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ASSIGNMENT OF CONTRACT

13143

OF SALE BY SELLERS

DATE: July 25, 1984

PARTIES: DALE W. RUISCH and NELLIE RUISCH,
Husband and Wife,

ASSIGNORS,

FRED G. HESS and EDITH M. HESS,
husband and wife,

ASSIGNEES.

RECITALS

A. Prior to October 1, 1983 Assignees were the owners of a parcel of real property situated in the County of Klamath, State of Oregon, to-wit:

A parcel of land situated in Sections 21 and 28 T. 40 S., R. 10 E.W.M., Klamath County, Oregon, being more particularly described as follows:
Beginning at a point, being the intersection of centerlines for a 20 foot wide road easement and the U.S.B.R. No. 5-H Drain, from which an aluminum survey cap marking the section corner common to Sections 20, 21, 28 and 29, T. 40 S., R. 10 E.W.M. bears S9°24'03"W, 1052.30 feet; thence along the centerline of said 20 foot wide easement the following courses and distances: 1) N55°04'31"E, 481.98 feet; 2) N49°46'20"E, 108.36 feet; 3) N38°36'01"E, 66.77 feet; 4) N40°46'40"W, 32.49 feet to a point on the centerline of the U.S.B.R. No. 5 Drain; thence leaving said easement centerline and continuing along said No. 5 Drain the following courses and distances: 1) N53°44'39"E, 44.23 feet; 2) N86°20'21"E, 426.98 feet; 3) N32°05'57"E, 46.23 feet; 4) N1°16'58"E, 154.64 feet; 5) N37°38'55"W, 325.72 feet; 6) N11°06'48"E, 250.0 feet; 7) N25°36'48"E, 160.00 feet; 8) N12°53'12"W, 130 feet, more or less, to the confluence of Lost River; thence downstream along the right bank of said Lost River to the centerline of an irrigation ditch, being the Southeast corner of a 14 acre parcel of land as described in Volume M80, Page 9391, Klamath County Deed Records; thence Westerly along said centerline and the South boundary of said 14 acre parcel the following courses and distances: S50°01'W, 59 feet; N87°58'24"W, 393.05 feet; S77°03'52"W, 29.04 feet; N88°01'46"W, 413.75 feet; N66°51'57"W, 93.41 feet; N74°15'24"W, 346.81 feet; S79°52'31"W, 19.91 feet; N88°23'49"W, 425.37 feet; N46°56'52"W, 324.75 feet; N52°06'36"W, 88.07 feet to the South line of Parcel 1 as described in Volume M76, Page 4925, Klamath County Deed Records; hence along said South line, WEST, 69.28 feet, more or less, to the True Point of Beginning of Parcel 2 as described in Volume M76, Page 4925, Klamath County Deed Records; thence Southerly along the East line of the SW¼ of the SW¼ of said Section 21 and the West line of the E¼ of the NW¼ of said Section 28 to the Northeast corner of a parcel of land as described in Volume M80, page 9389, Klamath County Deed Records, said NE corner being on the centerline of an irrigation ditch; thence along said centerline S54°34'W, 239.16 feet, more or less; thence leaving said centerline, N81°32'41"W, 46.22 feet, more or less, to a point on the centerline of said U.S.B.R. 5-H Drain; thence along said 5-H Drain centerline, N8°13'49"E, 720 feet, more or less,

1. ASSIGNMENT OF CONTRACT

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to an angle point in said 5-H Drain; thence continuing along said 5-H Drain centerline, N57°27'52"W, 1202.90 feet to the point of beginning.

TOGETHER WITH: A non-exclusive 30 foot wide road easement, for ingress and egress over and across the following described centerline: beginning at the intersection of the Northeasterly right-of-way line of State Highway No. 39 (Merrill Hwy) and the West line of Section 28; thence Northerly along said West line of said Section 28 to an aluminum survey cap marking the section corner common to said Sections 20, 21, 28 and 29; thence along the East line of said Section 20, N0°15'47"W 1005.37 feet to a point on the centerline of a 20 foot wide road easement, said point being the Southwest corner of Parcel No. 3 of Minor Land Partition No. 34-82; thence along said 20 foot wide road easement centerline N82°24'23"E 161.50 feet; thence continuing along said centerline N55°04'31"E 20.01 feet to a common point of the above-described parcel and Parcel No. 2 of Minor Land Partition No. 34-82.

ALSO TOGETHER WITH: A non-exclusive easement 30 feet wide lying South of and adjacent to the South boundary of the U.S.B.R. #5 Drain, said South boundary of drain being also the Northerly boundary of the above-described property. Said easement running from the West boundary of the SE¼SE¼ of Section 20 to the East boundary of SW¼SW¼ of Section 21, Township 40 South, Range 10 E.W.M.

B. On or about August 15, 1982, Assignees granted to River Springs Ranch Limited, an Oregon Business trust, an option to purchase the above described real property on or before October 1, 1983.

