

000201107

APN 07-206-050

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

LSPI Exchange Corp.  
20 South Santa Cruz Avenue, Suite 300  
Los Gatos, California 95032

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## ASSUMPTION AGREEMENT AND RELEASE OF LIABILITY

This Agreement is made by and between Helen L. Schoene and Marilyn A. Spencer, hereinafter collectively referred to as the "Assuming Party," LSPI Exchange Corp., hereinafter referred to as the "Released Party," and Robert J. Smeath and David M. Ebner, Trustees of the Kafoury, Armstrong & Co. Profit Sharing Plan and Trust, hereinafter referred to as "Lender."

### RECITALS

On March 31, 2000, Lender <sup>indebted</sup> sold that certain parcel of real property located in the County of Douglas, State of Nevada, commonly known as 321 Charles Avenue, Stateline, Nevada, and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, hereinafter referred to as the "Real Property," to LSPI Exchange Corp., hereinafter referred to as the "Original Borrower." In connection with said sale Lender ~~carried back a~~ promissory note ("Note") in the original principal amount of One Hundred Twenty Three Thousand Nine Hundred Dollars and No/100, secured by a deed of trust ("Deed of Trust") encumbering the Real Property. The Deed of Trust was recorded on 3-31-2000, as Instrument No. 0489158, in Book 300, Page 6314 of the Officials Records of DOUGLAS County, NEVADA. Lender subsequently consented to the transfer of the Real Property from the Original Borrower to, and assumption of the Note by, the Assuming Party. The Original Borrower now desires to transfer the Real Property to the Assuming Party, who desires to acquire ownership of the Real Property and to assume full and complete liability for payment of the Note. Lender is willing to consent to such transfer, release of the Released Party/Original Borrower and assumption by the Assuming Party.

### TERMS OF AGREEMENT

Now, Therefore, in consideration of the foregoing premises and the mutual terms, covenants and conditions, herein contained, the parties agree as follows:

1. **Unpaid Balance of Note:** The total unpaid principal balance of the Note was \$ 123,900.00, as of 7/30/00. All payments of interest and principal previously falling due under the Note have been made, and the Note is current.

2. **Assumption:** Assuming party hereby assumes and agrees to pay the obligation represented by the Note; acknowledges that the Real Property shall remain subject to the Deed of Trust; acknowledges that nothing contained in this Agreement shall effect the existing priority of the lien of the Deed of Trust over other liens and encumbrances against the Real Property; and agrees to be bound by all the conditions and covenants contained in the Note and Deed of Trust.

3. **Consent to Transfer:** Lender hereby consents to the transfer of the Real Property described in the Deed of Trust and the Note by reason of the transfer; provided, however, that this consent shall not be deemed a waiver of the right to require consent to future transactions.

4. **Release From Liability:** Provided record title to the Real Property is transferred to Assuming Party and provided Assuming Party executes this Agreement, Lender hereby releases

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\* loaned released party with assuming party guaranteeing, secured by a

Released Party from any and all liability on or under the Promissory Note and Deed of Trust. The release of the Released Party shall be effective on the latter of (1) the date the record title to the Real Property is transferred to Assuming Party, or (2) the date Assuming Party executes this Agreement.

5. **Governing Law:** All questions about the construction of this Agreement, and the rights and liabilities of the parties to this Agreement, shall be governed by the laws of the State of Nevada. In the event of a dispute among the parties concerning the Note, Deed of Trust, Real Property or this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to costs and any other recovery awarded.

6. **Binding On Successors:** This Agreement shall inure to the benefit of, and shall be binding on, the assigns, successors in interest, personal representatives, estates, heirs, and legatees of each of the parties.

7. **Entire Agreement:** This Agreement contains the entire agreement of the parties, and supersedes any prior written or oral agreements between them concerning the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, among the parties, relating to the subject matter of this Agreement, that are not fully expressed in this Agreement.

In Witness Whereof, the parties hereto have executed this Assumption Agreement and Release of Liability on the respective dates set forth below.

"Released Party"  
LSPI Exchange Corp.

