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SETTLEMENT AGREEMENT

This Settlement Agreement (hereinafter "Agreement") is made by and between [REDACTED] (hereinafter [REDACTED]) and American General Financial Services, Inc. (hereinafter "AGFS") who may be hereinafter referred to jointly as "Parties".

This Agreement is made in reference to a loan transaction between the Parties identified as AGFS Account Number [REDACTED] (hereinafter "Obligation") and evidenced by that certain Line of Credit Agreement dated October 24, 2006. This Agreement is based on the following facts:

A. The original terms of the of the Obligation required [REDACTED] to repay sums advanced under the Credit Line with interest thereon at a fixed rate of 13.490% per annum in monthly installments.

B. According to AGFS's records, the amount due on the Obligation is \$16,760.92, principal, interest and charges, as of September 8, 2010.

C. [REDACTED] is in default on the Obligation. [REDACTED] is unable to fully and timely perform the terms of the Obligation.

D. [REDACTED] has made certain claims, including disputing the amount due on the Obligation, against AGFS and its counsel and/or raised certain defenses to his liability on the Obligation.

E. It is the intention of the Parties to compromise and settle all claims by this Agreement in order to avoid the costs and fees that would incurred in litigation.

AGREEMENT: In consideration of the above facts, and the mutual promises, terms, covenants, conditions and representations that follow, the Parties agree as follows.

1. The parties agree that the above facts are true and accurate and form the understanding and basis for this Agreement and that should any question arise concerning the intent, meaning or interpretation of this Agreement, that intent, meaning or interpretation should be determined in accordance with these facts.

2. [REDACTED] shall pay AGFS, and AGFS will accept in full satisfaction of the Obligation, a compromise amount of principal \$6,000.00 with interest thereon at 13.49% per annum, payable in monthly installments of \$300.00 commencing on September 17, 2010 and continuing on the 17th day of each month thereafter until the all principal and accrued interest shall be paid in full. Interest on the principal balance of \$6,000.00 shall begin to accrue on September 17, 2010.

3. Contemporaneous with the execution of this Agreement, [REDACTED] shall execute and deliver to AGFS a Confession of Judgment, in the form and content of Exhibit A attached hereto, for the compromise amount of \$6,000.00 with interest thereon at 13.49% per annum from September 17, 2010. AGFS agrees to not file, or request entry of, the Confession of Judgment except in the event of a default in payment by [REDACTED]. In the event of a default in payment, then the entire unpaid principal balance of the compromise amount, with all accrued but unpaid interest shall be, and become, immediately due and payable at the election of AGFS and AGFS may file and request entry of the Confession of Judgment with the Snohomish County Superior Court without any further notice to [REDACTED] or opportunity for hearing. To the extent that AGFS has received payments from [REDACTED] pursuant to this Agreement that should

reduce the face amount of the Confession, AGFS shall file a Partial Satisfaction of the Confession of Judgment showing the dates, amounts and application of all payments received by Plaintiff pursuant to this Agreement. A default in payment shall be defined as AGFS's failure to receive any payment within 10 days of its due date.

4. [REDACTED] hereby voluntarily, knowingly and forever relieves, releases, and discharges AGFS and its affiliates, successors, officers, directors, employees, agents, representatives, attorneys and accountants from, and waives and relinquishes any and all, claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses (including but not limited to attorney's fees), damages, actions and causes of action, of whatever kind or nature, whether known, unknown, suspected or unsuspected at the time of execution of this Agreement, including, without limitation, any claims, debts liabilities, demands, obligations, promises, acts, agreements, costs, expenses, damages, actions or causes of action based on, arising out of, or in connection with the Obligation, the collection of the same or any of the matters or facts alleged or set forth in this Agreement., excepting the obligations imposed on AGFS by this Agreement

5. The parties acknowledge and agree that they have each been represented in the negotiations and preparation of this Agreement by independent counsel of their choice, waive the general rule of construction that an agreement is construed against the drafter, and that they have read this Agreement, have had its contents fully explained to them by such counsel, and are aware of the contents hereof and its legal effect.

6. This Agreement is executed for the purpose of settling disputes and avoiding the expense and risks of litigation. This Agreement is not, and shall not be construed as, an admission or acknowledgement of liability or wrongdoing on the part of either party. This agreement will not take effect until executed by both Parties. The respective Parties may execute this Agreement in individual counterparts, which together will form the whole of this Agreement and all of which shall constitute one and the same Agreement.

DATED: _____ American General Financial Services, Inc.

By _____
Joe Hertrich, Branch Manager

DATED: 9/08/10

[REDACTED]