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Of Attorneys for Biaggi-Venable Partnership, Debtor-in-Possession

Certified to be a true and correct copy of original filed in my office.
Dated 7-1-88
Terence H. Dunn, Clerk
U.S. Bankruptcy Court
By [signature]
Deputy

U.S. BANKRUPTCY COURT
DISTRICT OF OREGON
FILED
APR 26 1988
TERENCE H. DUNN, CLERK
BY KC DEPUTY

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IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF OREGON

In re: BIAGGI-VENABLE, an Oregon partnership, Debtor-in-Possession.	Case No. 684-08457 ORDER CONFIRMING CHAPTER 11 PLAN AND DISCHARGE

Biaggi-Venable, an Oregon partnership ("Debtor") filed a Plan of Reorganization pursuant to the provisions of Chapter 11 of the United States Bankruptcy Code ("the Code") on July 10, 1985. The final modifications and amendments to that Plan contained in the Third Amended Corrected Plan of Reorganization ("the Plan") filed by Debtors on January 13, 1988 was duly transmitted to creditors and interested parties. A hearing was held to consider confirmation of the plan on February 17, 1988. Notice of the hearing had been sent to all creditors and other interested parties as required by Bankruptcy Rule 2002(b). Federal Land Bank of Spokane ("FLB") objected to the Plan. No other creditors or interested parties objected to the Plan.

Present at the hearing were the partners of the Debtor,

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their counsel, J. Stephen Werts, and Bradley O. Baker, counsel for FLB. The hearing was adjourned temporarily to allow for discussions between FLB and the Debtor regarding FLB's objection to confirmation of the Plan. Debtor and FLB reached an agreement regarding certain provisions of the Plan which is incorporated into this order. Based upon the record in this case, the Debtor's Memorandum-Confirmation Hearing and representations of counsel, and the Court's determination at the confirmation hearing that the Plan has been accepted in writing or on the record by the creditors whose acceptance is required by the Code, this Court makes the following findings of fact and conclusions of law:

1. The Plan complies with all of the applicable provisions of Chapter 11 of the Code.

2. Debtor, the proponent of the Plan, has complied with all applicable provisions of Chapter 11 of the Code.

3. The Plan has been proposed in good faith and not by any means forbidden by law.

4. Payments made or promised by Debtor to any other person for services or for costs and expenses in, or in connection with, the Plan and incident to this case, have been disclosed to the Court and are reasonable, and all payments to be fixed after confirmation of the Plan will be subject to the approval of the Court.

5. The identity, qualifications and affiliations of the partners, each of whom will remain partners in the Debtor after

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confirmation of the Plan, have been fully disclosed and their continued involvement in Debtor's business is consistent with the interest of creditors and with public policy.

6. The identity of all insiders who will be partners in or employed by or retained by the Debtor and that person's compensation has been fully disclosed.

7. The claims in Classes 3, 4, 5 and 6 are impaired by the Plan. These Classes have accepted the Plan.

8. Class 2 rejected the Plan because the Plan provided that the Debtor would retain a right of first refusal with respect to certain property to be conveyed to Class 2 pursuant to the Plan. Class 2 withdrew its objection on the record at the confirmation hearing and changed its vote to a vote for the Plan because Debtor and FLB agreed that Debtor would have a right of first refusal for 12 months.

9. Confirmation of this Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtor under the Plan.

10. All bankruptcy fees required by 28 U.S.C. § 1930 to be paid by this Debtor have been paid or the Plan provides for the payment of all such fees on the effective date of the Plan.

11. All of the applicable requirements of § 1129(a) of the code have been met and the Plan should be confirmed as filed, except as modified in the next paragraph, which modification meets the requirements of §§ 1122 and 1123 of the Code and has been accepted by FLB. The Plan as modified in the next paragraph

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does not require additional disclosure because the Third Amended Corrected Disclosure Statement disclosed that Debtor would have a right of first refusal.

