

mrc 25837

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR KLAMATH COUNTY

THE FEDERAL LAND BANK OF SPOKANE,  
a corporation,

Plaintiff,

vs.

KEITH E. McCLUNG and BEVERLY J.  
McCLUNG, husband and wife;  
KENNETH PEDERSEN and SUSAN  
PEDERSEN, husband and wife;  
RICHARD VAUGHN; LARRY VAUGHN;  
BASIN FRESH FARMS, INC., a  
corporation,

Defendants.

No. 87-223 CV

STIPULATED AMENDMENT TO  
JUDGMENT, AND LIEN

and

ORDER

Plaintiff, Farm Credit Bank of Spokane, successor-by-merger  
to The Federal Land Bank of Spokane, ("Bank") and Defendants,  
Keith E. McClung and Beverly J. McClung, husband and wife, and  
each of them ("McClungs") hereby stipulate:

1. That certain Judgment dated July 25, 1988, and entered in  
the Klamath County Judgment records on September 7, 1988, is  
hereby amended as follows:

a. Bank agrees that the amount of the deficiency  
portion of the Judgment collected by Bank shall not exceed  
the amount of the remaining indebtedness owed on the  
Promissory Note executed by McClungs in favor of Bank on  
April 13, 1990.

b. The Judgment shall be a lien only upon the following  
described real property, currently held in trust for McClungs  
by Bennett G. Brown and Janice I. Brown, as tenants by the  
entirety, ("Browns"), and not a lien upon any other real or

1 personal property, nor shall the judgment be executed against  
2 any other real or personal property owned by McClungs or in  
3 which they have a beneficial interest:

4 The following property situate in Klamath  
5 County, State of Oregon, to-wit:

6 A tract of land situated in Lot 4, JUNCTION  
7 ACRES, according to the official plat thereof  
8 on file in the office of the County Clerk of  
Klamath County, Oregon, more particularly  
described as follows:

9 Beginning at the Southwesterly corner of  
10 Parcel 1 of Major Land Partition No. 36-89, on  
the Southerly line of said Lot 4, North 71  
11 degrees 16' 48" West 484.74 feet from the  
Southeasterly corner of said Lot 4; thence  
12 following along the boundaries of Parcels 1  
and 2 of said Land Partition No. 36-89, North  
10 degrees 00' 00" East 347.80 feet; South 82  
13 degrees 39' 00" East 112.57 feet and North 07  
degrees 21' 00" East, 301.05 feet to the North  
14 line of said Lot 4; thence South 89 degrees  
54' 00" West 378.42 feet to the Northwest  
corner of said Lot 4; thence South 00 degrees  
15 01' 00" East 569.20 feet to the Southwesterly  
corner of said Lot 4; thence South 71 degrees  
16 16' 48" East 177.06 feet, more or less, to the  
point of beginning, with bearings based on  
17 Survey No. 4824, as filed in the office of  
Klamath County Surveyor.

18 2. By their signatures appearing below, Browns acknowledge  
19 and affirm the terms of this Stipulation between McClungs and  
20 Bank, and agree to the attachment of this Judgment as a lien on  
21 the property described above in Paragraph 1 b; and, further agree  
22 to hold Bank harmless from any and all claims or damage, of  
23 whatever kind and nature, which might arise by virtue of this  
24 Stipulation or the enforcement of this Judgment by Bank against  
25 the property described in Paragraph 1 b, above.

26 3. This stipulation is entered into in accordance with the

1 Modification to Agreement and Covenant Not to Execute dated and  
 2 executed contemporaneously herewith. Both documents shall be read  
 3 and construed together should any dispute arise between the  
 4 parties as to the intent of this Stipulation.

5 4. Each party whose signature appears below has been  
 6 represented by counsel, or has chosen freely and voluntarily to  
 7 execute this document without benefit of counsel, after being  
 8 advised to seek counsel, and fully understands and agrees to all  
 9 the terms hereof.

