

OFFICIAL RECORD  
Requested By:  
JERRY BLADES

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 Of 10 Fee: 23.00  
BK-1005 PG- 9030 RPTT: 0.00



Assessor's Parcel Number: \_\_\_\_\_

Recording Requested By:

Name: Jerry Blades

Address: 2054 EAST VALLEY Rd

City/State/Zip Minden, NV 89423

Real Property Transfer Tax: \_\_\_\_\_

Stipulation & SETTLEMENT Agreement  
(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 or legibly hand printed.*

ORIGINAL

RECEIVED

AUG 31 2005

0040  
1 CASE NO.: 05-CV-0400

2 DEPT. NO.: I

FILED  
2005 AUG 31 AM 11:18  
DOUGLAS COUNTY  
DISTRICT COURT CLERK

2005 SEP -1 PM 00:00

DOUGLAS COUNTY  
DISTRICT COURT CLERK

BY: *[Signature]*  
Henry R. Butler

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

9 CLF, LLC, a Nevada limited  
10 liability company; and  
11 Henry R. Butler, an individual

11 Plaintiffs,

12 vs.

13 Jerry Blades, an individual;  
14 Regina Blades, an individual; and  
15 Does I-X, inclusive

15 Defendants.

STIPULATION  
AND  
SETTLEMENT AGREEMENT

16 \_\_\_\_\_  
16 Jerry Blades, etc., et al.,

17 Counterclaimants

18 CLF, LLC, etc., et al.,

19 Counterdefendants  
20 \_\_\_\_\_

21 This matter came before the Honorable Judge Gamble on July 7,  
22 2005, for a settlement conference, and the parties agreed to settle  
23 all claims and disputes existing by and between CLF, LLC, a Nevada  
24 Limited Liability Company and/or Henry Butler, (hereinafter referred  
25 to as CLF-Butler) and Jerry Blades and/or Regina Blades (hereinafter  
26 referred to as Blades); the parties further memorialize the  
27 Stipulation and Settlement Agreement and agree as follows:  
28



*[Handwritten mark]*

1           1. Upon Execution of this Stipulation and Settlement Agreement,  
2 and upon approval by the Court, the Court is to enter an Order  
3 transferring title to the real property described on Exhibit "A"  
4 attached hereto, i.e. the subject property, to Blades, subject to the  
5 duties, terms, and conditions set forth in this Stipulation and  
6 Settlement Agreement.

7           2. CLF-Butler agree to execute a Quit Claim Deed as Grantors,  
8 conveying any and all interest they may have in the subject property  
9 to Blades, as Grantees, and to deliver the Quit Claim Deed to Marquis  
10 Title & Escrow Inc., 1520 U.S. Hwy 395 North, Gardnerville, NV 89410,  
11 to be held in escrow as security for payment of certain sums and  
12 performance of certain obligations, which Blades hereinafter agree to  
13 pay and perform, however delivery of the deed to Blades will not occur  
14 until their performance of all obligations is complete.

15           3. Blades' right to delivery of the deed shall terminate if they  
16 fail to pay the sums due and/or fail to perform the obligations as  
17 hereinafter agreed. Pending full performance hereon by Blades, the  
18 Quit Claim Deed in their favor as Grantees shall not be delivered,  
19 released to them, or recorded by Marque Title, except as may otherwise  
20 be authorized by Court Order.

21           4. Between the time of this settlement and close of escrow,  
22 Blades shall timely pay all interest only payments on the Hoseit loan  
23 on the principal amount of \$375,000.00, which loan is secured by the  
24 subject property by a Deed of Trust recorded June 10, 2004, in Book  
25 0604, Page 5392, File No. 0615786, Official Records of Douglas County,  
26 Nevada, and pay all monthly payments of principal and interest and  
27 other sums due under a Promissory Note and Trust Deed in favor of  
28 Saxton Mortgage, having an approximate principal balance of *1900*



1 \$510,500.00 (the Saxton loan), which loan is secured by the subject  
2 property by Deed of Trust, recorded on June 12, 2000, in Book 0600,  
3 Page 4572, File No. 494515, Official Records of Douglas County Nevada.  
4 All payments shall be made in the manor required under the Court's  
5 order dated July 7, 2005, and said Order shall in all respects remain  
6 in full force and effect. In addition, Blades shall pay all property  
7 taxes and insurance on the property as they come due, or in accordance  
8 with any impound account being collected by Saxton Mortgage. Blades  
9 shall name CLF-Butler as an additional insured on the policy of  
10 insurance.