12. The Plan as filed provides for the Debtor to deliver a deed in lieu of foreclosure conveying 5,100 acres (together with all Bureau of Land Management grazing rights or permits), improvements ("the Property"), and any rights they may have arising from that certain lease and agreement dated January 7, 1975, recorded May 2, 1975 in Volume M75, page 4728, Microfilm Records of Klamath County, Oregon, and the assignment of Geothermal Lease and Agreements dated April 3, 1979 recorded April 5, 1979 in Volume M79, page 7486 Microfilm Records of Klamath County, Oregon, from Cresslan Oil Company to Creston H. Alexander and Mercantile National Bank at Dallas, Trustee of Glenn E. Alexander Trust, to FLB on the effective date. The Plan further provides that such transfer shall be free and clear of the interest of The Bank of California, N.A. arising from the Financing Statement recorded December 30, 1981 in Volume M81, page 22082, Microfilm Records of Klamath County, Oregon, and from that Mortgage dated December 23, 1982, recorded December 28, 1982 in Volume M81, page 18478, Microfilm Records of Klamath County, Oregon. The Plan further provides that the conveyance is subject to the right of first refusal provided by the 1988 amendments to the Farm Credit Act of 1971, specifically 12 U.S.C. § 2219(a).

The Debtor and FLB have agreed that in lieu of this statutory right of first refusal, Debtor shall have a right of

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first refusal in the event that FLB receives a written offer to purchase or lease the property from another person. FLB shall immediately notify the Debtor upon receipt of a written offer to purchase or lease the Property and Debtor shall have 30 days from the date that FLB accepts an offer to purchase or lease the Property (subject to this right of first refusal) to submit an offer which is equal to the cash sale price of the offer which FLB has accepted or, if a lease, is on the same terms and conditions, and if the Debtor does so, then FLB must sell or lease the Property to Debtor.

Any offer by Debtor pursuant to this right of first refusal to purchase the property from FLB must be a cash offer. Any offer by Debtor pursuant to this right of first refusal to lease offer by Debtor pursuant to this right of first refusal to lease the Property must be on the same terms as the other offer. In the event that FLB accepts an offer to purchase the Property or lease the Property from another party and the Debtor does not exercise its right of first refusal but the sale or lease is not consummated, then the Debtor's right of first refusal survives.

The right of first refusal shall expire 12 months from the first day of the month after the month in which FLB formally lists the Property for sale.

13. Debtor and FLB have entered into a written lease agreement pursuant to which Debtor will lease the Property from FLB.

14. All of the applicable requirements of § 1129(a) of the Code has been met and the Plan should be confirmed.

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IT IS ORDERED that:

1. Debtor's Third Amended Corrected Plan of Reorganization filed on January 13, 1988, a copy of which is attached to this order is confirmed as further modified as set forth in paragraph 12 above.

2. Administrative costs due to the Court Clerk in the amount of $3.75 shall be paid within ten (10) days of the entry of this order.

3. All documentation of claims required pursuant to the Plan shall be distributed to claimants within ninety (90) days of the date of this order.

4. All claims shall have been audited and any required action shall be initiated within one hundred-twenty (120) days of the date of this Order.

5. Within one hundred-twenty (120) days of the date of this Order, the Plan proponents shall submit a proposed final decree, accompanied by a statement demonstrating compliance with paragraphs 2 through 4 above and local form 1195 completed with actual and projected distribution figures for statistical closing of the case.

6. Final fee applications for court approval of fees and expenses incurred by the professionals shall be filed within thirty (30) days from the date of this Order.

Albert E. Radcliffe
U.S. BANKRUPTCY COURT JUDGE

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Presented by:

SCHWABE, WILLIAMSON & WYATT

J Stephen Werts

J. Stephen Werts
Of Attorneys for Debtor-in-Possession

APPROVED:

DUNN, CARNEY, ALLEN, HIGGINS & TONGUE

Bradley O. Baker

Bradley O. Baker
Of Attorneys for Federal Land Bank
of Spokane

cc: DIP; S. Werts; B. Baker

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Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF OREGON

In Re: BIAGGI-VENABLE, an Oregon Partnership, Debtor.	Case No. 684-08457 THIRD AMENDED CORRECTED PLAN OF REORGANIZATION

Biaggi-Venable, a partnership consisting of Charles W. Biaggi, Peggy J. Biaggi, Thomas M. Venable and Patricia A. Venable, the Debtor, proposes the following Plan of Reorganization:

I. DEFINITIONS

A. "Allowed Claims" mean claims in the amount as listed in this Plan.

B. "Allowed Interests" mean the partnership interests in Debtor as established pursuant to this Plan.

C. "Bank Cal" means Secured Creditor Bank of California, National Association.

D. "Bank Cal Litigation" means the consolidated cases captioned The Bank of California, N.A. v. Biaggi-Venable, a

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allowed amount shall be paid in such terms as may be agreed by the parties.