10 Date:

Signature:

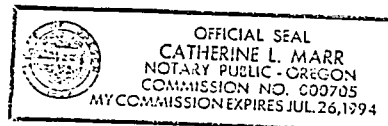
11 \_\_\_\_\_  
 12 *Keith E. McClung*  
 13 Keith E. McClung

14 \_\_\_\_\_  
 15 *Beverly J. McClung*  
 16 Beverly J. McClung

15 STATE OF OREGON )  
 16 Jackson ) ss.  
 17 County of Klamath )

18 On the 22<sup>nd</sup> day of July, 1991, personally appeared  
 19 before me the above named Keith E. McClung and Beverly J. McClung,  
 20 husband and wife, and acknowledged the foregoing instrument to be  
 21 their voluntary act and deed.

(SEAL)



22 \_\_\_\_\_  
 23 *Catherine L. Marr*  
 24 Notary Public for Oregon  
 25 My Commission expires 1-26-94

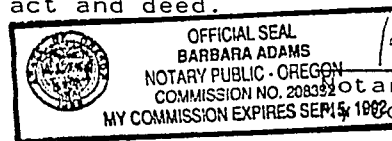
26 \_\_\_\_\_  
 27 *Bennett G. Brown*  
 28 Bennett G. Brown

\_\_\_\_\_ *Janice I. Brown*  
 Janice I. Brown

1 STATE OF OREGON )  
 2 County of Klamath ) ss.

3 On the 23<sup>RD</sup> day of JULY, 1991, personally appeared  
 4 before me the above named Bennett G. Brown and Janice I. Brown,  
 husband and wife, and acknowledged the foregoing instrument to be  
 5 their voluntary act and deed.

6 (SEAL)



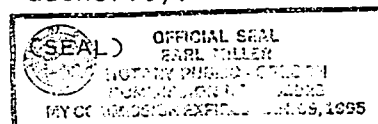
7  
 8 FARM CREDIT BANK OF SPOKANE  
 9 Successor-in-merger to The  
 Federal Land Bank of Spokane

10 7-23-91

11 By: Ann Hilton  
 12 Ann Hilton, Credit Officer

13 STATE OF OREGON )  
 14 County of Klamath ) ss.

15 On the 23<sup>rd</sup> day of July, 1991, personally appeared  
 16 before me the above named Ann Hilton who did say she was a Credit  
 Officer for the above named Farm Credit Bank of Spokane, a  
 17 corporation, and acknowledged the foregoing instrument was signed  
 on the behalf of said corporation and within her capacity and  
 authority.



18 Earl Miller  
 19 Notary Public for Oregon  
 My Commission expires 1-9-95

20 APPROVED AS TO FORM:

21 7/22/91

22 Garrison Turner  
 Garrison Turner, Attorney  
 for Keith and Beverly McClung

23 7/23/91

24 J. Anthony Giacmini  
 J. Anthony Giacmini, Attorney  
 for Farm Credit Bank of Spokane

25  
 26 ORDER

ORDER CONTINUED ON NEXT PAGE

STIPULATED AMENDMENT TO  
 JUDGMENT AND LIEN AND ORDER  
 Page -4- of 5



ORDER

Upon consideration of the foregoing Stipulation, and good cause appearing therefor under the provisions of the Stipulation of the parties and ORCP 71,

IT IS HEREBY ORDERED AND ADJUDGED that the judgment formerly entered by this Court on September 7, 1988, is modified to incorporate the terms and provisions of paragraphs 1(a) and 1(b) set forth in the Stipulation of the parties.

Dated this 23rd day of July, 1991.