11 5. On or before November 1, 2005, Blades may pay CLF-Butler  
12 through escrow at Marque Title or outside of escrow, the sum of  
13 \$90,000.00 in cash and pay all sums remaining due, both principal and  
14 interest, on the \$375,000.00 Hoseit loan, according to its terms. If  
15 said funds are deposited by Blades on or before October 31, 2005,  
16 escrow is to close in a timely manner, with the \$90,000.00 being  
17 released to CLF-Butler in exchange for the recording of the Quit Claim  
18 Deed in favor of Blades and the balance due on the Hoseit loan being  
19 released to Hoseit in exchange for recording a full reconveyance of  
20 the Hoseit Deed of Trust. If Blades sell the subject property or  
21 refinance the subject property on or before October 31, 2005, their  
22 sole responsibility to CLF-Butler is to pay the \$90,000.00 and satisfy  
23 the principal and interest due on the Hoseit loan.

24 6. If Blades have not deposited the \$90,000.00 and the balance  
25 due on the Hoseit loan in escrow by October 31, 2005, then the sum due  
26 CLF-Butler shall be increased to the sum of \$152,000.00, which sum  
27 shall commence bearing interest on November 1, 2005, at the applicable  
28 judgment rate, in accordance with NRS 99.040, and Blades shall



*HKS*

1 continue to be deemed the owners of the subject property, shall  
2 continue to have the right to occupy the property, and shall continue  
3 to be obligated to make all payments on the Saxton loan and the Hoseit  
4 loan in accordance with Court's order dated July 7, 2005, and said  
5 Order shall in all respects remain in full force and effect.

6 7. If by November 1, 2005, Blades have not deposited the  
7 \$90,000.00 and the balance due on the Hoseit loan in escrow, has  
8 complied with the Court's Order, dated July 7, 2005, by being current  
9 in the payments on the Hoseit loan and the Saxton loan, then Blades  
10 shall retain their right to delivery and recording of the Quit Claim  
11 Deed with all rights to occupy the premises, but, Blades agree to, and  
12 shall be obligated to, list the property for sale at its fair market  
13 value with a licensed real estate broker doing business in Douglas  
14 County, Nevada, and Blades agree to, and shall be obligated to market  
15 the property for sale, actively and in good faith, at its fair market  
16 value. The Quit Claim Deed shall remain in escrow until the property  
17 is sold or refinanced by Blades and the obligations due CLF-Butler and  
18 Hoseit are paid in full, or until October 1, 2006 arrives, without the  
19 property having been sold or refinanced by Blades, which ever may  
20 first occur. If Blades sell the subject property or refinance the  
21 subject property after October 31, 2005, but before October 1, 2006,  
22 their responsibility to CLF-Butler is to pay the \$152,000.00 plus  
23 accrued interest and to satisfy the principal and interest due on the  
24 Hoseit loan.

25 8. If at any time up to October 1, 2006, Blades fall delinquent  
26 by 15 days or more in making their payments on the Hoseit Loan or the  
27 Saxton Loan as required by the July 7, 2005 Court Order, then CLF-  
28 Butler shall be entitled to apply to the Court for an immediate *WCS*



1 issuance of a writ of possession and upon taking possession of the  
2 property CLF-Butler agrees to, and shall be obligated to either  
3 continue the listing of the subject property with the Broker who  
4 listed the property for Blades, or to list the property for sale at  
5 its fair market value with another licensed real estate broker doing  
6 business in Douglas County, Nevada, and agrees to, and shall be  
7 obligated to market the property for sale at its fair market value.  
8 If the property sells prior to October 1, 2006, then the net proceeds  
9 of sale shall be shared fifty percent by CLF-Butler and fifty percent  
10 by Blades. Net proceeds of sale is defined as the balance remaining  
11 after paying real estate commissions, normal closing costs, and  
12 satisfying the balance due on the Hoseit loan, the balance due on the  
13 Saxton loan, and paying CLF-Butler the \$152,000.00 plus accrued  
14 interest to the date of closing.

15 9. If Blades have not paid CLF-Butler and Hoseit by October 1,  
16 2006, and the subject property has not been sold by October 1, 2006,  
17 then the Quit Claim Deed held in escrow with Marque Title is to be  
18 returned to CLF-Butler, and the Court may enter an Order granting CLF-  
19 Butler a writ of immediate possession, vesting title in CLF-Butler or  
20 their nominee, free and clear of any claim by Blades, their  
21 successors, assignees, or heirs.

22 10. From the date of this Agreement through October 1, 2006, the  
23 parties in possession of the subject property shall have a  
24 responsibility to maintain the property in a reasonable marketable  
25 condition. Upon receiving reasonable advance notice of a request for  
26 access, the parties in possession agree to, and shall be obligated to,  
27 allow reasonable access to the other parties, their brokers, agents or  
28 representatives, for the purpose of establishing the fair market *WCS*



1 value, for purposes showing the property, and for purposes of  
2 confirming that the property is being maintained in a marketable  
3 condition. Reasonable advance notice shall mean not less than 48  
4 hours notice by telephone or in writing of a request to see the  
5 property, which notice requirement may be waived at the election of  
6 the party occupying the subject property.

