

✓ **Mail Recorded Document to:**
Brooke Shaw Plimpton Zumpft
Post Office Box 2860
Minden, Nevada 89423

R.P.T.T. ~~43~~ ~~0~~

Mail Tax Statements to:
John Cressaty
P.O. Box 1588
Minden, Nevada 89423

DEED IN LIEU OF FORECLOSURE

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, DEBORAH K. BAILEY, an unmarried woman, whose address is 1457 Douglas Avenue, Gardnerville, Nevada, 89410, (GRANTOR), does hereby Grant, Bargain and Sell to SHARALEE JORGENSEN, a married woman as her sole and separate property, JOHN CRESSATY, a married man as his sole and separate property, and JUDY WILLIAMS, a married woman as her sole and separate property, whose address is P.O. Box 1588 Minden, Nevada 89423 (collectively GRANTEES), the real property situate in the County of Douglas, State of Nevada, described as follows:

See Exhibit "A" attached hereto and made a part hereof by reference.

TOGETHER with all the tenements, hereditaments and appurtenances, including easements and water rights, if any, thereto belonging or appertaining, and any reversions, remainders, rent, issues or profits thereof.

THIS DEED is an absolute conveyance, GRANTOR having sold the real property above described to Grantee for a fair and adequate consideration, such consideration, in addition to that recited, being full satisfaction of all obligations secured by Deed of Trust executed by GRANTOR as TRUSTOR to WESTERN TITLE COMPANY, Inc., a Nevada Corporation as TRUSTEE for GRANTEES as BENEFICIARIES, and recorded on 26 February 1999, in Book 0299, Page 5798, Document No. 0462087, Official Records of Douglas County, Nevada, (the Deed of Trust). GRANTOR declares that this conveyance is freely and fairly made and that there are no agreements, oral or written, other than this Deed between the parties hereto with respect to the real property hereby conveyed.

cb

EXHIBIT "A"

LEGAL DESCRIPTION

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

Lot 4, in Block A, in the Hawkins Addition to the Town of Gardnerville, as per the Official Map or Plat thereof, on record in the office of the County Recorder of Douglas County, Nevada.

Excepting therefrom that certain portion of said land thereof conveyed to Donald R. Kyle, et ux, recorded January 4, 1952, in Block A-1 of Deeds, at page 67, Douglas County, Nevada, records.

A.P.N. 1320-32-813-014

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GRANTEES join in the execution of this Deed for the purpose of evidencing that GRANTEES hereby accept this conveyance as being full satisfaction of all obligations secured by the Deed of Trust.

Witness our hands this 14th day of February, 2001.

DEBORAH K. BAILEY,

Deborah K Bailey

SHARALEE JORGENSEN,

a married woman as her sole and separate property,

Sharalee Jorgensen

JOHN CRESSATY,

a married man as his sole and separate property,

John Cressaty

JUDY WILLIAMS,

a married woman as her sole and separate property

Judy Williams

STATE OF Nevada)

COUNTY OF Douglas) ss.

On Feb 9, 2001, before me, a notary public, personally appeared Deborah K.

Bailey, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that he executed the instrument.

Sandy Storke
Notary Public

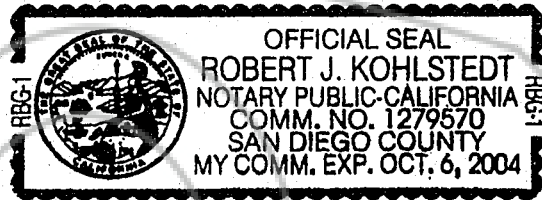


STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

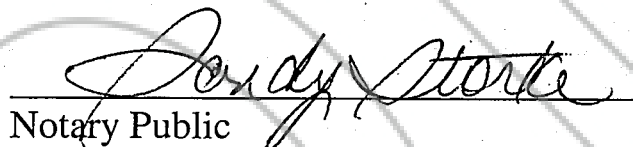
On 2/13/01, 2001, before me, a notary public, personally appeared Sharalee Jorgensen, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that he executed the instrument.


Notary Public

STATE OF Nevada)
) ss.
COUNTY OF Douglas)



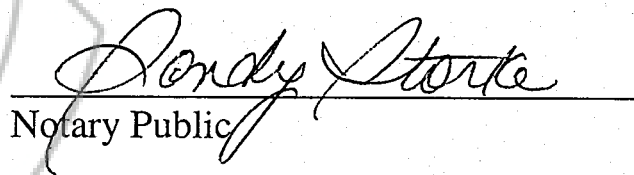
On Feb 14, 2001, before me, a notary public, personally appeared John Cressaty, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that he executed the instrument.


