

46764

Vol. 277 Page 33405

97 DEC 10 AM 55

Recording requested by:
Klamath County Title
#51292-D
When recorded return to:
Owens Financial Group, Inc.
P. O. Box 2308
Walnut Creek, Calif. 94595

Ref: Loan # 50342B

2.51292D
ASSUMPTION & ASSIGNMENT AGREEMENT

This Agreement is made among
OLD STRATFORD L.L.C., a Nevada Limited Liability Company
hereinafter called "Seller", and

FIRST KLAMATH L.L.C., a Nevada Limited Liability Company
hereinafter called "Purchaser", and
The City of San Leandro
hereinafter called "Lender".

RECITALS

A) WHEREAS, Seller is presently the owner of the property
(hereinafter called the "Property") and did execute and deliver, a Deed
of Trust to:

Klamath County Title Company, as Trustee,
Owens Financial Group, Inc., a California corporation, as Beneficiary
Dated: January 30, 1997
Recorded: February 7, 1997
Volume: M97
Page: 3845
Official Records of Klamath County, Oregon

which Deed of Trust was assigned to
THE CITY OF SAN LEANDRO, by assignment
Dated: July 1, 1997
Recorded:
Volume:
Page:

given to secure payment of a certain note of same date,
in the principal amount of \$500,000.00

B) WHEREAS, Seller and Purchaser have entered into a real property
sales agreement under which Purchaser has agreed to purchase the
Property and to assume the Promissory Note and Deed of Trust as part of
the purchase price for the Property to be paid by Purchaser to Seller,
contingent on lender's waiver of due-on-sale clause, subject to the
condition(s) stated in this Agreement.

40-

C) WHEREAS, Buyer's obligation to assume the Promissory Note is conditioned on Lender's agreement not to exercise its option under the terms of the Promissory Note and Deed of Trust to accelerate the unpaid balance of the Promissory Note as a result of the above transfer;

D) WHEREAS, Seller's agreement to sell the Real Property is conditioned on Lender's agreement to release Seller from all liability on the Promissory Note and Deed of Trust;

THE PARTIES HEREBY AGREE AS FOLLOWS:

Unpaid Balance of Note

1. The total unpaid principal balance of the Promissory Note is \$ 500,000.00.

Assumption of Liability

2. Buyer hereby assumes and agrees to pay the obligation represented by the Promissory Note; acknowledges that the Real Property described in the Deed of Trust shall remain subject to the Deed of Trust; acknowledges that nothing in this Agreement shall affect the priority of the lien of the Deed of Trust over other liens and encumbrances against the Real Property; and agrees to be bound by all of the conditions and covenants contained in the Promissory Note and Deed of Trust. Buyer also agrees that the Deed of Trust shall secure all other sums that Buyer may borrow in the future from Lender when such sums are evidenced by another note or notes stating that they are so secured.

Consent to Transfer

3. Lender hereby consents to the transfer of the Real Property described in the Deed of Trust and Promissory Note and waives its right to accelerate the entire unpaid balance of the Promissory Note by reason of the transfer; provided, however, that this consent shall not be deemed a waiver of the right to require consent to future transactions.

Release From Liability

4. Provided record title to the Real Property is transferred to Purchaser and provided Purchaser executes this Agreement, Lender hereby releases Seller from any and all liability on or under the Promissory Note and Deed of Trust. The release of Seller shall be effective on the latter of (1) the date record title to the Real Property is transferred to Purchaser, or (2) the date Purchaser executes this Agreement.

Assignment by Seller

5. Seller hereby transfer and assigns to Purchaser all of its right, title and interest in and to any and all refunds and credits that may at any time accrue under the Deed of Trust.

33407

Governing Law

6. All questions about the construction of this Agreement, and the right and liabilities of the parties to this Agreement, shall be governed by the laws of the State of Oregon.

Binding on Successors

7. This Agreement shall inure to the benefit of, and shall be binding on, the assigns, successors in interest, personal representatives, estates, heirs, and legatees of each of the parties.

Entire Agreement

8. This Agreement contains the entire agreement of the parties, and supersedes any prior written or oral agreements between them concerning the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, among the parties, relating to the subject matter of this Agreement, that are not fully expressed in this Agreement.

Dated September 11, 1997

THIS DOCUMENT IS BEING EXECUTED IN COUNTERPART

Seller

Mailing Address

OLD STRATFORD L.L.C.,
a Nevada Limited Liability Company

Purchaser

MAILING ADDRESSES

FIRST KLAMATH L.L.C.,
a Nevada Limited Liability Company

c/o The Dwares Group
Attn: Peter Dwares
World Trade Center, #205
San Francisco, CA 94111

BY: SOUTHSTAR FINANCIAL & DEVELOPMENT, INC.,
a Nevada Corporation,
its Manager

c/o Key Investment
Properties
Attn: Andy South
7150 Firloop Road, #214
Tigard, OR 97223

BY:

Andrew South,
President

Lender:

THE CITY OF SAN LEANDRO

By:

James O'Leary
Finance Director

Assistant

33408

Governing Law

6. All questions about the construction of this Agreement, and the right and liabilities of the parties to this Agreement, shall be governed by the laws of the State of Oregon.

