shall
16 be stopped and barred from objecting to any actions of, or the
17 failure to act by, the receiver.

18 5. The receiver is hereby granted the authority to proceed
19 and act as follows without further approval of this court:

- 20 a. To use a portion of the monies received by him
21 from payors under promissory notes, buyers under real estate
22 contracts or otherwise, which monies are subject to the security
23 interest in favor of Seafirst, in sufficient amounts necessary
24 to pay the budgeted expenses. All monies received by the receiver
25 shall continue to be deposited in the collateral control account
26 at The Oregon Bank in Salem, Oregon. Seafirst will periodically

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1 allow monies to be transferred from said collateral control
2 account back to the receiver's general operating account from
3 which budgeted expenses can be paid. Seafirst consents to the
4 above, but retains its right to withdraw its consent at any
5 time in the future. The debt of RELF to Seafirst shall not
6 be reduced by the amount transferred from the collateral control
7 account back to the receiver's general operating account. Rather,
8 the debt shall be reduced only by those amounts actually received
9 by Seafirst in Seattle, Washington and applied against RELF's
10 debt to it.

11 b. To expend funds for the items set forth in said
12 operating budget, in the amounts set forth therein, without
13 further approval of the court.

14 c. To execute all documents necessary to grant and
15 perfect security interests in favor of Seafirst in Seafirst's
16 existing collateral or the proceeds thereof, whether real or
17 personal property, or any substitute collateral therefor and/or
18 to continue Seafirst's existing security interests. Without
19 limiting the above, it is expected that the receiver will be
20 required to, and is granted authority to, execute the necessary
21 documents in the following situations:

22 i. Where Seafirst presently is the benefi-
23 ciary under a trust deed or a mortgagee on real property owned
24 by RELF and where RELF, acting through the receiver, wishes
25 to sell the real property to a third party who establishes credit
26 worthiness, the receiver may grant Seafirst a security interest

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1 in the promissory note, mortgage and/or trust deed given by
2 the buyer of said property to RELF to secure payment of the
3 unpaid purchase price therefor. In such a situation, Seafirst
4 shall also receive any cash sale proceeds;

5 ii. Where RELF is presently financing the
6 purchase of real property to a third party and RELF, acting
7 through the receiver, wishes to foreclose the trust deed or
8 mortgage given it to secure payment of the unpaid purchase price
9 because the purchaser thereof is in default, the receiver may
10 grant Seafirst a trust deed or mortgage on the real property
11 foreclosed in exchange for Seafirst's releasing its security
12 interest in the note and mortgage or trust deed in favor of
13 RELF. If said real property is purchased at any foreclosure
14 sale by a third party, Seafirst shall receive the sale proceeds
15 as proceeds of its collateral.

16 d. To execute any documents necessary to extend
17 the terms of that master note for multiple advances dated Febru-
18 ary 6, 1984 between Seafirst and RELF and any loan agreements
19 associated therewith.

20 e. To employ such consultants as the receiver may
21 deem necessary, up to a total quarterly maximum of \$3,000.

22 f. To grant Seafirst a security interest securing
23 all sums owing Seafirst in any and all office equipment, furni-
24 ture, including but not limited to telephone systems, purchased
25 by the receiver after his appointment as receiver with monies
26 * * * *

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1 in which Seafirst had a security interest.

2 DATED THIS 11 day of March, 1986.

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Robert R. Edwards
Circuit Court Judge

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Jeffrey A. Spere
Jeffrey A. Spere, Attorney for
Seattle-First National Bank, N.A.
OSB #75349

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Gilbert C. Cardwell
Gilbert C. Cardwell, Plaintiff

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ENTERED JULY 29, 1985

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 6th day
of August A.D., 19 93 at 10:03 o'clock A M., and duly recorded in Vol. 893
of Miscellaneous on Page 19455.

FEE \$30.00

Evelyn Biehn County Clerk

By Robert R. Edwards