Donald A. Pepin  
Circuit Court Judge

1 IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR KLAMATH COUNTY  
 2 THE FEDERAL LAND BANK OF SPOKANE, )  
 3 a corporation, )

4 Plaintiff, )

No. 87-223 CV

5 vs. )

MODIFICATION OF AGREEMENT  
 AND COVENANT NOT TO  
 EXECUTE

6 KEITH E. McCLUNG and BEVERLY J.  
 7 McCLUNG, husband and wife;  
 8 KENNETH PEDERSEN and SUSAN  
 9 PEDERSEN, husband and wife;  
 RICHARD VAUGHN; LARRY VAUGHN;  
 BASIN FRESH FARMS, INC., a  
 corporation,

Defendants. )

10 WHEREAS, Farm Credit Bank of Spokane, successor-by-merger to  
 11 The Federal Land Bank of Spokane, ("Bank") had a Judgment entered  
 12 on September 7, 1988, against Keith E. McClung and Beverly J.  
 13 McClung, husband and wife, and each of them, ("McClungs"), arising  
 14 out of a foreclosure action in the Circuit Court of the State of  
 15 Oregon for Klamath County, number 87-223 CV; and

16 WHEREAS, Bank and McClungs entered into an Agreement and  
 17 Covenant Not to Execute, first dated April 13, 1990, a true copy  
 18 of which is attached hereto as Exhibit "A"; and

19 WHEREAS, Bank and McClungs desire to modify the aforesaid  
 20 Agreement and Covenant Not to Execute to the extent provided  
 21 below.

22 NOW, THEREFORE, Bank and McClungs hereby stipulate as  
 23 follows:

- 24 1. McClungs have acquired an interest in property  
 25 hereafter described, which property is held in trust for them  
 26

MODIFICATION OF AGREEMENT AND  
 COVENANT NOT TO EXECUTE  
 Page -1- of 7

1 by the current owners of record, Bennett G. Brown and Janice

2 I. Brown, as tenants by the entirety, ("Browns"):

3 The following property situate in Klamath  
4 County, State of Oregon, to-wit:

5 A tract of land situated in Lot 4, JUNCTION  
6 ACRES, according to the official plat thereof  
7 on file in the office of the County Clerk of  
8 Klamath County, Oregon, more particularly  
9 described as follows:

10 Beginning at the Southwesterly corner of  
11 Parcel 1 of Major Land Partition No. 36-89, on  
12 the Southerly line of said Lot 4, North 71  
13 degrees 16' 48" West 484.74 feet from the  
14 Southeasterly corner of said Lot 4; thence  
15 following along the boundaries of Parcels 1  
16 and 2 of said Land Partition No. 36-89, North  
17 10 degrees 00' 00" East 347.80 feet, South 82  
18 degrees 39' 00" East 112.57 feet and North 07  
19 degrees 21' 00" East, 301.05 feet to the North  
20 line of said Lot 4; thence South 89 degrees  
21 54' 00" West 378.42 feet to the Northwest  
22 corner of said Lot 4; thence South 00 degrees  
23 01' 00" East 569.20 feet to the Southwesterly  
24 corner of said Lot 4; thence South 71 degrees  
25 16' 48" East 177.06 feet, more or less, to the  
26 point of beginning, with bearings based on  
Survey No. 4824, as filed in the office of  
Klamath County Surveyor.

17 2. McClungs covenant that their interest in the  
18 aforesaid real property described in Paragraph 1, amounts to  
19 at least the current fair market value of \$27,000.00.

20 3. McClungs covenant and agree to execute, in favor of  
21 Bank, a Stipulated Amendment to that certain Judgment  
22 recorded September 7, 1988, entitled "Stipulated Amendment to  
23 Judgment and Lien" (hereinafter "Stipulated Judgment"), a  
24 true copy of said Stipulated Judgment to be executed by  
25 McClungs is attached hereto as Exhibit "B" and incorporated  
26 herein as though fully set forth hereat. Execution and

1 recording of said Stipulated Judgment is a condition  
2 precedent to any performance of the terms or covenants  
3 herein.

4 4. McClungs and Browns each covenant and agree to waive  
5 all statutory or other exemptions, including any homestead  
6 exemption, which either may have in the property described in  
7 Paragraph 1 herein, which property is hereafter, by virtue of  
8 this Modification and the Stipulated Judgment, subject to a  
9 lien in favor of Bank as set forth in said Stipulated  
10 Judgment.