Binding on Successors

7. This Agreement shall inure to the benefit of, and shall be binding on, the assigns, successors in interest, personal representatives, estates, heirs, and legatees of each of the parties.

Entire Agreement

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Dated September 11, 1997

THIS DOCUMENT IS BEING EXECUTED IN COUNTERPART

Seller

OLD STRATFORD L.L.C.,
a Nevada Limited Liability Company

By: *Southstar Financial & Development Corp.*
- *Andrew South*
President

Mailing Address

c/o Key Investment Properties, Inc.
Agent for Owner
Richard South Vice President
7150 S.W. Fir Loop, #214
Tigard, Ore. 97223

Purchaser

FIRST KLAMATH L.L.C.,
a Nevada Limited Liability Company

BY: SOUTHSTAR FINANCIAL & DEVELOPMENT, INC.,
a Nevada Corporation,
its Manager

By: *Andrew South*
Andrew South,
President

MAILING ADDRESSES

c/o The Dwares Group
Attn: Peter Dwares
World Trade Center, #205
San Francisco, CA 94111

c/o Key Investment
Properties
Attn: Andy South
7150 Firloop Road, #214
Tigard, OR 97223

Lender

THE CITY OF SAN LEANDRO

By: James O'Leary,
Finance Director

State of Oregon }

County of Multnomah }

ss.

This instrument was acknowledged before me on Oct 3, 1997 by Andrew South as President of Southstar Financial & Development Corp.
Dated: 10/03/97

(SEAL OR STAMP)



OFFICIAL SEAL
JANICE L. CLARK
NOTARY PUBLIC - OREGON
COMMISSION NO. 034557
MY COMMISSION EXPIRES JULY 13, 1998

Janice L. Clark
(Notary's Signature)
(Notary's Printed Name) *Janice L. Clark*
Notary Public in and for the
State of Oregon, residing at *Portland OR.*
My commission expires 7-13-98

Governing Law

6. All questions about the construction of this Agreement, and the right and liabilities of the parties to this Agreement, shall be governed by the laws of the State of Oregon.

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Dated September 11, 1997

THIS DOCUMENT IS BEING EXECUTED IN COUNTERPART

Seller

OLD STRATFORD L.L.C.,
a Nevada Limited Liability Company

Mailing Address

*C/O Key Investment Properties, Inc.
Agent for Owner
Andrew South Vice-President
7150 S.W. Fir Loop, #214
Tigard, Ore. 97223*

Purchaser

FIRST KLAMATH L.L.C.,
a Nevada Limited Liability Company

BY: SOUTHSTAR FINANCIAL & DEVELOPMENT, INC.,
a Nevada Corporation,
its Manager, *Andrew South*

BY: *Andrew South*
Andrew South,
President

MAILING ADDRESSES

c/o The Dwares Group
Attn: Peter Dwares
World Trade Center, #205
San Francisco, CA 94111

c/o Key Investment
Properties
Attn: Andy South
7150 Firloop Road, #214
Tigard, OR 97223

Lender

THE CITY OF SAN LEANDRO

By: _____
James O'Leary,
Finance Director

33410

STATE OF CALIFORNIA,

COUNTY OF

Alameda

} S.S.

On September 29, 1977

before me,

Robert F. Caughell

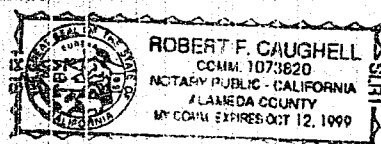
a Notary Public in and for said County and State, personally

appeared

James H. O'Leary

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

FOR NOTARY SEAL OR STAMP



WITNESS my hand and official seal.

Signature

Robert F. Caughell

STATE OF CALIFORNIA,

COUNTY OF

} S.S.

On _____, before me,

a Notary Public in and for said County and State, personally

appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

FOR NOTARY SEAL OR STAMP

WITNESS my hand and official seal.

Signature _____

Oregon Janice L Clark
STATE OF CALIFORNIA;

33411

COUNTY OF Klamath

} S.S.

On October 2, 1997

before me, Janice L Clark

a Notary Public in and for said County and State, personally

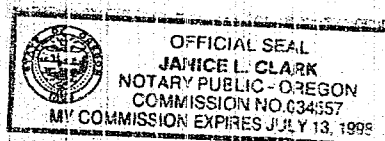
appeared Andrew South AS PRESIDENT OF SOUTHWEST FINANCIAL CORPORATION

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Janice L Clark

FOR NOTARY SEAL OR STAMP



STATE OF CALIFORNIA,

COUNTY OF _____

} S.S.

On _____

before me, _____

a Notary Public in and for said County and State, personally

appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ Klamath County Title _____ the _____ 10th _____ day
of _____ October _____ A.D., 19 _____ 97 _____ at _____ 9:55 _____ o'clock _____ A.M., and duly recorded in Vol. _____ M97
of _____ Pages _____ on Page _____ 33405

FEE \$40.00

By Bernetha G. Letsch, County Clerk
Kathleen Rosen