RECORDATION REQUESTED BY:

11111

NEVADA BANKING COMPANY 1374 U.S. HIGHWAY 395 NORTH **GARDNERVILLE, NV 89410**

WHEN RECORDED MAIL TO:

NEVADA BANKING COMPANY 1374 U.S. HIGHWAY 395 NORTH GARDNERVILLE, NV 89410

58880JC

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST IS DATED AUGUST 25, 1998, BETWEEN MARK A. SMITH and KAREN S. SMITH, husband and wife as joint tenants (referred to below as "Grantor"), whose address is PO BOX 5009, GARDNERVILLE, NV 89410; and NEVADA BANKING COMPANY (referred to below as "Lender"), whose address is 1374 U.S. HIGHWAY 395 NORTH, GARDNERVILLE, NV 89410.

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated October 5, 1994 (the "Deed of Trust") recorded in DOUGLAS County, State of Nevada as follows:

Deed of Trust dated October 5, 1994, and Recorded October 20, 1994, Official Records of Douglas County, Nevada, Book 1094, Page 3417, as Document No. 348980.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property (the "Real Property") recorded in DOUGLAS County, State of Nevada:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

The Real Property or its address is commonly known as 1151 HIGHWAY 395, GARDNERVILLE, NV 89410. The Real Property tax identification number is 25-740-02. 1220-10-510-001

MODIFICATION. Grantor and Lender hereby modify the Deed of Trust as follows:

The above described Deed of Trust is hereby modified to secure an increase in the principal balance by \$99,000.00. This Deed of Trust now secures the Promissory Note in the original amount of \$468,500.00, dated October 5, 1994 and a Change in Terms Agreement dated August 25, 1998, for an additional increase of \$99,000.00, resulting in total existing indebtedness of \$469,635.18. The original Note is hereby changed to a straight line of credit for the term of 3 months, expiring November 1, 1998.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification but also to all such subsequent actions.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

LENDER:

NEVADA BANKING COMPANY

Ву:

Authorized Officer

HOLDERMAN

INDIVIDUAL ACKNOWLEDGMENT

STATE OF

COUNTY OF

) SS

This instrument was acknowledged before me on S/35

by MARK A. SMITH and KAREN S. SMITH.

JANET OSALVO Notary Public - State of Nevada Appointment Recorded in Douglas County MY APPOINTMENT EXPIRES AUG. 16, 199

(Signature of notarial officer)

Notary Public in and for State of <u>I fevada</u>

(Seal, if any)

Aug. 16, 1999

0447957

BK 0 8 9 8 PG 5 5 9 3

MODIFICATION OF DEED OF TRUST (Continued)

Page 2

LENDER ACKNOWLEDGMENT

) SS

STATE OF

COUNTY OF

This instrument was acknowledged before me on designated agent of NEVADA BANKING COMPANY.

8/25/98

JANET OSALVO Notary Public - State of Nevada Appointment Recorded in Douglas County MY APPOINTMENT EXPIRES AUG. 16, 1999

Notary Public in and for State of Secrada

(Seal, if any) LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.24 (c) 1998 CFI ProServices, Inc. All rights reserved. [NV-G202 21611303.LN]

EXHIBIT A.

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

PARCEL 1:

Parcel 3-C-2-B, as set forth on Parcel Map #4 for Jacobsen Family Trust of 1982 filed for record in the office of the County Recorder of Douglas County, State of Nevada on May 27, 1994, in Book 594, at Page 4732, as Document No. 338399.

PARCEL 2:

An Access, Parking and Public Utility Easement located within a portion of Section 10, Township 12 North, Range 20 East, M.D.B. & M., Douglas County, Nevada, described as follows:

Commencing at the most southwesterly corner of Parcel 3-C-2-B at a point on the Northeasterly right-of-way line of U.S. Highway 395 as shown on Parcel Map No. 4 for JACOBSEN FAMILY TRUST OF 1982 as recorded in Book 594 at Page 4732 as Document No. 338399; thence along said right-of-way line North 44°45'21" West, 23.67 feet; thence North 45°14'39" East, 19.83 feet; thence North 45°45'21" West, 620.58 feet; thence along the arc of a curve to the right having a delta angle of 01°11'18", a radius of 1938.49 feet and an arc length of 40.20 feet; thence South 68°24'34" West 21.37 feet to the Northeasterly right-of-way of U.S. Highway 395; thence along the arc of a curve to the right non-tangent to the preceding curve having a delta angle of 00°56'31", a radius of 1958.32 feet, arc length of 32.19 feet and a chord bearing of North 42°51'45" West, 32.19 feet; thence North 68°24'34" East, 77.40 feet; thence South 44°45'21" East, 677.41 feet; thence South 31°58'39" West, 74.83 feet to THE POINT OF BEGINNING.

A.P.N. 25-740-02 | 220 - 10 - 510 - 00 |

WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'98 AUG 27 P12:30 --

0447957 BK0898PG5595 LINDA SLATER

OBRECORDER

SPAID DEPUTY