Notary Public

STATE OF Nevada)
) ss.
COUNTY OF Douglas)



On Feb 14, 2001, before me, a notary public, personally appeared Judy Williams, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that he executed the instrument.


Notary Public



SETTLEMENT AGREEMENT AND RELEASE OF LIABILITY

This Settlement Agreement is made on this 9 day of FEBRUARY 2001, by and between DEBORAH K. BAILEY ("OWNER") and SHARALEE JORGENSEN, JOHN CRESSATY and JUDY WILLIAMS, ("LENDERS").

A. Owner is the fee simple title owner in and to a certain property described on Exhibit A, which is attached and incorporated by reference, sometimes referred to in this Agreement collectively as the "Property".

B. To evidence and secure that certain mortgage loan made by Lenders to Owner, Owner executed and delivered to Lenders a deed of trust recorded on 26 February 1999, in Book 0299, Page 5798, Document No. 0462087, Official Records of Douglas County, Nevada, (the Deed of Trust).

(a) Lenders have demanded that Owner pay the Mortgage debt, but Owner has failed and refused to do so;

(b) Lenders have the immediate right to pursue all of its remedies under the Note and Deed of Trust, and to foreclose the Deed of Trust on the Property; and

(c) The fair market value of the property is equal to the mortgage debt.

C. Owner has requested that for consideration of \$500.00 payable to Owner by Lenders, and in view of the lack of equity in the Property, and to avoid time-consuming, expensive, and needless litigation, Lenders accept a settlement under which the Property would be transferred to Lenders by Owner, and Owner would be released from any liability for a money judgment or a deficiency judgment on the Note and Deed of Trust. Lenders are willing to accept such a settlement, but only on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, and for other good and

valuable consideration, including Lenders' release of Owner from liability for a money judgment or a deficiency judgment on the Note and Deed of Trust as provided in this Agreement, the receipt and adequacy of which are mutually acknowledged, the parties agree as follows:

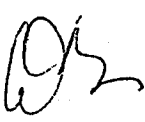
1. Conveyance

A. Simultaneously with the execution of this Agreement, Owner has executed and will deliver to Lenders on the Closing Date a Deed in Lieu of Foreclosure covering the Property in recordable form, and all further documents as may be necessary to affect the transfer of the Property. The foregoing Deed, together with this Agreement, are hereafter referred to collectively as the "Transfer Documents."

B. The Transfer Documents are intended to be and are acknowledged by Owner to affect an absolute conveyance and unconditional transfer of the Property and all rights, title, interest, income, rents, royalties, and profits in connection with the Property as of the closing date of this transaction, and are not given as security. If, contrary to the foregoing, at any time it is determined that Owner has any equitable or statutory rights of redemption in the Property, then, for the considerations set forth in this Agreement, Owner sell, transfer, and convey to Lenders and waive for themselves any and all equitable and statutory rights of redemption with respect to the Property.

C. Owner warrants and represents to Lenders, on which warranties and representations Lenders have relied and will continue to rely, that:

(i) Those persons signing on behalf of the Owner, individually and collectively, have the power, capacity, and authority to execute and deliver the Transfer Documents to Lenders, and have done so freely and voluntarily, with full knowledge and without duress;



(ii) Owner has not transferred, by sale, assignment, or otherwise, to any person, partnership, corporation, or other entity, all or any part of any right, title, or interest which they may have in and to the Property prior to the date of this Agreement;

(iii) There are no contracts for deed, and sale contracts, or other executory agreements for the sale or transfer of any part of the Property;

(iv) There are no management, service, maintenance, employment, or brokerage contracts or agreements or obligations, commitments, or arrangements, written or oral, with respect to the Property;

(v) Owners have not received any notice with respect to, and to the best of their knowledge, information and belief, there are no violations of, any past or present governmental regulations, zoning or other ordinances, statutes, codes or orders of any type, formal or informal, with respect to the Property which may affect the operation, development, or use of the Property, including without limitation, all federal, state, and local statutes, regulations, codes or orders regarding environmental, health, and safety matters.

