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

JAMIE A. HAWKS and RICHARD H.	)	
HAWKS, husband and wife, ANNETTE L.)	)	Case No. 96-3779-L-1
STOWE and JAMES W. STOWE, husband	)	
and wife, SONJA D. TRIPPE, KARI	)	
WOOD and STANLEY E. WOOD, husband	)	
and wife, and DEAN R. OLSEN and	)	STIPULATED ORDER
LAURA OLSEN, husband and wife,	)	OF PROVISIONAL PROCESS
TAYLOR CLEMENTS and DEBORAH L.	)	
CLEMENTS, husband and wife,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
LIVING EPISTLES, INC., a California	)	
Corporation, and OREGON, L.E., a	)	
California Corporation,	)	
	)	
Defendants.	)	

WHEREFORE, this matter having come before the court on the plaintiffs' ex parte motion and order to show cause why provisional process should not issue, scheduled for hearing on October 21, 1996 at 9:00 a.m., on the parties having reached the following stipulation which the court hereby adopts and ratifies as follows:

1. The hearing scheduled on plaintiffs' motion is continued indefinitely, pending defendants' performance of this stipulation.

2. Defendants, their officers, and agents, are hereby restrained pursuant to ORCP 84F during the pendency of this case

Page

1 - STIPULATED ORDER OF PROVISIONAL PROCESS

1 from selling the real property situated at 1817 Mallard Lane,
2 Klamath Falls, Oregon, and more particularly described as
3 follows, in any manner other than allowed for by this stipulated
4 order:

5 Parcel 1 of Land Partition 2-92 being situated in the
6 SE1/4 SE1/4 of Section 5, Township 39 South, East of
the Willamette Meridian, Klamath County, Oregon.

7 3. Defendants are further restrained from allowing any
8 further encumbrance or lien to attach to the real property during
9 the pendency of this case. Defendants and their undersigned
10 counsel shall notify plaintiffs' counsel in writing within three
11 (3) days of discovering any steps taken by any other person or
12 creditor to attach, encumber, or levy upon said real property.

13 4. The attachment lien sought by plaintiffs shall not
14 attach to said real property at this time but shall instead
15 attach to the proceeds of the sale thereof in the amount of
16 \$59,740.22.

17 5. Upon any sale of said real property during the pendency
18 of this case, the sum of \$59,740.22 from the net proceeds of such
19 sale shall be paid into a joint escrow account at Crater Title
20 Insurance Company in Medford, Oregon. These funds shall be used
21 by defendants to pay all or any portion of the medical, dental,
22 or orthodontic bills which are the subject of this lawsuit, or to
23 reimburse plaintiffs for their payment of the same, to the extent
24 that said bills would have been paid by Great Western Life
25 Assurance Company based upon the terms of the policy that had
26 been issued by said insurer to said employees. The costs of

Page

2 - STIPULATED ORDER OF PROVISIONAL PROCESS

1 establishing and maintaining the escrow shall be paid by
2 defendants.

3 6. Defendants or their undersigned counsel shall promptly
4 notify plaintiffs' counsel in writing of any scheduled sale of
5 the real property and said notice shall include the anticipated
6 closing date and the name of any title company handling this
7 transaction.

8 7. Within seven (7) days of this order, plaintiffs' counsel
9 shall deliver to defendants' counsel written summaries of each
10 plaintiff's bills, which shall include the name of the provider,
11 the date of service, and the total amount claimed. Plaintiffs
12 will thereby represent that this total is the total amount of all
13 such outstanding bills. Plaintiffs further agree to provide
14 defendants with any back-up information requested by defendants
15 including legible invoices.

16 8. Plaintiffs acknowledge and agree that defendants have
17 the right to negotiate with the health care providers a discount
18 to the amounts listed due and owing in the above described
19 summaries. When defendants negotiate a payoff with a provider,
20 defendants shall be entitled to withdraw from escrow the full
21 amount listed in the above described summary, to pay off said
22 provider and keep the difference between the negotiated amount
23 and the amount set forth in the summary upon the condition that
24 defendants must obtain written confirmation from the provider
25 that a given bill has been paid in full and shall provide said
26 written confirmation to plaintiffs' counsel.

3 - STIPULATED ORDER OF PROVISIONAL PROCESS

1 As providers are paid off, plaintiffs will execute
2 stipulated orders dismissing their respective claims with
3 prejudice and without costs to any parties.

4 9. Plaintiffs acknowledge that it is the intent of
5 defendants to obtain discounts on the amounts owed to medical
6 care providers. Plaintiffs acknowledge that defendants are in
7 severe financial condition and any actions or discussions by
8 plaintiffs with said providers, third parties, or other former
9 employees relative to this agreement or the negotiating process
10 could be harmful to the defendants. Accordingly, plaintiffs
11 agree that they will not communicate with the medical care
12 providers, any third parties or other former employees about sums
13 due and owing and/or paid by defendants, unless requested to do
14 so by defendants. Defendants reserve the right to withhold
15 payment on any bill that would not have been paid pursuant to
16 said policy. In that event that any bills are disputed by
17 defendants for said reason, defendants shall provide written
18 notice of the same to plaintiffs' counsel which shall specify the
19 amounts of said bill(s) and the reasons for the dispute. In this
20 event, the amount disputed shall remain in escrow until joint
21 instructions are issued by the parties or until further order of
22 this court.

23 10. Plaintiffs shall not be required to post a bond for the
24 issuance of this order.

25 11. In the event that this stipulated order is not
26 performed by defendants, plaintiffs shall have the right to reset

4 - STIPULATED ORDER OF PROVISIONAL PROCESS

the motion and order to show cause dated October 3, 1996, for a hearing upon reasonable notice to defendants' counsel.

IT IS SO STIPULATED:

KELLINGTON, KRACK, RICHMOND
& BLACKHURST LLP

BROPHY, MILLS, SCHMOR
GERKING & BROPHY

By: Matthew Sutton
Matthew Sutton, OSB #92479
Of Attorneys for Plaintiffs

By: David B. Paradis
David B. Paradis, OSB# 85301
Of Attorneys for Defendants

IT IS SO ORDERED:

DATED this 11-20 day of November, 1996.

R. G. DAVIS

Hon. Ross G. Davis
Circuit Court Judge

Presented by:
Matthew Sutton, OSB #92479
Of Attorneys for Plaintiffs

This instrument is a correct copy of
the original on file in this office.



KELLINGTON, KRACK, RICHMOND & BLACKHURST
ATTORNEYS AT LAW
15 NEWTOWN STREET
MEDFORD, OREGON 97501
(541) 779-8178

Page

5 - STIPULATED ORDER OF PROVISIONAL PROCESS

STATE OF OREGON, COUNTY OF KLAMATH: ss.

Filed for record at request of America Title
of December A.D. 19 96 at 1:07 o'clock A. M., and duly recorded in Vol. M96
of Mortgages on Page 39361

FEE \$30.00

by Bernetha G. Letsch, County Clerk
Kathleen Rosa