

RETURN TO: Andrew C. Brandness 411 Pine Street Klamath Falls, OR 97601	TAX STATEMENTS TO: SVSB, Inc. 411 Pine Klamath Falls, OR 97601	CLERK'S STAMP:
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-BARGAIN AND SALE DEED-

Bearl Seals and Ruby Seals, Grantor, conveys to SVSB, Inc., an Oregon corporation, Grantee, the following described real property situated in the Count of Klamath, State of Oregon, to-wit:

The SW $\frac{1}{4}$ of Section 15 and the SW $\frac{1}{4}$ of Section 22, Township 36 South, Range 12 East of the Willanette Meridian, Klamath County, Oregon.

The true and actual consideration for this transfer is \$95,000 and the Grantee's agreement to pay the ODVA sufficient consideration to obtain the formal and legal release of Grantors from Grantors' obligations under the ODVA Note and Mortgage referenced in the Assignment of Land Sale Contract by Vendor.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 96.930.

Dated this 16th day of April, 1997.

Bearl Seals
Bearl Seals

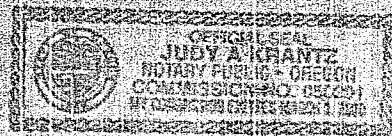
Ruby Seals
Ruby Seals

STATE OF OREGON)
County of Coos) ss.

April 16, 1997.

Personally appeared Bearl Seals and Ruby Seals, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

Judy A. Krantz
Notary Public for Oregon
My Commission expires: 3-1-00



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Brandness on 4th day of June A.D., 19 97 at 11:15 o'clock A. M., and duly recorded in Vol. 1777 of Deeds on Page 17058

FEE \$30.00

By Bernetha G. Leitch County Clerk

37 APR 15 1997

ASSIGNMENT OF LAND SALE CONTRACT BY VENDOR

The undersigned, Bearl Seals and Ruby Seals, (Assignors), hereby assign to SVSS, Inc., an Oregon corporation, (Assignee), all of Assignor's right and interest in that certain Contract of Sale dated March 13, 1986, Amendment of Real Estate Contract dated February 14, 1989, Amendment of Real Estate Contract dated May 3, 1990, between Assignors as Sellers, and Terry L. Hager and Dessa L. Hager, husband and wife, and Donald W. Rice, as Purchasers; a Memorandum of which was recorded on June 16, 1986, in Book M86, page 10461, Deed Records of Klamath County, Oregon, and to-wit:

The SW $\frac{1}{4}$ of Section 15 and the NW $\frac{1}{4}$ of Section 22, Township 36 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, and the equipment described in attached Exhibit "A", which is by this reference incorporated herein.

The undersigned covenant that they have the legal right and authority to convey the Assignor's interest in the Contract, that the Contract is in default and that the unpaid principal balance of the Contract is \$105,906.02, with interest in the sum of \$28,790.44, for a total of principal and interest in the sum of \$134,696.46, as of February 26, 1997. Further interest accrues at the rate of \$28.9361 per diem. Assignor warrants that the Vendee's interest in the Contract is subject to immediate foreclosure and the Vendor has not waived the right to enforce the terms of the Contract. Assignor further warrants that there are no claims against Assignors by Vendees Hager/Rice and Assignors will defend, indemnify and hold harmless Assignee from any such claims that arise from events prior to March 19, 1997. Vendor knows of no defenses available to the Vendee.

Assignee acknowledges that the lien of the Contract assigned herein is subject, subsequent and inferior to the lien of a Real Estate Mortgage securing a Note payable to Oregon Department of Veterans Affairs ("ODVA" and "ODVA Note and Mortgage"). The ODVA Note and Mortgage are in default. Assignee agrees to pay to the ODVA sufficient consideration to obtain the formal and legal release of Assignors from Assignors obligations under said ODVA Note and Mortgage.