(vi) No proceedings in bankruptcy have ever been instituted by or against Owner in any court, nor has owner made an assignment for benefit of creditors at any time;

(vii) No materials have been delivered to the Property and no labor has been performed on the Property for 90 days prior to the date of this Agreement. No supplier or laborer or any other person has the right to place or maintain, or has placed or maintained, a lien against the Property. There are no choate or inchoate liens outstanding against the Property. Owner agrees to execute any affidavits, waivers, or sworn statements that may be required by Lenders, or by the title insurance company insuring Lenders' title to the Property, to evidence Owner's representations and warranties contained in this subparagraph.

2. Possession


Simultaneously with the delivery of the fully executed Transfer Documents, including this Agreement, on the closing date set forth in this Agreement, Owner shall deliver possession and enjoyment of the Property to Lenders. Lenders shall then have the immediate right to manage, operate use, possess, sell, and transfer the Property or any part of the Property for its own account to the total exclusion of Owner.

3. Release of Personal Liability

Subject to the provisions of this Agreement, Lenders release Owner from all personal liability to Lenders for any money judgment or deficiency judgment on the Note or Deed of Trust. Owner releases Lenders from all liabilities and obligations (if any) on the Note, the Deed of Trust, or in connection with the Property. Owner shall not be deemed to be released, in any way, from their continuing obligations under the terms of this Agreement. The release of Owner from liability to Lenders for a money judgment or deficiency judgment is hereby intended to protect the parties so released from any suit by Lenders. Lenders shall retain all other rights and remedies against the Property as provided by law, including the right to foreclose the Deed of Trust by court action or as otherwise permitted by law, and realize on its security. The provisions of this Paragraph shall survive the closing of this transaction.

4. Absolute Conveyance

Owner acknowledges and agrees that the conveyance of the Property to Lenders in accordance with the terms of this Agreement is an absolute conveyance of all of their right, title, and interest in and to the Property in fact, as well as form, and was not and is not now intended as a mortgage, trust conveyance, deed of trust, or a security instrument of any kind; the consideration for the conveyance is exactly as recited in this Agreement; and Owner has no



Staple

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF Nevada
COUNTY OF Douglas } S.S.

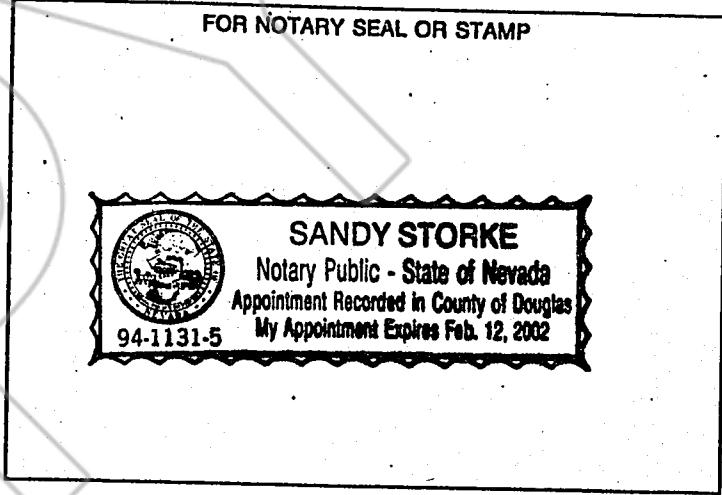
On February 9, 2001 before me,
SANDY STORKE

a Notary Public in and for said County and State, personally appeared
DEBORAH K. BAILEY

personally 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.

WITNESS my hand and official seal

Signature Sandy Storke
F 2492 (5-91)



Staple

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further interest (including rights of possession, repurchase, cure, or redemption, except only as may be otherwise expressly set forth in this Agreement) or claims in and to the Property or to the proceeds and profits, if any, which may be derived from the Property, during the period of ownership of or on subsequent resale or conveyance by Lenders, of any kind whatsoever.

5. Notice

Any notice which is or may be given to any of the parties shall be deemed served if sent by certified mail, return receipt requested, as follows:

A. To Owner: DEBORAH K. BAILEY, (Address) 911 LYNN AVE.
CARSON CITY, NEVADA 89703

B. To Lender: JOHN CRESSATY, Post Office Box 1568, Minden, Nevada 89423.

6. Miscellaneous

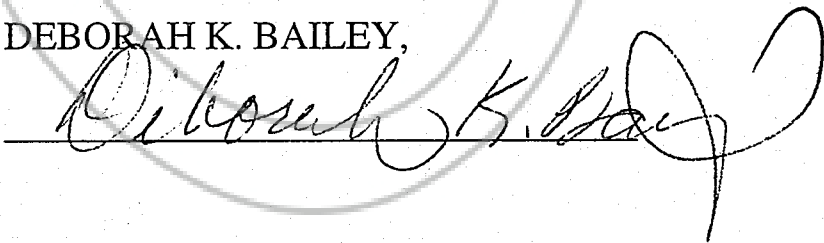
A. The Transfer Documents represent a complete integration of all of the prior and contemporaneous agreements and understanding of the parties. All such agreements, understanding, and documents, except for the Note and Deed of Trust and other loan documents executed in connection with the same, are superseded by this Agreement.

