

K-39607  
ESTOPPEL AFFIDAVIT  
FLB Loan No. 189508-8  
Montgomery Drilling Co.

STATE OF \_\_\_\_\_ )  
County of \_\_\_\_\_ ) : SS.

R. B. Montgomery and Bob B. Blalock, President and Secretary-Treasurer, respectively, of Montgomery Drilling Co., also shown of record as R. B. Montgomery Drilling Co., Inc.; and R. B. Montgomery, also known as Robert Bruce Montgomery and Ruth Ann Montgomery, husband and wife, as individuals, being first duly sworn, each for himself, 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, as Grantee, dated April 21, 1988, conveying the property situate in County of Klamath, State of Oregon, and more particularly described in said Deed.

That the President and Secretary-Treasurer make this affidavit for and on behalf of said corporation pursuant to a resolution of its board of directors.

That the Deed was intended to be and was an absolute conveyance of the title to the property to the Grantee named therein and was not and is not now intended as a mortgage, trust conveyance, or security agreement of any kind; that the Affiants intended to convey and did convey to the Grantee all of their right, title, and interest absolutely in and to the property; and that possession of the property has been surrendered to the Grantee.

That in the execution and delivery of the Deed, the Affiants acted freely and voluntarily and not under coercion, duress or any misapprehension as to the legal effect thereof.

That the Deed was not given as a preference against any other creditors of the Affiants; that at the time it was given there was no person, firm or corporation, other than the Grantee therein named, and other than persons reflected of record, having an interest either directly or indirectly in the property; that the Affiants are solvent and have no other creditors whose rights would be prejudiced by such conveyance; and that the Affiants are not obligated upon any bond or other mortgage whereby any lien has been created or exists against the property.

That the consideration for said Deed is Grantee's covenant that it shall not enforce any judgment against Grantors by obtaining a deficiency judgment against them on the promissory note secured by mortgage by Montgomery Drilling Co., also shown of record as R. B. Montgomery Drilling Co., Inc., a California corporation; and R. B. Montgomery, also known as Robert Bruce Montgomery and Ruth Ann Montgomery, husband and wife, Mortgagors, to The Federal Land Bank of Spokane, a corporation, Mortgagee, dated October 13, 1981, and recorded on October 15, 1981, in Volume M81, Page 18134, in the official records of Klamath County, Oregon. At the time of making said Deed, Affiants believed and now believe that the consideration for the Deed represents the fair value of the property.

That before executing the Deed and this Affidavit, the Affiants consulted with experts or other sources of their own choice, including their attorney, in order that the Affiants might use their own judgment in deciding whether to execute the Deed.

That 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.

That the Affiants will testify, declare, depose, or certify in open court or by deposition, before or by written statements to the truth of the particular facts set forth above, in any case now pending or which may be instituted.

That the Affiants have executed this Estoppel Affidavit as individuals, and also for and on behalf of the corporation pursuant to authority of the board of directors of the corporation.

Montgomery Drilling Co.,  
a California corporation

R. B. Montgomery  
R. B. Montgomery

By: R. B. Montgomery  
R. B. Montgomery, President

Ruth Ann Montgomery  
Ruth Ann Montgomery

Attest: Bob B. Blalock  
Secretary-Treasurer

STATE OF California )  
County of Kern ) : SS.

On this 21 day of April, 1988, before me, the undersigned, a Notary Public for the State of California, personally appeared R. B. MONTGOMERY, 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.

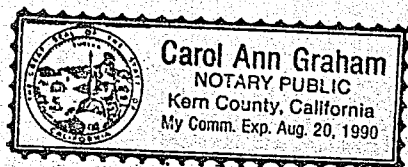


Carol Ann Graham  
Notary Public for the State of California  
Residing at 1550 James Rd. Bakersfield, CA 93308  
My commission expires Aug. 20, 1990

STATE OF California )  
County of Kern ) : SS.

On this 21 day of April, 1988, before me, the undersigned, a Notary Public for the State of California, personally appeared RUTH ANN MONTGOMERY, 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.

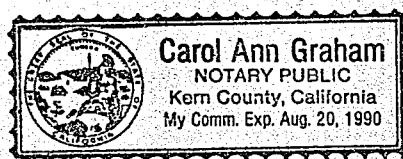


Carol Ann Graham  
Notary Public for the State of California  
Residing at 1550 James Rd. Bakersfield, CA 93308  
My commission expires Aug. 20, 1990

STATE OF California )  
 County of Kern ) : ss.

On this 21 day of April, <sup>1988</sup>~~1987~~, before me, the undersigned, a Notary Public for the State of California, personally appeared R. B. MONTGOMERY and BOB B. BLALOCK, known to me to be the President and Secretary-Treasurer, respectively, of the corporation that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and that said persons are authorized to execute the said instrument.

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



*Carol Ann Graham*  
 Notary Public for the State of California  
 Residing at 1550 James Rd. Bakersfield, CA 93308  
 My commission expires Aug. 20, 1990

346

Return to  
 Farm Credit Services  
 P.O. 148  
 Klamath Falls, OR 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 10th day  
 of May A.D., 1988 at 3:31 o'clock P. M., and duly recorded in Vol. M88  
 of Deeds on Page 7358

FEE \$15.00

By *Carol Ann Graham* County Clerk