

ASSIGNMENT AGREEMENT

THIS AGREEMENT is made by and between Fred A. & Patricia A. Wallace, hereinafter "Assignor", and Lie Tan, hereinafter "Assignee". The effective date of this agreement shall be the last date of the signature placed hereon of either party.

RECITALS:

WHEREAS, Assignor is the holder of a promissory note executed by Lawrence Monteith, dated on the following date: Sept. 19, 1996, in the face amount of \$85,000, hereinafter "Note"; WHEREAS, Assignor is the beneficiary of a trust deed given to secure the Note, executed on the following date: Sept. 19, 1996 and recorded as Instrument No. M96-31594 on the following date: October 4, 1996, in the Official Records of Klamath County, Oregon, hereinafter "Trust Deed"; WHEREAS, the common street address of the real property referenced in the Trust Deed is 309,311 & 315 E. Main St. Klamath Falls 97601, Oregon, and WHEREAS, the legal description of said real property is described on Exhibit "A" attached hereto and by this reference incorporated herein; WHEREAS, a true copy of said Note is attached hereto as Exhibit "B" and by this reference incorporated herein;

WHEREAS, Assignee desires to acquire all right, title and interest in the note and trust deed from Assignor and Assignor desires to sell, assign, transfer and convey the same to Assignee;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, including these Recitals, the parties hereby agree as follows:

1. Assignor assigns, transfers and conveys all their right, title and interest in the Note and Trust Deed to Assignee except as set forth below in Section 3;

2. The consideration for this assignment is the sum of Eighty Five thousand and 00./100 Dollars (\$85,000) payable in lawful money of the United States of America as follows:

2.1 \$5375 to make up 5 months behind payments and
assume the balance of the note

3. Assignor hereby retains a security interest in the Trust Deed to secure performance of this agreement and payment by Assignee of the balance of the consideration. Said security interest shall entitle Assignor to foreclose against Assignee by judicial foreclosure or by advertisement and sale under ORS Chapter 86, in the event of a default by Assignee as set forth herein. Upon payment of the purchase price in full by Assignee to Assignor, Assignor shall execute any documents necessary to terminate and/or extinguish its security interest herein, including but not limited to a request for reconveyance, bargain and sale deed, deed of reconveyance or any other document necessary to remove all right, title and interest of Assignor. In the event Assignor fails to execute said documents upon written request by Assignee, after payment and full performance under the terms of this agreement, then Assignor hereby appoints Assignee as Assignor's attorney in fact to execute any documents necessary to terminate and extinguish Assignor's security interest and remove all right, title and interest from Assignor in the Note, Trust Deed and real property which it secures.

Until Change is Requested, all Tax Statements shall be sent to: NO CHANGE

-1- ASSIGNMENT AGREEMENT

97 SEP 16 A9:28

ck
30-

4. Time is of the essence of this agreement and a default shall occur if Assignee fails to perform any of the terms or conditions of this agreement, including the making of any payments required herein, if such failure or non-performance remains uncorrected by Assignee for thirty (30) days after written notice of the same has been given by Assignor to Assignee pursuant to this agreement; provided, however, that Assignee shall not be deemed in default if the failure or non-performance cannot reasonably be cured within the thirty (30) day time period prescribed herein and provided further that Assignee shall have commenced in good faith to cure the non-performance within the thirty (30) day time period.

5. Assignor make the following representations and warranties to Assignee:

5.1 Assignor has the right to transfer all right, title and interest in the Note and Trust Deed and that the same is free and clear of all encumbrances and that Assignor will warrant and defend Assignee against all lawful claims and demands concerning the same.

6. Assignee may prepay all or any portion of the unpaid balance of the Note and Trust Deed at any time and there shall be no prepayment penalty.

7. The parties shall execute any and all documents and/or instruments necessary to effect and carry out the intent of this agreement and the parties shall, at all times, exercise good faith and due diligence in the performance of this agreement.