Assignee assumes, as of and after March 19, 1997, all of Assignors' obligations under the Hager/Rice Contract, as Vendor, and shall fully and faithfully perform all of Assignors' obligations arising after said date. Assignee shall defend, indemnify and hold harmless Assignors, and each of them, from any and all claims whatsoever arising under the Hager/Rice Real Estate contract after said date or as a result of Assignee's failure to fully perform all of the obligations assumed hereunder. Assignors agree to defend, indemnify and hold harmless Assignee from any and all claims whatsoever arising under the Hager/Rice Real Estate contract prior to March 19, 1997. The term "claims" as used herein means and includes, but is not limited to, all claims, damages, liens, causes of action, costs, expenses (including, without limitation, attorneys' fees), demands or other rights of recovery or entitlement of any kind.

In the event that the Vendee of said Hager/Rice Contract tenders and pays the sum of \$90,000 as full and final payment for the Vendee's Contract obligations as set forth in the Amendment to Contract dated May 3, 1990, then Assignor agrees to remit the sum of \$5,000 to Assignee within thirty (30) days of demand by Assignee. Upon receipt, and immediately thereafter, Assignee shall execute such document or documents appropriate to fulfill the said Real Estate Contract as amended and deliver its right, title and interest to the Vendees of said Contract.

1. ASSIGNMENT OF LAND SALE CONTRACT BY VENDOR

Assignee agrees that in the event assignee obtains the interest of the first lien against the property (ODVA), the assignee agrees to release the assignor from all personal liability owed by the assignor to the ODVA, or otherwise not sue the assignor. This provision shall not be construed to confer a benefit to any third party or limit any remedy against other parties or the property subject to this contract.

The true and actual consideration paid for this assignment is \$95,000 and the Assignee's agreement to pay the ODVA sufficient consideration to obtain the formal and legal release of Assignors from Assignors' obligations under the ODVA Note and Mortgage referenced above.

Dated this 16th day of April, 1997.

SVSB, Inc.

By

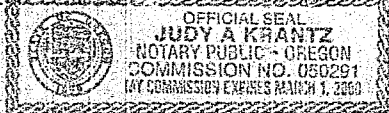
Name Andrew C. Brandsness
Title Secretary

STATE OF OREGON)
) ss.
County of Coos)

Bearl Seals
Bearl Seals

Ruby Seals
Ruby Seals

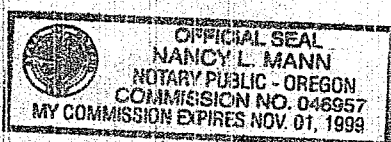
Personally appeared Bearl Seals and Ruby Seals and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



Judy A. Krantz
Notary Public for Oregon
My Commission expires: 3-1-00

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared Andrew C. Brandsness who, being duly sworn, stated he is Secretary of SVSB, Inc. and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me:



Nancy L. Mann
Notary Public for Oregon
My Commission expires: 11-1-99

After Recording Return to:
Brandsness, Brandsness & Rudd
411 Pine Street
Klamath Falls, OR 97601

EXHIBIT "A"

IRRIGATION EQUIPMENT AND FIXTURES

Mainline

10"	25x50	1,250'
10"	1x30	30'
8"	15x30	450'
8"	20x50	1,000'
6"	140x30	4,200'

4 - 4" Wheel lines x 1/4 mile. Complete with motor and mover.

1 - 5" Wheel line x 1/4 mile. Complete with motor and mover

Hand Lines

3"x40' Lateral lines - Drop locks 1,500 feet

3"x40' Lateral lines - Hook locks 400 feet

1 Only 50HP General Electric Pump - Model 5K324JN1402A
w/ Cornell pump Model L 5WB50 -2 Serial #20408

1 Only 40HP General Electric Pump - SN CBJ316371
w/ Cornell pump Model 4WB40-2, SN 10219

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Brandsness the 4th day
of June A.D., 19 97 at 11:15 o'clock A. M., and duly recorded in Vol. M97
of Deeds on Page 17069

FEE \$40.00

By Bernetha G. Letsch, County Clerk
Kathleen Rose