11 5. McClungs agree that the remaining indebtedness owed  
12 to Bank will be paid in full at the earliest of the  
13 following:

14 a. Sale, in whole or in part, of the property  
15 described in Paragraph 1;

16 b. Transfer, other than by sale of any interest in  
17 the property, or transfer to the McClungs.

18 c. The death of either Keith McClung or Beverly  
19 McClung;

20 d. The first lien to Klamath First Federal is  
21 increased to more than \$75,000.00;

22 e. The final due date on the promissory note.

23 6. Bank agrees it will not execute or otherwise enforce  
24 the Stipulated Judgment so long as McClungs are in full  
25 compliance with all the terms and conditions of the  
26 Promissory Note executed by McClungs on April 13, 1990, in



1 favor of Bank. Upon full payment of McClungs' obligation,  
2 Bank shall return the Promissory Note to McClungs. Any  
3 execution in the event of a default shall be limited to  
4 proceedings against the property identified in Paragraph 1 of  
5 this Modification.

6 7. In the event of default by McClungs in the terms of  
7 the aforesaid Promissory Note for a period of more than  
8 fifteen (15) days' after mailing by Bank of notice of said  
9 default, McClungs agree that Bank may immediately pursue any  
10 and all remedies to collect the remaining indebtedness  
11 according to the Stipulated Judgment and this Modification  
12 without further notice to McClungs. Notice to be provided to  
13 McClungs at the following address: 8333 Hwy. 140 E., Klamath  
14 Falls, Oregon 97603, and to McClungs' attorney, Garrison F.  
15 Turner at Frohnmayr, Deatherage, Pratt, Jamieson & Turner,  
16 P.C., PO Box 1299, Ashland, Oregon 97620.

17 8. Browns expressly waives any claim in or to the real  
18 property each might assert against Bank and agree that all  
19 rights of Bank created by the Stipulated Judgment shall be,  
20 and are agreed to be, superior to any claim of Browns in and  
21 to the property.

22 9. Browns and McClungs each agree that if Bank is  
23 required to appear in, or defend, any action or proceeding at  
24 law, or in equity, or in bankruptcy, or in arbitration, in  
25 any way affecting Bank's rights created by this instrument or  
26 by the Stipulated Judgment, or both, Brown and McClungs

1 agree, jointly and severally, to repay Bank any amount it  
2 expends. The amounts referred to in this provision shall  
3 include all costs, charges and expenses, including costs of  
4 evidence of title, or validity and priority of Bank's rights,  
5 and attorney fees (both at trial and upon appeal) in a  
6 reasonable sum.

7 10. In construing this Modification, the following  
8 provisions govern:

9 (a) This Modification shall be construed under the  
10 laws of the State of Oregon regardless of where signed,  
11 and shall be construed as though prepared by each party  
12 hereto.

13 (b) All agreements and covenants contained herein  
14 are severable and, in the event any of them shall be  
15 held to be invalid by a competent court, this  
16 Modification shall be interpreted as though such invalid  
17 provisions were not contained herein.

18 (c) Pronouns used in this Modification shall be  
19 construed in accordance with the appropriate gender and  
20 neuter, and as either singular or plural as the context  
21 requires.

22 11. In addition to all other representations and  
23 covenants contained herein, the parties agree and covenant as  
24 follows:

25 (a) All provisions contained herein are  
26 contractual and not mere recitals.

(b) All recitals herein are recitals of true fact.

(c) All of the information provided to Bank by McClungs, upon which Bank has relied in entering into this Modification is true and accurate.

(d) Prior to the execution of this Modification, the terms, covenants and conditions hereof have been fully explained to each party by independent counsel or any party appearing without benefit of counsel has chose to do so after being advised to seek counsel; each party has freely entered into this Modification and agrees to be bound by each and every provision hereof.

12. Except as expressly modified herein, all provisions of the Agreement and Covenant set forth in Exhibit "A" in its entirety, remain in full force and effect.

