

HOUSING LOAN AGREEMENT

This agreement is entered this _____ day of _____, 2017 between the Unitarian Universalist Fellowship of Central Oregon as Lender and Reverend Scott Rudolph and Rebecca Rudolph as Borrower.

Whereas, Reverend Rudolph has been hired as the settled Minister of UUFCO; and

Whereas, the Board of Trustees of UUFCO is aware that the housing costs in Bend, Oregon are substantially higher than in Pittsburg, Pennsylvania where Borrowers are from; and

Whereas, Lender desires to assist Borrower in the acquisition of a new home in Bend, Oregon; and

Whereas, the parties wish to set down the terms upon which Lender will assist Borrower in acquiring a residence in Bend, Oregon.

The parties therefore agree as follows:

1. Loan. Lender agrees to loan Borrower the sum of \$100,000 to be used by borrower to acquire a home in Bend, Oregon, a legal description of which is attached hereto as Exhibit A.
2. Terms. The terms of the loan are as follows:
 - a. The funds will be made available to Borrower upon demand and will be used by Borrower for the sole purpose of acquiring the Exhibit A property.
 - b. In order to satisfy the requirements of the Internal Revenue Service, the loan will bear interest at the rate of ___% per annum. Interest shall be paid by Borrower to

Lender annually on or before the 31st day of December of each calendar year.

- c. Lender agrees to pay Borrower at the end of each calendar year additional compensation (above his current contract amount) in a sum equal to the interest which is due at the end of each calendar year in order to supply a fund so that the loan will be as interest free as possible. Borrower understands that he will have deducted from this additional compensation each year the required payroll deductions of Social Security and Medicaid as may be required by IRS regulations. This means that the loan will cause an out of pocket expense to Borrower equal to those mandatory tax deductions.
- d. In order to satisfy IRS requirements and for the UUFCO Board of Trustees to act in a prudent manner in this transaction, Borrower agrees that at the time of the loan Borrower will execute a promissory note in the form shown on Exhibit B and a second Trust Deed upon the Exhibit A property in the form shown on Exhibit C.
- e. It is intended by the parties that this loan will remain in full force and effect until either 1) Borrower sells the Exhibit A property or 2) until Reverend Scott Rudolph is no longer the settled minister of UUFCO. If either event should occur the full amount of the loan plus any then accrued interest shall become payable in full. It is intended by the parties that the loan shall continue upon the terms outlined above so long as Reverend Scott Rudolph is the settled minister of UUFCO.
- f. Neither this agreement nor the benefits thereof may be assigned by Borrower to any other person or entity

without the prior written consent of Lender as this agreement is being entered based upon the desire of UUFECO to benefit Borrower. The consent of Lender shall be in the sole discretion of Lender.

3. Attorney fees. In the event of a breach of this agreement, the note or the Deed of Trust the note shall become immediately due and payable and if any suit or action is brought to enforce the note or Deed of Trust or to interpret the same, the prevailing party shall be entitled to recover as part of its costs its reasonable attorney fees incurred in any such suit or action.
4. Mediation. Prior to either party instituting any legal action or suit the parties agree that they will attempt to resolve any issues then existing between them with regard to this agreement or the underlying note and Trust Deed by submitting the same to a mediator of their choosing. If they cannot agree upon a mediator within thirty (30) days of a request by one party for mediation, they shall each choose a mediator and the two so chosen shall select a third and that third mediator shall conduct a hearing to resolve all matters. The costs of such mediation shall be borne equally between the parties. If mediation is unsuccessful, the parties may file a legal proceeding to resolve the issues.
5. Binding effect. This agreement shall be binding upon and inure to the benefit of the respective heirs, successors and permitted assigns of the parties.
6. Waiver. The waiver by either party of a breach by the other in one instance shall not constitute a waiver of a subsequent breach of that or any other provision of the documents.

7. Effect of breach. A breach of one document in this transaction shall constitute a breach of each other document of this transaction.

Executed in Duplicate on the above date.

UUFCO (Lender)

Scott Rudolph

By: _____

President

Borrower

Rebecca Rudolph

Borrower