

When recorded please return to:
The Law Office of Richard C. Blower
423 West Plumb Lane
Reno, Nv 89509

CONTRACT AND AGREEMENT

THIS Contract and Agreement dated this 6th day of August 1994, between WILLIAM A. McCLAIN, hereinafter referred to as "BILL"; and FRANCES A. McCLAIN, hereinafter referred to as "FRAN" is entered into for the express purpose of affirming the following contractual duties of said BILL to said FRAN.

WHEREAS,

FIRST: On or about November 30, 1989 FRAN executed a second mortgage in the amount of \$47,000 with First Western Bank, for the term of 15 years, on her sole and separate property located in Carson City, Nevada, physically described as 1480 Koontz Lane, Carson City, and legally described as per Exhibit "A" attached hereto, (Carson City Assessor's Parcel #9-331-15), hereinafter referred to as Koontz property, Carson City.

SECOND: Proceeds of said Koontz property loan were for the sole benefit of BILL in the purchase of property situated in Douglas County, Nevada, physically described as 863 Mica Drive and an unimproved parcel, all legally described as Lots 4 and 7, Block J, Vista Grande Subdivision, Unit 1, filed for record on November 9, 1964 as Document #26518, Douglas County Recorder records. (Assessors Parcel #13-171-04 and #13-171-07).

THIRD: On or about August 1, 1994 the title to said above parcels, as well as Parcels known as Lots 5 and 6 of said Block J, Vista Grande Subdivision, Unit 1 (Assessors Parcels #13-171-05 and 13-171-06), were conveyed by deeds to other persons. As part of said conveyances, promissory notes and deeds of trust were executed by those persons to BILL and FRAN, together as joint tenants. Under terms of the escrow instructions, payments under those notes are payable solely to BILL.

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NOW, THEREFORE, inasmuch as the term of the loan on the Koontz property (Carson City) still has remaining approximately 10 years to payoff, it is the intent of this document to stipulate the following facts:

A. During the lifetime of BILL and the purchase money notes secured by deeds of trusts, the payments received by BILL on the Douglas properties are his alone, **PROVIDED,** he continues to make the monthly installments due on the Koontz property, Carson City loan, along with all other obligations under said loan;

B. Terms of the original agreement, since terminated by sale of the said Douglas properties, stipulated FRAN was to bear no expenses or costs for said loan against her property. (Said mortgage has now become a first mortgage against her property.)

C. As payer of said Koontz property, Carson City loan, BILL was assigned the right to use the interest for his tax deduction.

D. Should BILL default in payments due on the Koontz property, Carson City loan, FRAN then becomes liable (as mortgagor of record) for any delinquencies and/or foreclosure proceedings and has to step in and satisfy those proceedings.

THEREFORE, in order to satisfy any such delinquencies, the sole intent of this document is that BILL assigns to FRAN the right to receive payment and the right that, upon notification by First Western Bank (or its successors) of such delinquencies, to immediately notify the payers of the Douglas loans of the requirement that all further loan payments are to be payable to and sent to FRAN. In this instance, FRAN'S accountability will be to deposit said payments, notify BILL payment received for his accounting purposes, and issue checks to satisfy the Koontz property, Carson City, delinquencies and bring loan current. Any and all further monies remaining after satisfying the Koontz property loan payments due will then be returned by check to BILL. This method of payment will remain in effect until the mortgage on the Koontz property, Carson City loan has been retired whereupon which, FRAN will then notify said Douglas property loan payers that they can then resume payments direct to BILL.

Page 2

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THIS CONTRACT AND AGREEMENT will not be exercised unless a default appears against the Koontz property, Carson City loan.

FURTHER, upon full payment and reconveyance of the Koontz property, Carson City loan by its due date or sooner, FRAN will then immediately assign any and all of her joint interest in the said Douglas County promissory notes and their security, back to BILL as his separate property.

NOW, THEREFORE, the parties named herein have executed this Contract and Agreement the date and year first above stated.


William A. McClain


Frances A. McClain

ACKNOWLEDGMENT PAGE

STATE OF NEVADA :
: SS.
CITY/COUNTY CARSON CITY :

On this 6th day of August, 1994, before me the undersigned, a Notary Public in and for said City/County and State, personally appeared WILLIAM A. McCLAIN, who subscribed to the foregoing instrument, and acknowledged that he executed the foregoing instrument freely and voluntarily for the uses and purposes therein expressed.

Shirley Ellis

Notary Public
SHIRLEY ELLIS
Notary Public - Nevada
Carson City County
My appt. exp. Jan. 2, 1996

STATE OF NEVADA :
: SS.
CITY/COUNTY CARSON CITY :

On this 6th day of August, 1994, before me the undersigned, a Notary Public in and for said City/County and State, personally appeared FRANCES A. McCLAIN, who subscribed to the foregoing instrument, and acknowledged that she executed the foregoing instrument freely and voluntarily for the uses and purposes therein expressed.

Shirley Ellis

Notary Public
SHIRLEY ELLIS
Notary Public - Nevada
Carson City County
My appt. exp. Jan. 2, 1996

WAW
INITIALS

KOONTZ PROPERTY, CARSON CITY, NEVADA

LEGAL DESCRIPTION:

All that certain lot, piece or parcel of land situate in Carson City, State of Nevada, described as follows:

That portion of the Northeast Quarter of the Southeast Quarter of Section 29, Township 15 North, Range 20 East, M.D.B. & M., described as follows:

COMMENCING at the one-quarter corner common to Section 28 and 29, Township 15 North, Range 20 East, M.D.B. & M.; thence South 0° 23' 34" West a distance of 326.00 feet; thence North 89° 43' 24" West a distance of 30 feet to the true point of beginning; thence South 0° 23' 34" West a distance of 290 feet to a point on the North line of a County Road; thence North 89° 43' 24" West along the North line of said road a distance of 150 feet; thence North 0° 23' 34" East a distance of 290 feet; thence South 89° 43' 24" East a distance of 150 feet to the point of beginning.

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EXHIBIT "A"

REQUESTED BY
Moss & Blower
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

FILED FOR RECORD
AT THE REQUEST OF
Moss & Blower
94 SEP 15 P3:02

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94 SEP 21 10:02

FILED IN
KEYS OFFICE NEVADA
CARSON CITY RECORDER
FEE \$ 11.00

SUZANNE BLAUREAU
RECORDER

Page 5

RB
[Signature]
INITIALS

\$ 11.40 PAID *Ko* DEPUTY

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