B. This Agreement shall be binding on and inure to the benefit of the parties, their respective heirs, executors, administrators, personal representatives, successors, and assigns. No other party shall be a beneficiary under the Agreement.

The parties have executed this Settlement Agreement on the date first above written.

Witness our hands this 2 day of February 2001.

DEBORAH K. BAILEY,



SHARALEE JORGENSEN,
a married woman as her sole and separate property,

JOHN CRESSATY,
a married man as his sole and separate property,

John Cressaty

JUDY WILLIAMS,
a married woman as her sole and separate property

Judy Williams

STATE OF _____)

)

COUNTY OF _____)

) ss.

On _____, 2001, before me, a notary public, personally appeared
Deborah K. Bailey, personally known (or proved) to me to be the persons whose names are
subscribed to the above instrument who acknowledged that he executed the instrument.

Notary Public

SHARALEE JORGENSEN,
a married woman as her sole and separate property,

Sharalee Jorgensen

JOHN CRESSATY,
a married man as his sole and separate property,

John Cressaty

JUDY WILLIAMS,
a married woman as her sole and separate property

Judy Williams

STATE OF _____)

) ss.

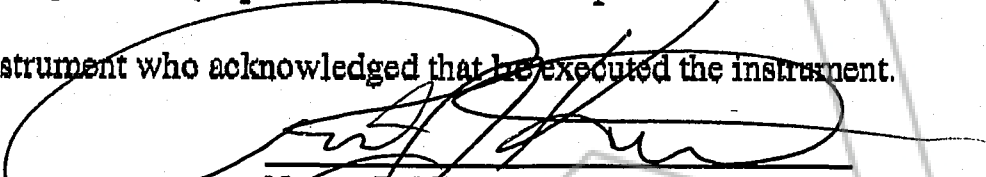
COUNTY OF _____)

On _____, 2001, before me, a notary public, personally appeared
Deborah K. Bailey, personally known (or proved) to me to be the persons whose names are
subscribed to the above instrument who acknowledged that he executed the instrument.

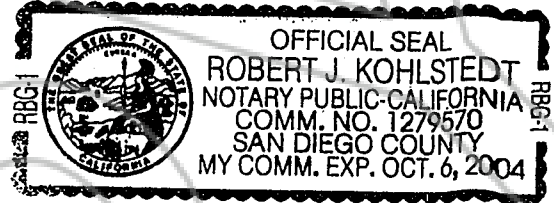
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On 2/14/01, 2001, before me, a notary public, personally appeared
Sharalee Jergensen, personally known (or proved) to me to be the persons whose names are
subscribed to the above instrument who acknowledged that he executed the instrument.




Notary Public



STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On Feb 14, 20001, before me, a notary public, personally appeared
John Cressaty, personally known (or proved) to me to be the persons whose names are
subscribed to the above instrument who acknowledged that he executed the instrument.

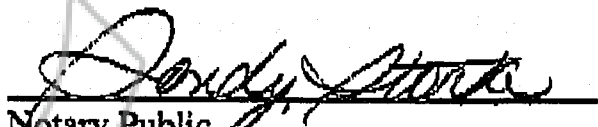


Notary Public



STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On Feb 14, 20001, before me, a notary public, personally appeared
Judy Williams, personally known (or proved) to me to be the persons whose names are
subscribed to the above instrument who acknowledged that he executed the instrument.



Notary Public



STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2001, before me, a notary public, personally appeared Sharalee Jorgensen, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that he executed the instrument.

Notary Public

STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On Feb 14, 2001, before me, a notary public, personally appeared John Cressaty, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that he executed the instrument.

Sandy Storke
Notary Public



STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On Feb 14, 2001, before me, a notary public, personally appeared Judy Williams, personally known (or proved) to me to be the persons whose names are subscribed to the above instrument who acknowledged that he executed the instrument.