C. On October 1, 1983 Assignees entered into a 1031 tax fee exchange wherein Assignees conveyed the above described real property to Assignors in exchange for real property of the Assignors and the Assignors sold the above described real property to River Springs Ranch Limited, an Oregon Business trust pursuant to option agreement above mentioned, which transaction is evidenced by a Memorandum of Contract of Sale dated October 1, 1983 and Recorded in Volume M83, page 17496, records of Klamath County, Oregon.

D. The above mentioned real property was subject to the following described encumbrances which River Springs Ranch Limited, an Oregon Business Trust assumed and agreed to pay:

- (i) Mortgage, including the terms and provisions thereof, executed by Fred G. Hess and Edith M. Hess, husband and wife, to the State of Oregon, represented and acting by the Director of Veteran's Affairs, dated April 2, 1976, recorded April 7, 1976 in Volume M76, page 4874, Mortgage records of Klamath County, Oregon to secure the payment of a Promissory Note dated April 2, 1976 in the amount of \$95,200.00.
- (ii) Mortgage, including the terms and provisions thereof executed by Fred G. Hess and Edith M. Hess, husband and wife, to the State of Oregon, represented and acting by the

Director of Veteran's Affairs, dated June 13, 1980, recorded June 13, 1980 in Volume M80, page 10945, Mortgage records of Klamath County, Oregon, to secure the payment of a Promissory Note dated June 13, 1980 in the amount of \$66,450.00.

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E. ORS 407.335(5) provides that any loan by the Director of Veterans Affairs shall become due and payable upon the second transfer. The Department of Veterans Affairs contends that a 1031 tax free exchange constitutes a second transaction. The parties to this Agreement contend that a 1031 tax free exchange constitutes a single transaction.

F. In order to avoid a conflict with the Department of Veterans Affairs, the parties hereto agree to create a transaction wherein Assignees are selling direct to River Springs Ranch Limited, an Oregon Business trust. The Department of Veterans Affairs have agreed to allow such a transaction to avoid the possible sanctions of ORS 407.335(5), as follows:

AGREEMENT

1. ASSIGNMENT: Assignors hereby assign their interest in the Contract of sale concerning the above-described property wherein the Assignors were the Sellers and River Springs Ranch Limited, an Oregon Business Trust was Buyer, dated October 1, 1983, a copy of the Memorandum of Contract of Sale was dated October 1, 1983 and recorded in Volume M83, page 17496, records of Klamath County, Oregon, to Assignees.
2. COVENANTS: Assignors covenant that the Contract of Sale is not in default and that the balance due thereon is \$73,874.47 with interest paid to October 1, 1983.
3. ASSIGNEES ASSUMPTION: Assignees hereby assume the Sellers obligations under the Contract of Sale and agree to defend, indemnify and hold Assignors harmless therefrom.
4. CONSIDERATION: The true and actual consideration for this Assignment is to negate the 1031 tax free exchange between the parties and to avoid the possible sanctions of ORS 407.335(5).
5. ZONING: This instrument does not guarantee that any particular use may be made of the property described in this instrument. A buyer should check with the appropriate City of County Planning Departments to verify approved use.
6. ATTORNEY FEES: In the event action is brought to enforce any term of this Assignment, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action, as set by the trial court and, in the event of an appeal, as set by the appellate courts.

ASSIGNORS:

ASSIGNEES:

x Walter W. Rusch

Frank H. Hauer

x Melvin H. Rusch

Edith M. Hess

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STATE OF IOWA)

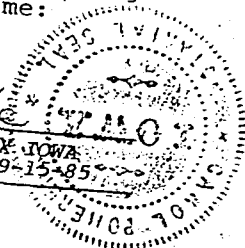
County of O'Brien)

ss. July 20, 1984.

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Personally appeared the within named DALE W. RUISCH and NELLIE RUISCH, husband and wife, and acknowledged the forgoing instrument to be their voluntary act and deed. Before me:

Carol Comenke
Notary Public for ~~OREGON~~ IOWA
My Commission expires: 9-15-85



STATE OF OREGON)

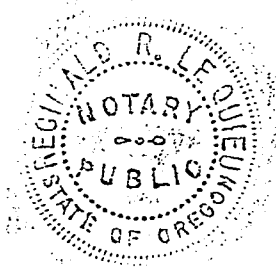
County of Klamath)

ss.

July 25, 1984.

Personally appeared the within named FRED G. HESS and EDITH M. HESS, husband and wife, and acknowledged the forgoing instrument to be their voluntary act and deed. Before me:

Ronald R. [Signature]
Notary Public for Oregon
My Commission expires: 6/24/85



STATE OF OREGON,)
County of Klamath)

Filed for record at request of

on this 2nd day of Aug. A.D. 19 84
at 2:46 o'clock P M, and duly
recorded in Vol. M84 of Deeds
Page 13143

EVELYN BIEHN, County Clerk
By [Signature] Deputy
Fee \$6.00

Return
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