8. **Notices.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when personally delivered or 24 hours after either: (a) deposit in the United States mail, first class postage prepaid by certified Mail, return receipt requested; or (b) deposit with a recognized national overnight carrier, with shipping charges prepaid, and addressed to a party as follows:

If to Assignor:

Fred A. & Patricia A. Wallace
PO Box 98
Prospect, Or. 97536

If to Assignee:

Lie Tan
~~3290 Ford Drive~~ 2461 Northbrook ct.
 Medford, OR 97504

or such other address as a party may specify by written notice given in the same manner.

9. **Waiver.** No waiver of a breach of any covenant, term or condition of this agreement shall be a waiver of any other or subsequent breach of the same, or any other term, covenant, or condition, or as a waiver of the term, covenant or condition itself; nor shall such waiver require any notice of any kind to be given to reinstate the defaulted term, covenant or condition, or to make time and strict performance again of the essence.

10. **Interpretation.** The paragraph headings herein are intended only as a reference index and shall not control the interpretation or limit or enlarge the meaning of any term of this agreement. In construing this agreement it is understood that Assignor and/or Assignee may be more than one person or entity and if the context so requires, the singular shall mean and include the plural, the masculine shall mean and include the feminine and neuter and all grammatical changes shall be made, implied and construed to apply equally to corporations, partnerships and individuals.

11. **Successors in Interest.** This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns.

12. ORS 93.040 DISCLOSURE

12.1 THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. 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 EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

12.2 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 30.930.

13. Attorney Fees. In the event either party shall take any action, judicial or otherwise, concerning this agreement or any of its terms, the prevailing party shall be entitled to recover from the other party all expenses which it may reasonably incur in taking such action, including but not limited to costs incurred in searching records, the cost of title reports, surveyors reports and foreclosure reports and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with nonjudicial action, including the giving by one party to the other party of any notice necessitated by Buyer's failure to comply with any terms of this contract

14. Entire Agreement. This document is the entire, final and complete agreement of the parties and supersedes and replaces all written and/or oral agreements heretofore made or existing, if any, by and between the parties. This document may not be altered, amended, changed or modified unless done in writing and executed by the parties hereto. There are no representations, inducements, promises or agreements, oral or written, other than those set forth in this agreement and it is the intent of the parties that the terms of this agreement shall control over any conflicting provisions of any prior agreement.

DATED: 8/26/97

[Signature]

DATED: 8/26/97

[Signature]

"Assignor"

DATED 8/28/97

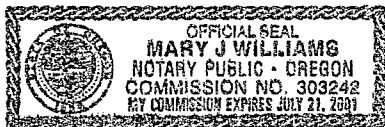
[Signature]
Lie Tan

"Assignee"

30261

STATE OF OREGON)
)ss.
County of Jackson)

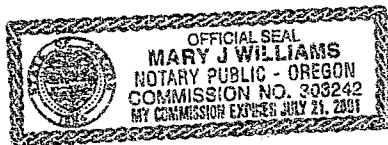
Personally appeared Fred A + Patricia A Wallace
and acknowledged the foregoing instrument to be their voluntary act and deed. Before me this 28 day
of August, 1997.



Mary J. Williams
Notary Public for Oregon
My Commission Expires: July 21, 2001

STATE OF OREGON)
)ss.
County of Jackson)

Personally appeared Lie Tan and acknowledged the foregoing instrument to be their voluntary act
and deed. Before me this 28 day of August, 1997.



Mary J. Williams
Notary Public for Oregon
My Commission Expires: July 21, 2001

(see client's tan assignment)

EXHIBIT 'A'

PARCEL 1:

The Northeasterly 59 feet of Lots 22, 23, 24 and 25; the Southwesterly 56 feet of Lot 22 and the Southwesterly 56 feet of the Southeasterly 11 feet of Lot 23, all in Block 18, INDUSTRIAL ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the County Clerk of Klamath County, Oregon.

PARCEL 2:

Lots 29, 28, 27 and 26; the Southwesterly 56 feet of Lots 25 and 24 and the Southwesterly 56 feet of the Northwesterly 14 feet of Lot 23, all in block 18, INDUSTRIAL ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Jackson County Title the 16th day
of Sept. A.D., 19 97 at 9:28 o'clock A. M., and duly recorded in Vol. M97
of Mortgages on Page 30258.

FEE \$30.00

By Bernetha G. Letsch, County Clerk
Kathleen Ryan