4. Administrative claim of Dean Sacher in its allowed amount shall be paid in full on such terms as may be agreed by the parties.

Priority claims have been paid in full.

V. CLASSIFICATION OF CLAIMS AND INTERESTS

A. Class 1: The Allowed Claim of Secured Creditors Porter and Averyl Willis as listed on Exhibit A to the Plan, evidenced by a promissory note and secured by a first trust deed on 116 acres of real property owned by Debtor in Dairy, Oregon.

B. Class 2. The allowed Claim of Secured Creditor FLB as listed on Exhibit A to the Plan, evidenced by a promissory note and secured by a first mortgage on Debtor's 5,100 acres of real property located in Dairy, Oregon, herein "5,100 Acres." A map of the 5,100 Acres, showing the six parcels, is attached to the Plan as Exhibit B.

C. Class 3. Allowed Claim of Secured Creditor Bank Cal, as listed on Exhibit A to the Plan, evidenced by three promissory notes ("Agribusiness Notes"), secured by a second mortgage on the 5,100 Acres, and two other promissory notes ("Equipment Notes"), which together with the Agribusiness Notes are secured by a security interest in livestock, supplies, crop and farm machinery used in Debtor's farming and ranching operations.

D. Class 4. Allowed Claims of Creditors Gordon

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PARCEL 2

Real property situated in the County of Klamath, and State of Oregon, described as follows, to-wit:

Township 37 South, Range 10 East of the Willamette Meridian:

PARCEL 1	Section 14:	W½SW¼
PARCEL 2	Section 15:	NW¼NW¼, S½N½, NE¼SE¼
PARCEL 3	Section 23:	W½NE¼, SE¼NE¼, E½SE¼
PARCEL 4	Section 24:	SW¼SW¼
PARCEL 5	Section 25:	W½, W½SE¼
PARCEL 6	Section 26:	E½E½
PARCEL 7	Section 35:	NE¼NE¼
PARCEL 8	Section 36:	All

Township 37 South, Range 11½ East of the Willamette Meridian:

PARCEL 9	Section 32:	W½SE¼

Township 38 South, Range 10 East of the Willamette Meridian:

PARCEL 10	Section 12:	NE¼, E½ of NW¼, NE¼ of SE¼

Township 38 South, Range 11½ East of the Willamette Meridian:

PARCEL 11	Section 6:	Government Lots 4, 5, 6 and 7, SE¼NW¼, E½SW¼, SW¼SE¼
PARCEL 12	Section 7:	Government Lots 1, 2, 3 and 4 W½E½, SE¼NE¼, E½W½, E¼SE¼, NE¼NE¼
PARCEL 13	Section 8:	W½SW¼

PARCEL 14	Section 17:	W½
PARCEL 15	Section 18:	Government Lots 1 and 2, NE¼, E½NW¼
PARCEL 16	Section 20:	SW¼NE¼, NW¼, N½SW¼, W½SE¼, SE¼ SE¼
PARCEL 17	Section 21:	S½SW¼, SW¼SE¼
PARCEL 18	Section 27:	S½NE¼, W½SW¼, SE¼SW¼, EXCEPTING THEREFROM that portion of the Sw¼NE¼ and SE¼SW¼ conveyed to Oregon-California & Eastern Railway Co. by deed recorded November 4, 1927 in Book 79 at Page 56.
PARCEL 19	Section 28:	N½, NE¼SW¼, SE¼
PARCEL 20	Section 29:	NE¼, SE¼NW¼, E½SW¼
PARCEL 21	Section 32:	NE¼ NW¼

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of John G. Crawford, Jr. the 14th day of July A.D., 19 88 at 2:14 o'clock P.M., and duly recorded in Vol. M88 of Deeds on Page 11121.

FEE $58.00

Evelyn Biehn County Clerk

By Pauline Mullendore

Return: John G. Crawford, Jr.
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Exhibit B

jk
58.00