

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

WELLS FARGO BANK, NATIONAL
ASSOCIATION
Real Estate Group (AU #02961)
2835 Mitchell Drive, Suite 101
Walnut Creek, CA 94598

Attn: Cathy Coghlan
Loan Nos. 14680W and 91180W

97050392C

SECOND AMENDMENT TO DEED OF TRUST

THIS SECOND AMENDMENT TO DEED OF TRUST ("this Amendment") is made as of July 27, 1998, for identification purposes only, by and between SYNCON HOMES, a Nevada Corporation as trustor ("Trustor") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as beneficiary ("Beneficiary"), with reference to the following facts and is as follows:

A. Trustor executed a Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing ("Original Deed of Trust") dated as of May 15, 1997, to Stewart Title of Carson City, a corporation, as trustee ("Trustee"), for the benefit of Beneficiary recorded on June 30, 1997, in the office of the County Recorder of Douglas County, Nevada, as document no. 0416240, encumbering certain property located in said County and State which is more particularly described therein.

B. Subsequent to the recordation of the Original Deed of Trust, Beneficiary, Borrower (defined below) and the Non-Borrower Trustors (defined below) have entered into the following agreements: (1) a Master Modification Agreement dated as of January 28, 1998 ("Master Modification Agreement") and recorded on February 8, 1998 in the office of the County Recorder of Douglas County, Nevada, in book 298, at page 2084, as document no. 432150 and in the office of the County Recorder of Lyon County, Nevada, as document no. 215052, and (2) an Amended and Restated Revolving Credit Facility Agreement dated March 31, 1998 ("Amended Loan Agreement"). The Amended Loan Agreement and the Master Modification Agreement are collectively referred to herein as the "Loan Agreement".

C. Pursuant to the terms of the Amended and Restated Credit Facility Agreement, Trustor and Beneficiary amended the Deed of Trust by an instrument entitled "Amendment to Deed of Trust" dated March 31, 1998 and recorded on

D. Trustor and Beneficiary desire to further amend the Original Deed of Trust as set forth below.

NOW, THEREFORE, Trustor and Beneficiary amend the Original Deed of Trust as follows:

1. **OBLIGATIONS SECURED.** Article 2 (Obligations Secured) of the Deed of Trust is hereby amended and restated as follows:

1.1 **OBLIGATIONS SECURED.** Trustor makes this grant and assignment for the purpose of securing the following obligations ("Secured Obligations"):

- (a) Payment to Beneficiary of all sums at any time owing under that certain Amended and Restated Line of Credit Not Secured by Deeds of Trust ("Note") of even date with this Amendment, in the principal amount of TEN MILLION AND NO/100THS DOLLARS (\$10,000,000.00), or so much thereof as may be advanced and be outstanding thereunder, executed by John C. Serpa, an unmarried man, and J.S. Devco, a Nevada limited partnership, as the borrower (collectively, "Borrower"), and payable to the order of Beneficiary, as the lender, as amended by the Modification Agreement dated as of July 27, 1998 ("Modification Agreement") executed by Borrower and Non-Borrower Trustors (as defined in the Amended Loan Agreement); and
- (b) Payment and performance of all covenants and obligations of Trustor under the Deed of Trust, as amended by this Amendment; and
- (c) Payment and performance of all covenants and obligations on the part of the Borrower and the Non-Borrower Trustor under the Loan Agreement, as amended by the Modification Agreement, by and among Borrower, Beneficiary, and the Non-Borrower Trustors, as the same may hereafter be amended, supplemented, replaced or modified; and
- (d) Payment and performance of all covenants and obligations, if any, which any rider attached as an Exhibit to the Deed of Trust recites are secured hereby; and

