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1319-12-000-001
1319-11-002-002+001
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Douglas County - NV
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ORDER OF INSTRUCTIONS
(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.
(Additional recording fee applies)

This cover page must be typed.

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1 CASE NO. 99-CV-0071

2 DEPT. NO. II

2004 APR 12 PM 2:33

BARBARA REED
CLERK

BY GREGORY DEPUTY

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6 IN THE NINTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
7 IN AND FOR THE COUNTY OF DOUGLAS

8 MARIE LAYTON,

9 Plaintiff,

10 vs.

ORDER OF INSTRUCTIONS

11 KAREN WHITE; RENAE WHITE;
12 JULIAN SMITH, ESQ.; FRANK
13 SETTELMAYER & SONS, INC., a
Nevada corporation, and DOES
14 III-V,

15 Defendants.

16
17 This matter came on for hearing on the 8th day of April, 2004
18 on the joint motion of Plaintiff, Marie Layton, and Sean Boyd, the
19 Receiver for Frank Settlemeier & Son's, (FS&S) which motion sought
20 instructions concerning the sale of the assets of the corporation and
21 entering into a lease with Walt Valente.

22 The court finds and orders as follows:

23 1. Notice was given as required by Nevada law. Present at the
24 hearing was Marie Layton and her attorney William Patterson Cashill,
25 and the Receiver Sean Boyd and his attorney James R. Hales of Rowe &
26 Hales. Defendants Karen White and Renae White were not present and
27 made no effort to contact the court or any other party prior to the
28 hearing.



1 2. The real property owned by FS&S has been appraised.

2 3. Because all parties present at the hearing believe that it
3 is in the best interest of the corporation and shareholders to keep
4 the appraised value of the land confidential, the transcript made at
5 the time of the hearing shall be sealed. A party or her counsel may
6 access the transcript without further order of the court. Otherwise
7 the transcript shall remain sealed unless otherwise ordered.

8 4. The court finds that it has authority to authorize the
9 receiver to sell the property. Nevada law allows for a receiver to
10 sell the assets of the corporation under circumstances such as these.
11 No party has objected to the receiver being authorized to sell the
12 property. Accordingly, the receiver is so authorized.

13 5. All parties who appeared at the hearing expressed a desire
14 to maximize the return on the sale of the real property. Marie
15 Layton also expressed a desire to take reasonable steps to attempt to
16 allow for the land to continue be used primarily for agricultural
17 activities.

18 6. The court finds that it is in the best interest of all
19 involved to vest the receiver with the broadest possible authority to
20 market and sell the property. Accordingly, the receiver is
21 authorized the seek purchasers for the property, and enter into a
22 contract to sell the property, with only the following restrictions.

23 A. The receiver shall not enter into a contract to sell the
24 property for less then the appraised amount, without
25 specific authority from this court.

26 B. The receiver is authorized to enter into a contract to
27 sell the property at or above appraised amount; however,
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the sale will have to be confirmed by the court, and any purchaser shall be so advised.

C. Whether the contract will be subject to overbid at the time of the confirmation hearing will be decided by the court at the confirmation hearing. The receiver and any prospective buyer shall have the right to argue that the offer should or should not be subject to overbid. However, the court alone will make that decision at the time the contract is presented for confirmation.

D. The receiver is free to market the property in whatever manner he so desires, with one exception. As a part of marketing the property, at a minimum, he shall place an advertizement in the Record Courier, a newspaper of general circulation in Douglas County, informing the public that the property is for sale.

E. The receiver is directed to take reasonable steps to comply with the desire expressed by Marie Layton to sell the property under such circumstances that will increase the likelihood that the property will continue to be used for primarily agricultural purposes.

7. The receiver is authorized to enter into an agricultural lease with Walt Valente through the calendar year 2004.

8. At the hearing the court also reviewed with all present the status of the claims as detailed by the receiver in his report filed on March 22, 2004. If no objection to any approved claim is filed within 33 days from the service of the report, the receiver is authorized to pay the approved claims. The claim for Thomas Atkinson

1 shall be paid in part from the funds deposited by Mr. Atkinson with
2 the court pursuant to the previous order of the court. The balance
3 of the claim shall be paid when funds are available. The receiver is
4 authorized to pay the balance of the claim when the funds are
5 available, without seeking further approval from this court.

6 9. The court is concerned that Robert Brendahl may not have
7 received notice of his right to file a claim. The receiver shall
8 send an additional notice to Mr. Brendahl, advising him of the claim
9 procedure.

10 10. The receiver shall retain counsel to represent the
11 corporation in this matter. Upon counsel being retained, both
12 counsel shall contact this court to set a time to conclude the trial
13 of this matter.

14 11. At the time of the hearing the receiver explained to the
15 court that corporate vehicles are currently being driven by Karen
16 White and Renae White. He advised that he has confirmed insurance
17 coverage, but is concerned because of the unwillingness of the
18 insurance agent to communicate details regarding coverage.
19 Additionally he expressed concern about the liability of the
20 corporation, regardless of insurance coverage, should an accident
21 occurred in a vehicle owned by the corporation.

22 12. The receiver shall provide notice to any shareholder of
23 the corporation, or agent, heir or assign of that shareholder, that
24 within 10 days of the date of the notice, the receiver shall transfer
25 title of the vehicle out of the name of the corporation and into the
26 name of the person then driving the vehicle. At the expiration of
27 the notice the receiver shall then take all steps necessary to
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1 transfer the ownership to the person who currently has custody and
2 use of the vehicle. The receiver shall use reasonable efforts to
3 obtain the current fair market value of the vehicle. The value of
4 the vehicle will then be assigned to the recipient as a distribution
5 from the corporation. The value of the distribution shall be offset
6 against any other distributions later made to the shareholders.

7 DATED this 12 day of April.

8 *Michael P. Quinn*
9 _____
10 District Court Judge

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CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and of record in my office.

DATE: 2/16/05

B. Lee Clerk of the 9th Judicial District Court
of the State of Nevada, In and for the County of Douglas,

By *J. H. P. [Signature]* Deputy