

STATE OF OREGON)

County of Klamath) SS.

BIAGGI & VENABLE, a partnership consisting of Thomas M. Venable, Patricia A. Venable, Charles W. Biaggi and Peggy J. Biaggi; THOMAS M. VENABLE and PATRICIA A. VENABLE, husband and wife; and CHARLES W. BIAGGI and PEGGY J. BIAGGI, husband and wife, being first duly sworn, depose and say: That they are the identical parties who made, executed, and delivered that certain Deed to the FARM CREDIT BANK OF SPOKANE, a corporation chartered under the laws of the United States, successor by merger to The Federal Land Bank of Spokane, a corporation formerly chartered under the laws of the United States, as Grantee, dated July 22, 1988, conveying the property situate in County of Klamath State of Oregon, and more particularly described in said Deed, pursuant to the partnership's plan of reorganization under the Bankruptcy Code (11 U.S.C. 101 et seq.) confirmed by order of U.S. Bankruptcy Court for the District of Oregon, dated April 26, 1988.

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 rescission or as a mortgage, trust conveyance, or security agreement of any kind; that 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, 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 includes, but is not limited to, Grantee's covenant not to bring any suit against Grantor to collect the debt secured by the mortgage executed by Biaggi and Venable, a partnership consisting of Thomas M. Venable, Patricia A. Venable, Charles W. Biaggi and Peggy J. Biaggi; Thomas M. Venable and Patricia A. Venable, husband and wife; Charles W. Biaggi and Peggy J. Biaggi, husband and wife, Mortgagors to The Federal Land Bank of Spokane, a corporation, Mortgagee, dated November 8, 1977, and recorded on December 20, 1977, as Instrument No. 40678, in Book M-77, page 24565, in the official records of Klamath County, Oregon, and re-recorded January 30, 1978, as Instrument No. 42374, in Book M-78, page 1782, in the official records of Klamath County, Oregon, payment by Grantee of real estate taxes owing against the property, assessments of the Pine Plat Improvement

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District, and costs and expenses, including title insurance premiums associated with the conveyance. 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, by deposition or by written statements to the truth of the particular facts set forth above, in any case now pending or which may hereafter be instituted.

Executed this 22nd day of July, 1988.

BIAGGI & VENABLE

By: Thomas M. Venable, Partner
Thomas M. Venable, Partner

Thomas M. Venable
Thomas M. Venable

By: Patricia A. Venable, Partner
Patricia A. Venable, Partner

Patricia A. Venable
Patricia A. Venable

By: Charles W. Biaggi, Partner
Charles W. Biaggi, Partner

Charles W. Biaggi
Charles W. Biaggi

By: Peggy J. Biaggi, Partner
Peggy J. Biaggi, Partner

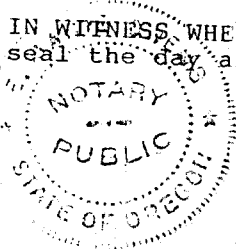
Peggy J. Biaggi
Peggy J. Biaggi

STATE OF OREGON

County of Klamath; SS.

On this 22nd day of July, 1988, before me, the undersigned, a Notary Public for the State of Oregon, personally appeared THOMAS M. VENABLE, 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.

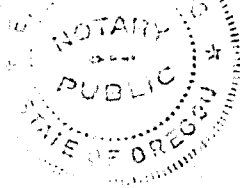


E. Marie Owens
Notary Public for the State of Oregon
Residing at Klamath Falls, Ore. 97601
My commission expires Feb. 18, 1989

STATE OF OREGON)
County of Klamath) : SS.

On this 22nd day of July, 1988, before me, the undersigned, a Notary Public for the State of Oregon, personally appeared PATRICIA A. VENABLE, 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.

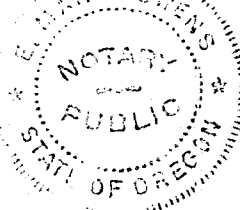


E. Marie Owens
Notary Public for the State of Oregon
Residing at Klamath Falls, Ore. 97601
My commission expires 2/18/89

STATE OF OREGON)
County of Klamath) : SS.

On this 22nd day of July, 1988, before me, the undersigned, a Notary Public for the State of Oregon, personally appeared CHARLES W. BIAGGI, 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.

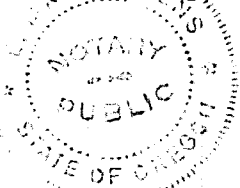


E. Marie Owens
Notary Public for the State of Oregon
Residing at Klamath Falls, Ore. 97601
My commission expires Feb. 18, 1989

STATE OF OREGON)
County of Klamath) : SS.

On this 22nd day of July, 1988, before me, the undersigned, a Notary Public for the State of Oregon, personally appeared PEGGY J. BIAGGI, 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.

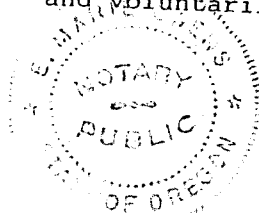


E. Marie Owens
Notary Public for the State of Oregon
Residing at Klamath Falls, Ore. 97601
My commission expires Feb. 18, 1989

STATE OF OREGON

County of Klamath SS.

On this 22nd day of July, 1988, before me, personally appeared THOMAS M. VENABLE, PATRICIA A. VENABLE, CHARLES W. BIAGGI and PEGGY J. BIAGGI, known to me to be the partners in the partnership which executed the within instrument, and acknowledged that they executed the same as such partners and in the partnership name freely and voluntarily.



E. Marie Owens
 Notary Public for the State of Oregon
 Residing at Klamath Falls, Or. 97601
 My commission expires Feb. 18, 1989

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 22nd day
 of Aug. A.D., 19 88 at 4:46 o'clock P.M., and duly recorded in Vol. M88,
 of Deeds on Page 13566.

FEE \$23.00

Evelyn Biehn, County Clerk

By Pauline Mullins

Return:

FARM CREDIT SERVICES
 900 KLAMATH AVE
 KFC 97601