- (e) Payment and performance of all covenants and obligations on the part of a trustor under (i) each Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by Borrower as the same may hereafter be amended, supplemented, replaced or modified (the "Borrower Deed of Trust"), (ii) each Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by a Non-Borrower Trustor, (iii) any rider attached to any Borrower Deed of Trust or Non-Borrower Deed of Trust which recites that its covenants and obligations are secured hereby, (iv) each Subordination Agreement and reaffirmation thereof executed by a Non-Borrower Trustor or a Borrower in connection with a Borrower Deed of Trust, Non-Borrower Deed of Trust, or amendment thereto, and (v) the Amended and Restated Account Pledge and Security Agreement dated March 31, 1998 executed by John C. Serpa, an unmarried man, as the "Debtor" and Beneficiary, as lender (which together with the Note, the Loan Agreement and the other documents defined therein as the "Loan Documents", are collectively referred to herein as the "Loan Documents"); and
- (f) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such future advance or obligation is evidenced by a writing which recites that it is secured by the Deed of Trust; and
- (g) Payment and performance of all obligations secured by the Deed of Trust pursuant to the Master Modification Agreement; and
- (h) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.

1.2 **OBLIGATIONS.** The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges (if any), late

charges and loan fees at any time accruing or assessed on any of the Secured Obligations.


1.3 **INCORPORATION.** All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) the Note or the Loan Agreement may permit borrowing, repayment and re-borrowing so that repayments shall not reduce the amounts of the Secured Obligations; and (b) the rate of interest on one or more Secured Obligations may vary from time to time.

2. Except as hereby amended, the Deed of Trust shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Second Amendment to Deed of Trust on the day and year first shown above.

TRUSTOR:

SYNCON HOMES, a Nevada corporation

By: 
Name: LEO A HANLY
Title: PRESIDENT

BENEFICIARY:

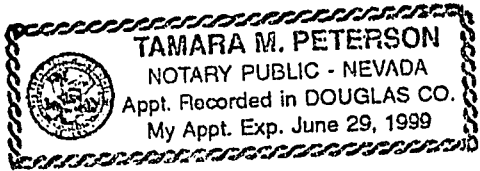
WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association,

By: _____
Name: _____
Title: _____

COPY

STATE OF NV)
) ss.
County of CARSON CITY)

This instrument was acknowledged before me on JULY 29, 1998, by
LEO A. HANLY as PRESIDENT of SYNCON HOMES, a Nevada
corporation.



Tamara M. Peterson
Notary Public

My Commission Expires: 06-29-1999

COPY

STATE OF _____)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 1998, by _____, as _____, of Wells Fargo Bank, National Association, a national banking association.

Notary Public

My Commission Expires: _____

COOPER

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

WELLS FARGO BANK, NATIONAL
ASSOCIATION
Real Estate Group (AU #02961)
2835 Mitchell Drive, Suite 101
Walnut Creek, CA 94598

Attn: Cathy Coghlan
Loan Nos. 14680W and 91180W

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B. Subsequent to the recordation of the Original Deed of Trust, Beneficiary, Borrower (defined below) and the Non-Borrower Trustors (defined below) have entered into the following agreements: (1) a Master Modification Agreement dated as of January 28, 1998 ("Master Modification Agreement") and recorded on February 8, 1998 in the office of the County Recorder of Douglas County, Nevada, in book 298, at page 2084, as document no. 432150 and in the office of the County Recorder of Lyon County, Nevada, as document no. 215052, and (2) an Amended and Restated Revolving Credit Facility Agreement dated March 31, 1998 ("Amended Loan Agreement"). The Amended Loan Agreement and the Master Modification Agreement are collectively referred to herein as the "Loan Agreement".

C. Pursuant to the terms of the Amended and Restated Credit Facility Agreement, Trustor and Beneficiary amended the Deed of Trust by an instrument entitled "Amendment to Deed of Trust" dated March 31, 1998 and recorded on

April 3, 1998 in the office of the County Recorder of Douglas County, Nevada, as document no. 436535.

