

After recording return to:
 Northwest Farm Credit Services, ACA
 P.O. Box 148
 Klamath Falls, OR 97601
 K-53774

Customer/Note No. 22698/301
 Merle D. Carpenter

RELEASE AGREEMENT - Debt Not Satisfied

For good and valuable consideration, Lender and Borrower agree as follows:

Release/Debt Outstanding: The property described in the following described mortgage ("Original Mortgage") is hereby released:

The Federal Land Bank Mortgage dated February 16, 1978 executed by Merle D. Carpenter and Carolyn V. Carpenter, husband and wife, recorded February 27th, 1978, as instrument 43757, in book M78, page 3640 in the records of Klamath County, State of Oregon.

This release is conditioned upon Borrower executing a mortgage in favor of Lender to be recorded simultaneously with this Agreement to secure the same note secured by the Original Mortgage covering real estate located in Klamath County, Oregon. This Release shall not impair the right of Lender to hold any other property as security for the debt evidenced by said note nor impair the validity, priority, or enforceability of the note or any other Loan Document.

"Loan Documents" include any note, security, or other documents of any kind and any amendments thereto, signed in connection with the note, identified by the above-listed note number.

Dated: 8-10-99, 1999

Lender: Northwest Farm Credit Services, ACA

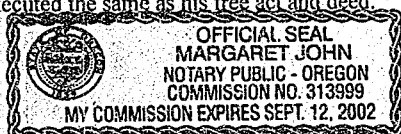
Merle D. Carpenter
 Merle D. Carpenter

[Signature]
 Authorized Agent

Carolyn V. Carpenter
 Carolyn V. Carpenter

State of Oregon)
) ss.
 County of Klamath)

On this 4 day of August, 1999, before me personally appeared Merle D. Carpenter, known to be the person described in and who executed the within instrument, and acknowledged that he executed the same as his free act and deed.



Margaret John
 Notary Public for the State of Oregon
 Residing in Klamath Falls, OR
 My Commission expires:

State of Oregon)
) ss.
 County of Klamath)

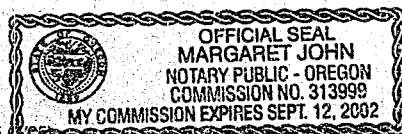
On this 10 day of August, 1999, before me personally appeared Carolyn V. Carpenter, known to be the person described in and who executed the within instrument, and acknowledged that she executed the same as her free act and deed.



Margaret John
 Notary Public for the State of Oregon
 Residing in Klamath Falls, OR
 My Commission expires:

State of Oregon)
) ss.
 County of Klamath)

On August 16, 1999 before me personally appeared John H. Rayl, Sr. Credit Officer, known to me to be an authorized agent of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



Margaret John
 Notary Public for the State of Oregon
 Residing at Klamath Falls, OR
 My commission expires 9/12/2002

ACA 1605

State of Oregon, County of Klamath
 Recorded 10/27/99, at 3:30 p.m.
 In Vol. M99 Page 42967
 Linda Smith,
 County Clerk Fee \$ 10.00