Dated:

7-22-91

Signature:

Keith E. McClung  
Keith E. McClung

7-22-91

Beverly J. McClung  
Beverly J. McClung

FARM CREDIT BANK OF SPOKANE  
Successor-in-merger to The  
Federal Land Bank of Spokane

7/23/91

By: Ann Hilton  
Ann Hilton, Credit Officer

ACKNOWLEDGMENT AND CONSENT

The undersigned acknowledge the foregoing instrument; are fully aware of its provisions; have signed this Acknowledgment

1 after having had full opportunity to consult an attorney of their  
2 choice; agree to be fully bound by each provision of the  
3 foregoing; and agree to do, execute, and deliver whatever further  
4 acts, transfers, assignments, conveyances, or documents and/or  
5 instruments required by Bank in order to achieve the purposes of  
6 this Modification or the Stipulated Amendment to Judgment and  
7 Lien, or both.  
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Bennett G. Brown  
Bennett G. Brown

Janice I. Brown  
Janice I. Brown



## IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR KLAMATH COUNTY

2 THE FEDERAL LAND BANK OF SPOKANE, )  
 a corporation )

3 Plaintiff, )

No. 87-223 CV

4 vs. )

AGREEMENT AND COVENANT  
 NOT TO EXECUTE

5 KEITH E. McCLUNG and BEVERLY J. )  
 6 McCLUNG, husband and wife; KENNETH )  
 PEDERSEN and SUSAN PEDERSEN, )  
 7 husband and wife; RICHARD VAUGHN; )  
 LARRY VAUGHN; BASIN FRESH FARMS, )  
 8 INC., a corporation, )

9 Defendants. )

10 WHEREAS, Farm Credit Bank of Spokane, successor-in-merger to The  
 11 Federal Land Bank of Spokane, ("Bank") has a Judgment, filed September  
 12 7, 1988, against Keith E. McClung and Beverly J. McClung, husband and  
 13 wife, ("McClung"), arising out of a foreclosure action in the Circuit  
 14 Court of the State of Oregon for Klamath County, number 87-223 CV;

15 WHEREAS, McClungs desire to fully compromise and settle said  
 16 Judgment against <sup>McClungs</sup> with Bank on the terms and conditions set forth  
 herein;

17 NOW, THEREFORE, In consideration of the sum of Twenty-seven  
 18 Thousand and no/100ths Dollars (\$27,000.00) to be paid over a period  
 19 of one-hundred twenty (120) months, beginning April 1, 1990, at the  
 20 rate of not less than \$225.00 per month, payable on the first day of  
 21 each and every consecutive month until paid in full, Bank and McClungs  
 22 hereby agree and covenant as follows:

23 1. Bank agrees not to execute upon this Judgment, or  
 24 utilize any other enforcement proceedings, against McClung as  
 25 long as McClung makes the aforesaid agreed upon payments in a  
 26 timely manner.

AGREEMENT AND COVENANT  
 NOT TO EXECUTE  
 Page -1- of 5

EXHIBIT "A" TO MODIFICATION

1           2. In the event any payment is untimely Bank further  
2 agrees that no further action will be taken to enforce its  
3 Judgment without notice of default, and fifteen (15) days'  
4 opportunity for McClung to cure said default; the 15 days to  
5 cure to begin upon mailing of said notice of default by  
6 Bank. Notices shall be mailed concurrently to both McClung  
7 at 3933 Rio Vista, Klamath Falls, Oregon 97603, or such  
8 other address as McClung shall subsequently provide, and to  
9 McClungs' attorneys, Frohnmayer, Deatherage, Pratt, Jamieson  
10 & Turner, PO Box 4280, Medford, Oregon 97501.

11           3. McClung agrees to make payments to the office of Bank at  
12 900 Klamath Avenue, Klamath Falls, Oregon 97601.

13           4. Bank further agrees to execute and deliver to McClung, a  
14 full satisfaction of the judgment entered in this case, upon  
15 request by McClung, as soon as the aforesaid agreed upon payments  
16 have been made in full.