D. Trustor and Beneficiary desire to further amend the Original Deed of Trust as set forth below.

NOW, THEREFORE, Trustor and Beneficiary amend the Original Deed of Trust as follows:

1. **OBLIGATIONS SECURED.** Article 2 (Obligations Secured) of the Deed of Trust is hereby amended and restated as follows:

1.1 **OBLIGATIONS SECURED.** Trustor makes this grant and assignment for the purpose of securing the following obligations ("Secured Obligations"):

- (a) Payment to Beneficiary of all sums at any time owing under that certain Amended and Restated Line of Credit Not Secured by Deeds of Trust ("Note") of even date with this Amendment, in the principal amount of TEN MILLION AND NO/100THS DOLLARS (\$10,000,000.00), or so much thereof as may be advanced and be outstanding thereunder, executed by John C. Serpa, an unmarried man, and J.S. Devco, a Nevada limited partnership, as the borrower (collectively, "Borrower"), and payable to the order of Beneficiary, as the lender, as amended by the Modification Agreement dated as of July 27, 1998 ("Modification Agreement") executed by Borrower and Non-Borrower Trustors (as defined in the Amended Loan Agreement); and
- (b) Payment and performance of all covenants and obligations of Trustor under the Deed of Trust, as amended by this Amendment; and
- (c) Payment and performance of all covenants and obligations on the part of the Borrower and the Non-Borrower Trustor under the Loan Agreement, as amended by the Modification Agreement, by and among Borrower, Beneficiary, and the Non-Borrower Trustors, as the same may hereafter be amended, supplemented, replaced or modified; and
- (d) Payment and performance of all covenants and obligations, if any, which any rider attached as an Exhibit to the Deed of Trust recites are secured hereby; and

- (e) Payment and performance of all covenants and obligations on the part of a trustor under (i) each Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by Borrower as the same may hereafter be amended, supplemented, replaced or modified (the "Borrower Deed of Trust"), (ii) each Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith executed by a Non-Borrower Trustor, (iii) any rider attached to any Borrower Deed of Trust or Non-Borrower Deed of Trust which recites that its covenants and obligations are secured hereby, (iv) each Subordination Agreement and reaffirmation thereof executed by a Non-Borrower Trustor or a Borrower in connection with a Borrower Deed of Trust, Non-Borrower Deed of Trust, or amendment thereto, and (v) the Amended and Restated Account Pledge and Security Agreement dated March 31, 1998 executed by John C. Serpa, an unmarried man, as the "Debtor" and Beneficiary, as lender (which together with the Note, the Loan Agreement and the other documents defined therein as the "Loan Documents", are collectively referred to herein as the "Loan Documents"); and
- (f) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such future advance or obligation is evidenced by a writing which recites that it is secured by the Deed of Trust; and
- (g) Payment and performance of all obligations secured by the Deed of Trust pursuant to the Master Modification Agreement; and
- (h) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.

1.2 **OBLIGATIONS.** The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges (if any), late

charges and loan fees at any time accruing or assessed on any of the Secured Obligations.

1.3 **INCORPORATION.** All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) the Note or the Loan Agreement may permit borrowing, repayment and re-borrowing so that repayments shall not reduce the amounts of the Secured Obligations; and (b) the rate of interest on one or more Secured Obligations may vary from time to time.

2. Except as hereby amended, the Deed of Trust shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Second Amendment to Deed of Trust on the day and year first shown above.

TRUSTOR:

SYNCON HOMES, a Nevada corporation

By: _____
Name: _____
Title: _____

BENEFICIARY:

WELLS FARGO BANK, NATIONAL ASSOCIATION, a
national banking association,

By: David Seletsky
Name: David Seletsky
Title: Account Officer / Loan Officer

COPY

STATE OF _____)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 1998, by _____ as _____ of SYNCON HOMES, a Nevada corporation.

Notary Public

My Commission Expires: _____

COOPER

STATE OF CALIFORNIA
COUNTY OF Contra Costa

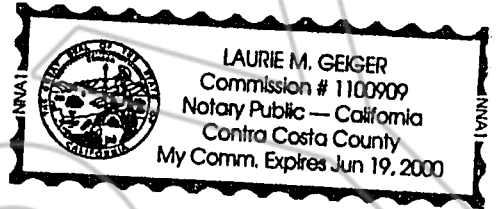
ss.

On this 28th day of July, 19 98, before me, Laurie M. Geiger
a Notary Public in and for the State of California, personally appeared David Seletsky
personally known to me (or proved 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 Laurie M. Geiger

My commission expires June 19, 2000



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

'98 JUL 30 P3:13

0445805

BK0798PG6805

LINDA SLATER
RECORDER
20 PAID Sh DEPUTY