Sandy Storke
Notary Public



EXHIBIT "A"

LEGAL DESCRIPTION

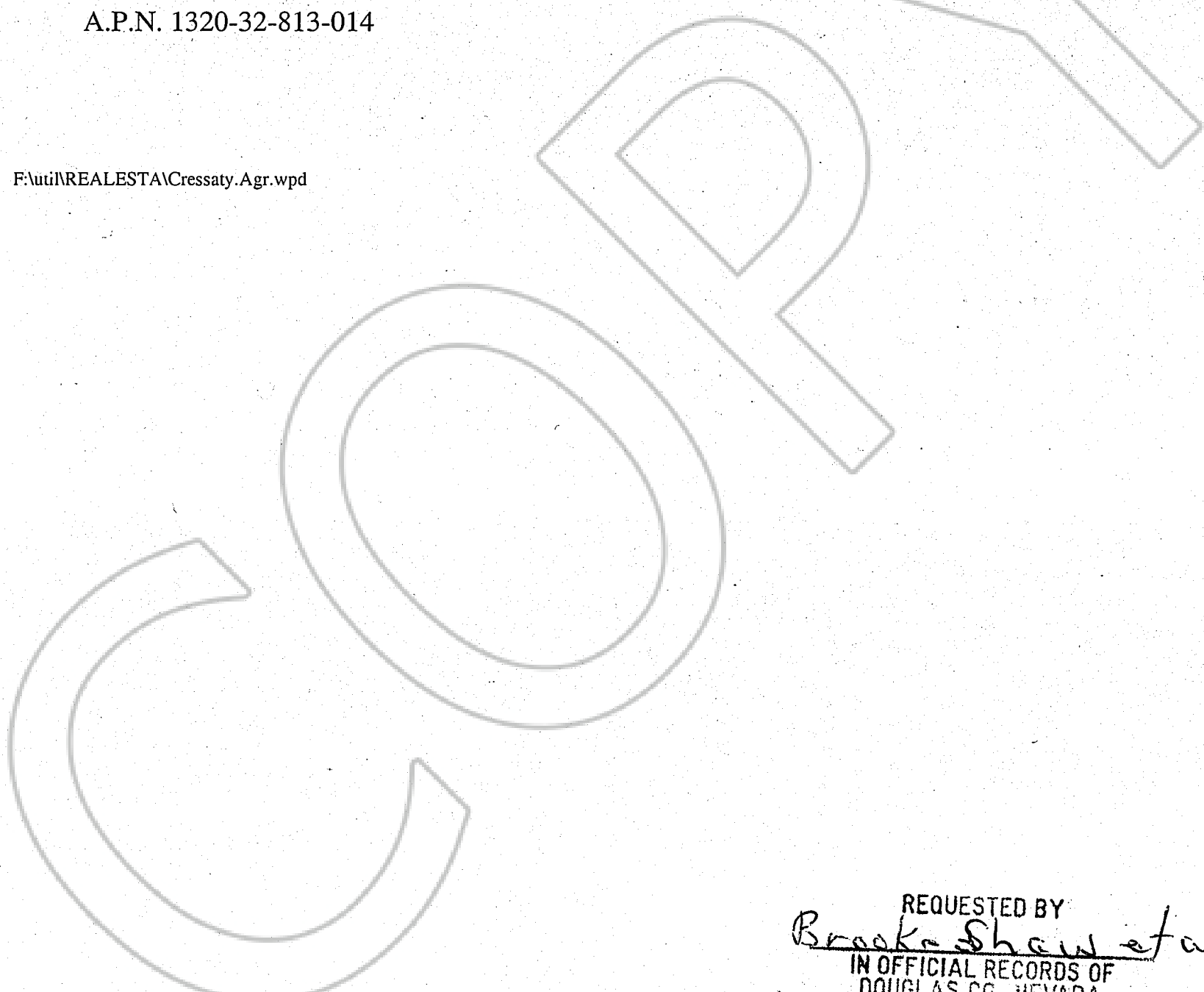
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Lot 4, in Block A, in the Hawkins Addition to the Town of Gardnerville, as per the Official Map or Plat thereof, on record in the office of the County Recorder of Douglas County, Nevada.

Excepting therefrom that certain portion of said land thereof conveyed to Donald R. Kyle, et ux, recorded January 4, 1952, in Block A-1 of Deeds, at page 67, Douglas County, Nevada, records.

A.P.N. 1320-32-813-014

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REQUESTED BY
Brooke Shaw et al
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2001 FEB 21 PM 4:16

LINDA SLATER
RECORDER

\$21⁰⁰ PAID *K2* DEPUTY