17           5. Bank further agrees to allow prepayment of any and all  
18 of the balance remaining, at any time, without penalty to  
19 McClung.

20           6. McClung further agrees to execute and deliver to Bank,  
21 contemporaneously herewith, a non-interest bearing promissory  
22 note to Bank as the said \$27,000.00 consideration referred to  
23 above, in the form attached hereto as Exhibit "A". Execution and  
24 delivery of said promissory note by McClung is a condition  
25 precedent to any performance of the terms or covenants herein by  
26 Bank.

1           7. In the event of default by McClung, which is not cured  
2 with the time specified in Paragraph 2 above, Bank is free to  
3 exercise all rights under the law to enforce its Judgment and to  
4 recover statutory interest on it from the default date, subject  
5 only to credit to McClungs for amounts paid prior to default.

6           8. This Agreement and Covenant is binding upon Bank and  
7 McClung and their respective heirs, executors, administrators,  
8 and any successors-in-interest or assigns of each, as the  
9 circumstances shall apply.

10           9. In construing this Agreement and Covenant, the following  
11 provisions govern:

12           (a) This Agreement and Covenant shall be construed  
13 under the laws of the State of Oregon regardless of where  
14 signed, and shall be construed as though prepared by each  
15 party hereto.

16           (b) All agreements and covenants contained herein are  
17 severable and, in the event any of them shall be held to be  
18 invalid by a competent court, this Agreement and Covenant  
19 shall be interpreted as though such invalid provisions were  
20 not contained herein.

21           (c) Pronouns used in this Agreement and Covenant shall  
22 be construed in accordance with the appropriate gender and  
23 neuter, and as either singular or plural as the context  
24 requires.

25           (d) This Agreement and Covenant merge all prior  
26 negotiations, interpretations, oral agreements and written

1 agreements between Bank and McClung and contains the entire  
2 agreement between the parties.

3 10. In addition to all other representations and covenants  
4 contained herein, the parties agree and covenant as follows:

5 (a) McClung covenants they are solvent and do not  
6 intend to file any action in bankruptcy respecting any  
7 judgment referenced herein.

8 (b) In the event McClung files a bankruptcy action  
9 prior to payment to Bank of the \$27,000.00 specified herein,  
10 Bank reserves the right to file a claim in the bankruptcy  
11 court for the total amount of the Judgment (principal and  
12 interest specified in the Judgment) obtained in the Circuit  
13 Court of the State of Oregon for Klamath County case number  
14 87-223 CV, less credit to McClungs for any payments made by  
15 McClungs pursuant to this Agreement.

16 (c) All provisions contained herein are contractual  
17 and not mere recitals.

18 (d) All recitals herein are recitals of true fact.

19 (e) All of the information provided to Bank by  
20 McClung, upon which Bank has relied in entering into this  
21 Agreement and Covenant, fully and truthfully sets forth the  
22 financial condition of McClung.

23 (f) Prior to the execution of this Agreement and  
24 Covenant, the terms, covenants and conditions hereof have  
25 been fully explained to each party by independent counsel;  
26 each party has freely entered into this Agreement and



14898

1 Covenant and agrees to be bound by and every provision  
2 hereof.

3 Dated:

Signature:

4  
5 4-13-90

Keith E. McClung  
Keith E. McClung

6  
7 4-13-90

Beverly J. McClung  
Beverly J. McClung

8  
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10  
11 5-2-90

FARM CREDIT BANK OF SPOKANE  
Successor-in-merger to The  
Federal Land Bank of Spokane

By: Steve Keady  
Steve Keady,  
Credit Officer

12  
13 APPROVED BY:  
14

Garrison Turner, Attorney  
for Keith and Beverly McClung

15  
16  
17 5-2-90

Karla J. Knieps, Attorney  
for Farm Credit Bank of Spokane

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1 IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR KLAMATH COUNTY  
 2 THE FEDERAL LAND BANK OF SPOKANE, )  
 3 a corporation, )