7 11. For purposes of this settlement, payment means payment in  
8 full in cash or by cashier's check. Time is of the essence. There  
9 are no grace periods except that a late payment may be made within the  
10 fifteen days after the due date, and if so made shall not be  
11 considered delinquent.

12 12. Both Blades and CLF-Bulter may assign their respective  
13 rights and/or duties and obligations in this Settlement Agreement, but  
14 any assignment shall not change any of the terms or conditions of this  
15 Settlement Agreement and any assignee shall be subject to and bound by  
16 the terms hereof.

17 13. From and after the date hereof, Blades and CLF-Butler, may  
18 voluntarily communicate directly with one another regarding the  
19 property without violating the rules of professional conduct. If  
20 however either party believes that direct communications are not being  
21 conducted in a civil, courteous, and constructive way, that party can  
22 request that further communications be directed to their legal  
23 counsel.

24 14. Each party shall bear their own costs and attorney fees  
25 incurred in this action and in bringing about this settlement.

26 15. This Stipulation and Settlement Agreement is intended as a  
27 mutual compromise of all claims existing by and between CLF-Butler  
28 and Blades, whether or not such claims are specifically alleged in the

1 pleadings or raised by inference by the pleadings and whether such  
2 claims are known or unknown. The parties waive any and all rights  
3 which they may have under the provisions of California Civil Code  
4 §1542 and similar common law principals in Nevada which reads as  
5 follows:

6 "A general release does not extend to claims which the  
7 creditor does not know or suspect to exist in his favor at  
8 the time of executing the release, which if known by him,  
9 must have materially affected his settlement with the  
10 debtor."

11 The effective date of this Stipulation and Settlement Agreement shall  
12 be July 7, 2005. The consideration for this Settlement Agreement are  
13 the mutual releases of all claims known or unknown existing between  
14 CLF-Butler and Blades and the promises stated above.

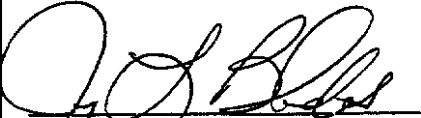
15 16. The parties mutually agree that the Court should continue  
16 its jurisdiction over this Settlement Agreement until such time as  
17 Blades pay the sums due CLF-Butler and satisfy the Hoesit loan through  
18 a refinance; the property is sold and the proceeds distributed in  
19 accordance with this agreement; or the title is vested in CLF-Butler  
20 after October 1, 2006, which ever may first occur.

21 17. This Settlement Agreement is intended as a resolution of all  
22 disputed claims existing between the parties, and the parties agree  
23 that their respective rights and obligations in regard to the subject  
24 real property and each other are contained in this Settlement  
25 Agreement, and any and all prior agreements or understandings existing  
26 by and between the parties are superceded by this Agreement.


27 18. This Settlement Agreement cannot be modified, altered or  
28 changed in anyway except in a writing signed by Blades and CLF-Butler.

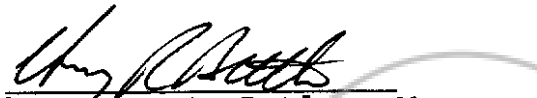


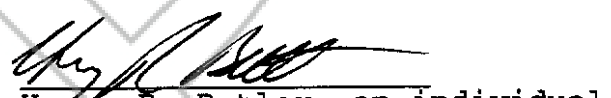
19. At such time as the Settlement Agreement has been fully performed, which means that the Blades have refinanced the property and paid CLF-Butler and the Hoseit loan, the property has been sold and the proceeds distributed, or title has vested in CLF-Butler in accordance with the terms of the Agreement, then this action may be dismissed with prejudice.


  
Jerry Blades

  
Regina Blades

  
Wallace Stephens, Attorney for Blades  
CLF, LLC

  
by Henry R. Butler, Manager

  
Henry R. Butler, an individual

  
Gene M. Kayfmann, Attorney for CLF-Butler

**ORDER**

The Court has reviewed the foregoing Stipulation and Settlement Agreement, and approves the terms and conditions provided for therein; pursuant thereto, and good cause appearing, the Court Orders that title to the real property described on Exhibit A attached to the Stipulation and Settlement Agreement shall be vested in Jerry Blades and Regina Blades, subject to the debts and obligations described in the Settlement Agreement, pending further order of this Court. This Court will retain jurisdiction pending full compliance and with the Settlement Agreement in accordance with the terms thereof.

Dated August 1, 2005

  
District Judge

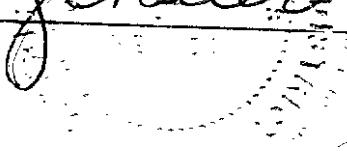
COPY

**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: 10/20/05  
[Signature] Clerk of the 5th Judicial District Court  
of the State of Nevada, In and for the County of Douglas,

By [Signature] Deputy



**SEAL**

