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MTC-1390-6085

Following recording return to:
American Exchange Services, Inc.
320 Church Street NE
Salem, OR 97301

State of Oregon, County of Klamath
Recorded 07/15/2004 10:57 A m
Vol M04 Pg 46214-17
Linda Smith, County Clerk
Fee \$ 36.00 # of Pgs 4

**AGREEMENT FOR ASSUMPTION OF DEBT
AND SUBSTITUTION OF LIABILITY**

THIS AGREEMENT is entered into this 6th day of July, 2004, by and between AMERICAN EXCHANGE SERVICES, INC., an Oregon corporation, hereinafter referred to as "MAKER," STERLING SAVINGS BANK, hereinafter referred to as "LENDER," and NASH PROPERTIES, LLC, hereinafter referred to as "TRANSFEREE."

WHEREAS MAKER has executed in favor of LENDER a Promissory Note dated March 11, 2004 and a Trust Deed, Security Agreement, and Assignment of Rents, hereinafter referred to as "Trust Deed", dated March 11, 2004 and recorded in the records of Klamath County, Oregon, as No. Vol M04 Pg 13885-13906 on March 11, 2004, and,

WHEREAS, the parties hereto desire that upon the transfer of ownership of the real property, legally described in Exhibit A attached hereto and by reference incorporated herein, from MAKER to TRANSFEREE, MAKER will be released from all further liability on the Promissory Note and Trust Deed, and TRANSFEREE will assume the obligation represented by the Promissory Note and Trust Deed;

NOW THEREFORE, the parties hereto agree as follows:

1. LENDER hereby releases MAKER from any and all liability on or under the Promissory Note and Trust Deed.
2. TRANSFEREE hereby assumes and agrees to pay the obligation represented by the Promissory Note and to hold MAKER harmless therefrom; acknowledges that the real property described in the Trust Deed shall remain subject to the Trust Deed; acknowledges that nothing in the Agreement shall affect the priority of the lien of the Trust Deed over other liens and encumbrances against said real property; and agrees to be bound by all of the terms, conditions and covenants contained in the Promissory Note and Trust Deed.
3. LENDER hereby consents to the transfer of the real property described in the Trust Deed and waives LENDER's right, if any, to accelerate the entire unpaid balance of the Promissory Note by reason of such transfer; but such consent shall not be deemed to be a waiver of the right to require such consent to future transactions.
4. All issues with respect to the construction of this Agreement and the rights and liability of the parties shall be governed by the laws of the State of Oregon.

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

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5. In the event of a dispute or controversy concerning this Agreement, the prevailing party therein shall be entitled to reasonable attorneys fees.

6. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, personal representatives, transferee and assigns.

7. This Agreement contains the entire agreement of the parties hereto and supersedes any prior written or oral agreements between them concerning the subject matter herein contained. There are no representations, agreements, arrangements or understanding, oral or written, between and among the parties hereto relating to the subject matter contained in the agreement which are not fully expressed herein.

MAKER:

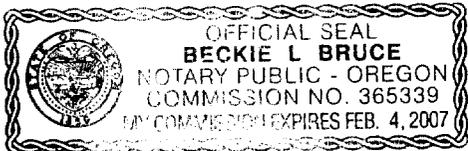
AMERICAN EXCHANGE SERVICES, INC.

By *Paula M. Frey*
Paula M. Frey, Asst. Secretary

STATE OF OREGON, County of Marion) ss.

This instrument was acknowledged before me on July 7, 2004, 2004, by Paula M. Frey as Asst. Secretary of American Exchange Services, Inc..

Beckie R Bruce
Notary Public for Oregon.



LENDER:

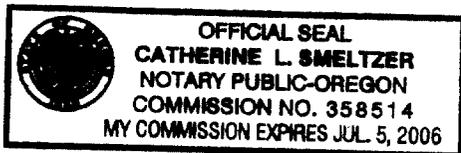
STERLING SAVINGS BANK

By *Bridgette Griffin Smith*

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on July 14, 2004, by Bridgette Griffin Smith as VP/Business Banking Team of STERLING SAVINGS BANK. *leader*

Catherine L. Smeltzer
Notary Public for Oregon.



TRANSFeree:

NASH PROPERTIES, LLC

[Handwritten signature of William C. Nash]

William C. Nash

[Handwritten signature of Lois Dian Nash]

Lois Dian Nash

STATE OF OREGON, County of

Klamath

) ss.

This instrument was acknowledged before me on
Lois Dian Nash.

July 8

, 2004 by William C. Nash

[Handwritten signature of Kristi L. Redd]

Notary Public for Oregon



Exhibit "A"

46217

Real property in the County of Klamath, State of Oregon, described as follows:

PARCEL 1:

Lot 5 Block 36, ORIGINAL TOWN OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. EXCEPTING THEREFROM the Southeasterly 8 feet for alley.

PARCEL 2:

One foot strip off of the easterly side of Lot 5, all of the Westerly half of Lot 6, the West half of the East half of Lot 6, and being 50 feet and 10 1/2 inches on Main Street and 120 feet deep in Block 36 in the City of Klamath Falls (being the Original Town of Linkville), as shown on the duly recorded Plat thereof (said grant being further described in Vol. 37, Deed records, at page 131); also an undivided one-half (1/2) interest in and to a seventeen (17) inches off of the Westerly side of the East Half of the East Half (E. 1/2 of E. 1/2) of Lot 6, Block 36, Town of Linkville (now the City of Klamath Falls), and also the right to the use of that certain stairway which now leads to the second floor of the building located and situated on the East 1/2 of the East 1/2 of said Lot 6, in Block 36 (described in Vol. 36, Deed records, at page 213.)

PARCEL 3:

Lots 6, 7 and 8 in Block 85 Klamath 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.