4 Plaintiff, )

No. 87-223 CV

5 vs. )

STIPULATED AMENDMENT TO  
 JUDGMENT, AND LIEN

6 KEITH E. McCLUNG and BEVERLY J. )  
 7 McCLUNG, husband and wife; )  
 8 KENNETH PEDERSEN and SUSAN )  
 9 PEDERSEN, husband and wife; )  
 RICHARD VAUGHN; LARRY VAUGHN;  
 BASIN FRESH FARMS, INC., a  
 corporation, )

and

ORDER

Defendants. )

10  
 11 Plaintiff, Farm Credit Bank of Spokane, successor-by-merger  
 12 to The Federal Land Bank of Spokane, ("Bank") and Defendants,  
 13 Keith E. McClung and Beverly J. McClung, husband and wife, and  
 14 each of them ("McClungs") hereby stipulate:

15 1. That certain Judgment dated July 25, 1988, and entered in  
 16 the Klamath County Judgment records on September 7, 1988, is  
 17 hereby amended as follows:

18 a. Bank agrees that the amount of the deficiency  
 19 portion of the Judgment collected by Bank shall not exceed  
 20 the amount of the remaining indebtedness owed on the  
 21 Promissory Note executed by McClungs in favor of Bank on  
 22 April 13, 1990.

23 b. The Judgment shall be a lien only upon the following  
 24 described real property, currently held in trust for McClungs  
 25 by Bennett G. Brown and Janice I. Brown, as tenants by the  
 26 entirety, ("Browns"), and not a lien upon any other real or

1 personal property, nor shall the judgment be executed against  
2 any other real or personal property owned by McClungs or in  
3 which they have a beneficial interest:

4 The following property situate in Klamath  
5 County, State of Oregon, to-wit:

6 A tract of land situated in Lot 4, JUNCTION  
7 ACRES, according to the official plat thereof  
8 on file in the office of the County Clerk of  
9 Klamath County, Oregon, more particularly  
10 described as follows:

11 Beginning at the Southwesterly corner of  
12 Parcel 1 of Major Land Partition No. 36-89, on  
13 the Southerly line of said Lot 4, North 71  
14 degrees 16' 48" West 484.74 feet from the  
15 Southeasterly corner of said Lot 4; thence  
16 following along the boundaries of Parcels 1  
17 and 2 of said Land Partition No. 36-89, North  
18 10 degrees 00' 00" East 347.80 feet, South 82  
19 degrees 39' 00" East 112.57 feet and North 07  
20 degrees 21' 00" East, 301.05 feet to the North  
21 line of said Lot 4; thence South 89 degrees  
22 54' 00" West 378.42 feet to the Northwest  
23 corner of said Lot 4; thence South 00 degrees  
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25 corner of said Lot 4; thence South 71 degrees  
26 16' 48" East 177.06 feet, more or less, to the  
point of beginning, with bearings based on  
Survey No. 4824, as filed in the office of  
Klamath County Surveyor.

2. By their signatures appearing below, Browns acknowledge  
and affirm the terms of this Stipulation between McClungs and  
Bank, and agree to the attachment of this Judgment as a lien on  
the property described above in Paragraph 1 b; and, further agree  
to hold Bank harmless from any and all claims or damage, of  
whatever kind and nature, which might arise by virtue of this  
Stipulation or the enforcement of this Judgment by Bank against  
the property described in Paragraph 1 b, above.

3. This stipulation is entered into in accordance with the

Modification to Agreement and Covenant Not to Execute dated and  
executed contemporaneously herewith. Both documents shall be read  
and construed together should any dispute arise between the  
parties as to the intent of this Stipulation.

4. Each party whose signature appears below has been  
represented by counsel, or has chosen freely and voluntarily to  
execute this document without benefit of counsel, after being  
advised to seek counsel, and fully understands and agrees to all  
the terms hereof.

