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7669RECORDING REQUESTED BY:
Equity Preservation, Inc.MTC 22431-D
Vol. m89 Page 21692WHEN RECORDED RETURN TO:
Equity Preservation, Inc.
650 Saratoga Avenue #205
San Jose, CA 95129Order No: 3439NM
Escrow No: 22431-DASSUMPTION AND RELEASE AGREEMENT

This Agreement is made by and between Equity Preservation, Inc., a California Corporation ("EPI"), William H. Martella and Shirley R. Martella, ("Assuming Party") and Kelly K. Adams and Charlotte Adams, ("Lender").

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1. As part of the consideration for the acquisition of that certain real property in the City of 2423 Briarwood Lane, County of Klamath, State of Oregon, described in Exhibit A attached hereto and made a part hereof, and described in that certain deed of trust dated Nov. 1, 1988⁹, executed by Equity Preservation, Inc., a California Corporation, as Trustor, in which Kelly K. Adams and Charlotte Adams are named as Beneficiary, and Mountain Title Company of Klamath County as Trustee, and recorded on Nov. 9, 1989, as Instrument No. 7667 in the Official Records of Klamath County, Oregon, ("Deed of Trust") securing a promissory note in the original principal amount of Ten Thousand and No/100 Dollars (\$10,000.00) dated Nov. 1, 1988⁹ ("Promissory Note"). The Assuming Party and each of them jointly and severally hereby immediately assume and agree to pay the Promissory Note secured by said Deed of Trust, and to be bound by and perform all of the terms, conditions, obligations and covenants of said Promissory Note, Deed of Trust and any other security instruments which secure the Promissory Note. The Assuming Party further 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 described therein. The Assuming Party also agrees that the Deed of Trust shall secure all other sums that the Assuming Party may borrow in the future from Lender when such sums are evidenced by another note or notes stating that they are so secured.

2. Lender hereby releases EPI from any and all liability on or under the Promissory Note and Deed of Trust. The Assuming Party does hereby hold harmless and indemnify EPI, its officers, directors, shareholders, partners, employees, agents and attorneys from any and all costs, (including but not limited to reasonable attorney's fees incurred by EPI), liability, expenses, claims or demands arising from or under the Promissory Note and/or Deed of Trust or any other instrument securing the Promissory Note.

3. The unpaid balance of the Promissory Note is \$10,000.00.

4. Lender hereby consents to the transfer of the real property described in the Deed of Trust and waives any right it may have to accelerate the unpaid balance of the Promissory Note by reason of such transfer; but such consent shall not be deemed to be a waiver of any right to require such consent to future transactions.

5. All questions with respect to the construction of this Agreement and the rights and liabilities of the parties hereto, shall be governed by the laws of the State of California. In the event of any action or proceeding to enforce any term or provision of this Agreement, or for breach thereof, or to declare the rights of the parties with respect thereto, the prevailing party, as determined by a tribunal with proper jurisdiction shall be entitled to recover, in addition to all relief awarded to said party, its costs and expenses including, but not limited to, reasonable attorney's fees incurred in connection with such action or proceeding, and in any appeal from or retrial of the same, and in the collection or enforcement of any award therein.