

Affidavit of Individuals Giving Deed in Lieu of Foreclosure:

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

Charles G. Duncan and Leone M. Duncan, husband and wife, and Rick C. Duncan, being first duly sworn, depose and say: That they are the identical parties who made, executed, and delivered that certain Deed to The Federal Land Bank of Spokane, a corporation, dated the 27 day of May, 1986, conveying the following described property:

Township 40 South, Range 11 East of the Willamette Meridian:

Section 28: S1/2SE1/4NW1/4, S1/2SW1/4NE1/4, W1/2SE1/4, E1/2SW1/4 SAVINGS AND EXCEPTING that portion of the SE1/4SW1/4 lying Southerly of the centerline of the Pope-Fletcher ditch.

Together with all water and water rights used upon or appurtenant to said property and/or shares of stock or water in any ditch or irrigation company which, in any manner, entitle affiants to water, including but not limited to 160.7 acres assessed from Klamath Basin Irrigation District, and any and all tenements, hereditaments easements, rights, privileges and appurtenances thereunto belonging or used in connection therewith, and the reversions, remainders, rents, issues and profits thereof.

Together with any proportionate right, title, and interest in that Joint Use Agreement recorded June 17, 1980, in Volume M80, Page 11105, Deed Records of Klamath County, Oregon.

Together with an easement for purposes of ingress and egress 30 feet in width, lying along the Easterly boundary of the NW1/4NE1/4 of Section 33, Township 40 South, Range 11 East of the Willamette Meridian.

Except and reserving to Grantor an easement for irrigation pipeline, together with rights of ingress and egress for repair, replacement, and maintenance of said pipeline, 15 feet in width, lying along the Southerly boundary of the E1/2SW1/4 of Section 28, Township 40 South, Range 11 East of the Willamette Meridian, extending from the Southeast corner of said E1/2SW1/4 to the the Pope-Fisher Ditch on the West.

Also except and reserving to Grantor an easement for irrigation pipeline and roadway, together with rights of ingress and egress for repair, replacement, and maintenance of said road and pipeline, 15 feet in width, lying along the Southerly boundary of the W1/2SE1/4 of Section 28, Township 40 South, Range 11 East of the Willamette Meridian.

ALL SITUATE IN County of Klamath, State of Oregon, as subject to rights of way and easements for roads, utilities, and irrigation ditches as same exist or appear of record.

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That the aforesaid deed was intended to be and was an absolute conveyance of the title to said property to the grantee named therein and was not and is not now intended as a mortgage, trust conveyance, or security of any kind; that it was the intention of affiants as grantors in said deed to convey, and by said deed these affiants did convey, to the grantee therein all of their right, title, and interest absolutely in and to said property; and that possession of said property has been surrendered to the grantee.

That in the execution and delivery of said deed affiants were not acting under any misapprehension as to the effect thereof and acted freely and voluntarily and not under coercion or duress.

That aforesaid deed was not given as a preference against any other creditors of the affiants; that at the time it was given there was no other person or persons, firms or corporations, other than the grantee therein named, interested either directly or indirectly in said property; that neither the property nor any portion thereof is subject to any oral or written lease, listing agreement for sale, or other possessory right of any third party; that neither the property nor any portion thereof is subject to any oral or written lease, listing agreement for sale, or other possessory right of any third party; that the affiants are solvent and have no other creditors whose rights would be prejudiced by such conveyance; and that affiants are not obligated upon any bond or other mortgage whereby any lien has been created or exists against the property described in said deed.

That the consideration for said deed is grantee's covenant that it shall assume affiants' obligations to pay the real property taxes on this property, title insurance costs, and recording fees incurred in connection with this conveyance and shall forbear from obtaining any deficiency judgment against the affiants on the indebtedness evidenced by the promissory note secured by the mortgage executed by affiants to The Federal Land Bank of Spokane dated October 22, 1980, and recorded January 2, 1981, in Volume M81, Page 71, Mortgage Records of Klamath County, Oregon. At the time of making the Deed, affiants believed and now believe that the consideration represents the fair value of the property. In return for said consideration, Grantee is entitled to retain all payments previously made on the secured debt with no duty to account.

That affiants declare that prior to the execution of this Estoppel Affidavit and the Deed, the affiants apprised themselves of sufficient relative data, either through experts or other sources of their own selection, including their attorney, in order that the affiants might exercise their own judgment in deciding upon the contents of this Estoppel Affidavit and Deed and whether to execute the Estoppel Affidavit and Deed.

This affidavit is made for the protection and benefit of the grantee in said deed, its successors and assigns, and all other parties hereafter dealing with or who may acquire an interest in the property herein described.

That affiants will testify, declare, depose, or certify before any competent tribunal, officer, or person, in any case now pending or which may hereafter be instituted, to the truth of the particular facts hereinabove set forth.

Charles G. Duncan
Charles G. Duncan

Leone M. Duncan
Leone M. Duncan

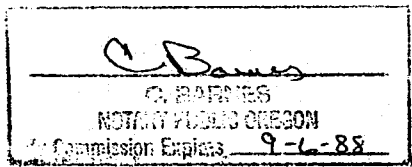
Rich C. Duncan
Rich C. Duncan

9237

STATE OF OREGON)
County of Klamath) : SS.

On this 27 day of May, 1986, before me the undersigned, a Notary Public for the State of Oregon, personally appeared CHARLES G. DUNCAN, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same as his free and voluntary act and deed.

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

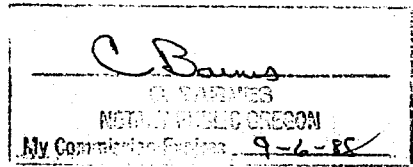


C. Barnes
Notary Public for the State of Oregon.
Residing at: Medford, OR

STATE OF OREGON)
County of Klamath) : SS.

On this 27 day of May, 1986, before me the undersigned, a Notary Public for the State of Oregon, personally appeared LEONE M. DUNCAN, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same as her free and voluntary act and deed.

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

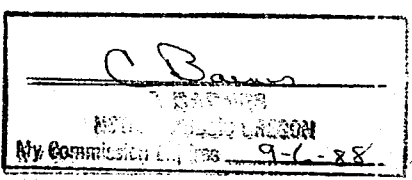


C. Barnes
Notary Public for the State of Oregon.
Residing at: Medford, OR
My commission expires: 9-6-88

STATE OF OREGON)
County of Klamath) : SS.

On this 27 day of May, 1986, before me the undersigned, a Notary Public for the State of Oregon, personally appeared RICK C. DUNCAN, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same as his free and voluntary act and deed.

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



C. Barnes
Notary Public for the State of Oregon.
Residing at: Medford, OR
My commission expires: 9-6-88

Return to: Farm Credit Services
P.O. Box 5AF-C5
Spokane, WA 99220-4005
Attn: Dennis Norby

ESTOPPEL AFFIDAVIT -- Page 3

STATE OF OREGON: COUNTY OF KLAMATH: ss.
Filed for record at request of _____ the 29th day
of May A.D., 19 86 at 10:40 o'clock A M., and duly recorded in Vol. M86
of _____ on Page 9235
Deeds
By Evelyn Biehm, _____ County Clerk
[Signature]

FEE \$13.00