Date:

Signature:

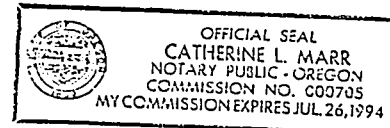
Keith E. McClung  
Keith E. McClung

Beverly J. McClung  
Beverly J. McClung

STATE OF OREGON )  
Jackson ) ss.  
County of Klamath )

On the 22<sup>nd</sup> day of July, 1991, personally appeared  
before me the above named Keith E. McClung and Beverly J. McClung,  
husband and wife, and acknowledged the foregoing instrument to be  
their voluntary act and deed.

(SEAL)



Catherine L. Marr  
Notary Public for Oregon  
My Commission expires 1-26-94

Bennett G. Brown  
Bennett G. Brown

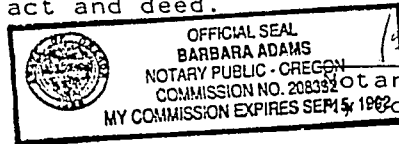
Janice I. Brown  
Janice I. Brown



1 STATE OF OREGON )  
 2 ) ss.  
 3 County of Klamath )

4 On the 23RD day of JULY, 1991, personally appeared  
 5 before me the above named Bennett G. Brown and Janice I. Brown,  
 6 husband and wife, and acknowledged the foregoing instrument to be  
 7 their voluntary act and deed.

8 (SEAL)

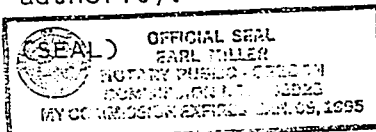


9 FARM CREDIT BANK OF SPOKANE  
 10 Successor-in-merger to The  
 11 Federal Land Bank of Spokane

12 By: Ann Hilton  
 13 Ann Hilton, SC Credit Officer

14 STATE OF OREGON )  
 15 ) ss.  
 16 County of Klamath )

17 On the 23rd day of July, 1991, personally appeared  
 18 before me the above named Ann Hilton who did say she was a SC Credit  
 19 Officer for the above named Farm Credit Bank of Spokane, a  
 20 corporation, and acknowledged the foregoing instrument was signed  
 21 on the behalf of said corporation and within her capacity and  
 22 authority.



23 APPROVED AS TO FORM:

24 7/22/91

25 Notary Public for Oregon  
 26 My Commission expires 1-9-95

Garrison Turner  
 Garrison Turner, Attorney  
 for Keith and Beverly McClung

J. Anthony Giacomini  
 J. Anthony Giacomini, Attorney  
 for Farm Credit Bank of Spokane

ORDER

ORDER CONTINUED ON NEXT PAGE

STIPULATED AMENDMENT TO  
 JUDGMENT AND LIEN AND ORDER  
 Page -4- of 5

EXHIBIT "B" TO MODIFICATION

ORDER

Upon consideration of the foregoing Stipulation, and good cause appearing therefor under the provisions of the Stipulation of the parties and ORCP 71,

IT IS HEREBY ORDERED AND ADJUDGED that the judgment formerly entered by this Court on September 7, 1988, is modified to incorporate the terms and provisions of paragraphs 1(a) and 1(b) set forth in the Stipulation of the parties.

Dated this 23rd day of July, 1991.

Donald A. Pepin  
Circuit Court Judge

STATE OF OREGON )

County of Klamath )

LYN G. HARDY Clerk of the Circuit Court of the County of Klamath  
do hereby certify that the foregoing copy has been compared with the original and that it is a true and correct copy, and  
able of such original in any case and court.

TESTIMONY WHEREOF, I have hereunto set my hand and affixed  
the seal of said Court, this 30th day of July, A.D. 1991

LYN G. HARDY, Clerk of Court

By Anthony Schiavone

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 30th day  
of July A.D. 1991 at 4:19 o'clock P.M., and duly recorded in Vol. M91  
of Co. Lien Docket on Page 14882.

FEE \$110.00

Evelyn Biehn County Clerk

By Pauline M. Mendenhall