

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 Lea Frasier in the face amount of \$ 47,250.00, dated on the following date: January 7, 1998, of a trust deed given to secure the Note, hereinafter "Note"; WHEREAS, Assignor is the beneficiary and recorded as Instrument No. M981626 executed on the following date: January 7, 1998 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 1764 Ivory, Klamath Falls, OR 97603, 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 Forty Seven Thousand Two Hundred Fifty Dollars (\$ 47,250.00) payable in lawful money of the United States of America as follows:

2.1 Note at \$47,250.00 with \$590.63 per month-interest only payment at 15% per year starting Feb. 13, 1998 until paid. (Feb. 13 through July 13 payments: \$500.00=\$3,043.78) will be paid with this assignment.

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.

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 & Patricia Wallace

4260 Beagle Rd

White City, OR 97503

830-5677

If to Assignee:

Lie Tan

3290 Ford Drive

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.

12.1 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.

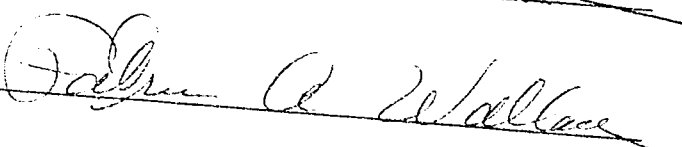
13. Attorney Fees. In the event either party shall take any action, judicial or otherwise, concerning this agreement or any of its terms, the prevailing party shall be entitled to recover from the other party all expenses which it may reasonably incur in taking such action, including but not limited 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: 8/21/98

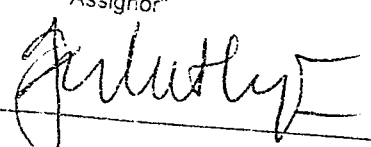


DATED: 8/21/98



"Assignor"

DATED: 8/21/98


Lie Tan

"Assignee"

STATE OF OREGON)
County of Jackson)ss.
)

40815

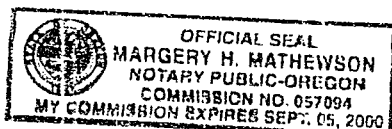
Personally appeared FRED A. WALLACE & PATRICIA A. WALLACE
and acknowledged the foregoing instrument to be their voluntary act and deed Before me this 22 day
of August, 1998



Margery H. Mathewson
Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
County of Jackson)ss.
)

Personally appeared Lie Tan and acknowledged the foregoing instrument to be their voluntary act
and deed. Before me this 22 day of August, 1998



Margery H. Mathewson
Notary Public for Oregon
My Commission Expires: 9-5-2000

(do not clients (an assignment))

AMERITITLE, has recorded this
instrument by request as an accommodation only,
and has not examined it for regularity and sufficiency
or as to its effect upon the title to any real property
that may be described therein.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle
of November A.D., 19 98 at 3:25 o'clock P. M., and duly recorded in Vol. M98
of Mortgages on Page 40812

FEE \$25.00

By Bernetha G. Letsch, County Clerk