By: Jerome Pacifolla

8.25.00

"Assuming Party"

\_\_\_\_\_  
Exchangor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Exchangor

\_\_\_\_\_  
Date

"Lender"

David M Ebner, Trustee  
David M. Ebner

9/6/2000  
Date

\_\_\_\_\_  
Date

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Released Party from any and all liability on or under the Promissory Note and Deed of Trust. The release of the Released Party shall be effective on the latter of (1) the date the record title to the Real Property is transferred to Assuming Party, or (2) the date Assuming Party executes this Agreement.

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In Witness Whereof, the parties hereto have executed this Assumption Agreement and Release of Liability on the respective dates set forth below.

"Released Party"  
LSPI Exchange Corp.

By: Jerome Paciolla

8.25.00

"Assuming Party"

Marilyn A. Spencer  
Exchangeor Marilyn A. Spencer

8/31/00  
Date

Helen L. Schoene  
Exchangeor Helen L. Schoene

8-31-00  
Date

"Lender"

\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_

\_\_\_\_\_  
Date

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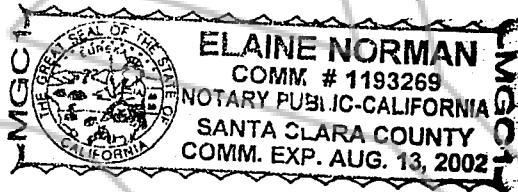
ACKNOWLEDGEMENT

STATE OF California )  
COUNTY OF Santa Clara ) SS.

On 8-25-00 before me, Elaine Norman, a Notary Public in and for said County and State, personally appeared Jerome Pacotta

known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Elaine Norman  
Notary's Signature



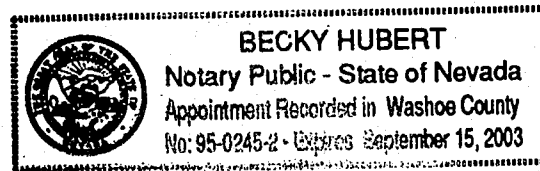
ACKNOWLEDGEMENT

STATE OF Nevada )  
COUNTY OF Washoe ) SS.

On 9/6/00 before me, Becky Hubert, a Notary Public in and for said County and State, personally appeared David M. Ebner, Trustee

known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Becky Hubert  
Notary's Signature



ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_

known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

\_\_\_\_\_  
Notary's Signature

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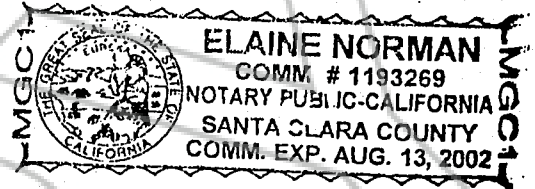
ACKNOWLEDGEMENT

STATE OF California )  
COUNTY OF Santa Clara ) SS.

On 8-25-00 before me, Elaine Norman, a Notary Public in and for said County and State, personally appeared Jerome Pacolla

known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Elaine Norman  
Notary's Signature



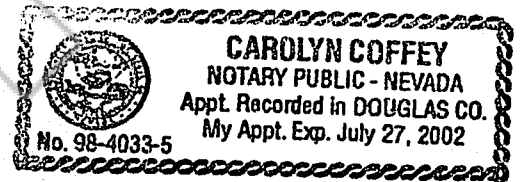
ACKNOWLEDGEMENT

STATE OF NEVADA )  
COUNTY OF DOUGLAS ) SS.

On AUGUST 31, 2000 before me, CAROLYN COFFEY, a Notary Public in and for said County and State, personally appeared HELEN L. SCHOENE AND MARILYN A. SPENCER

known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Carolyn Coffey  
Notary's Signature



ACKNOWLEDGEMENT

STATE OF )  
COUNTY OF ) SS.

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_

known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

\_\_\_\_\_  
Notary's Signature

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**EXHIBIT "A"**

**LEGAL DESCRIPTION**

ESCROW NO.: 000201107

Lot 19, Block D, as shown on the official map of KINGSBURY MEADOWS SUBDIVISION, recorded in the office of the County Recorder on July 5, 1955, in Book 1 of Maps as Document No. 10542.

A.P.N. 07-206-050

COPY

REQUESTED BY  
**STEWART TITLE of DOUGLAS COUNTY**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2000 OCT 20 PM 2: 58

LINDA SLATER  
RECORDER

\$12<sup>00</sup> PAID *KZ* DEPUTY

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