AFTER RECORDING RETURN TO:

Mortgage Portfolio Services, Inc. P.O. Box 139075

Dallas, Texas 75313-9802 ATTN: Vivian Hale

202387S6 (Space Above This Line For Recording Data)

Loan No.: #0051608

LOAN MODIFICATION AGREEMENT

This Loan Modification Agreement ("Agreement"), made this 3rd day of August, 1998, between TERRY HOHENSTEIN AND SPOUSE, TAMMY J. HOHENSTEIN (the "Borrower") and MORTGAGE PORTFOLIO SERVICES, INC. (the "Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument"), dated April 3, 1998 and recorded in Book 498, Page 1440, Document Number 436878 of the Real Property Records of DOUGLAS County, NEVADA and (2) the Note bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at 1032 ARROWHEAD DRIVE, GARDNERVILLE, NEVADA 89410, the real property described being set forth as follows:

LOT 251, AS SHOWN ON THE MAP OF GARDNERVILLE RANCHOS UNIT NO. 2, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON JUNE 1, 1965, IN BOOK 31, PAGE 686, AS DOCUMENT NO. 28309, AND AMENDED TITLE SHEET RECORDED ON JUNE 4, 1965, IN BOOK 31, PAGE 797, AS DOCUMENT NO. 28377.

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

- 1. As of August 3, 1998, the amount outstanding on the Note and the Security Instrument (the "Unpaid Principal Balance") was U. S. \$151,200.00. This Unpaid Principal Balance consisted of (1) \$123,262.51, which was principal advanced under the terms of the Construction Loan Agreement and interest capitalized through that date, if any and (2) \$24,937.49 advanced to Borrowers on or before August 13, 1998. The original principal amount of the Note was \$151,200.00.
- 2. The Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of the Lender. Interest will be charged on the Unpaid Principal Balance at the yearly rate of 7.50 from August 13, 1998. The Borrower promises to make monthly payments of principal and interest of U.S. \$1,057.21, beginning on October 1, 1998, and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. If on September 1, 2028 (the "Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date. The Rollover Date in the Rider to the Note is hereby changed to August 13, 1998.

The Borrower will make such payments at P.O. BOX 139075, DALLAS, TEXAS 75313-9802 or at such other place as the Lender may require.

3. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in the Borrower is sold or transferred and the Borrower is not a natural person) without the Lender's prior written consent, the Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument.

If the Lender exercises this option, the Lender shall give the Borrower notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which the Borrower must pay all sums by this Security Instrument. If the Borrower fails to pay these sums prior to the expiration of this period, the Lender may invoke any remedies by this Security Instrument without further notice of demand on the Borrower.

- 4. The Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Borrower is obligated to make under the Security Instrument; however, the following terms and provisions are forever canceled, null and void, as of the date specified in paragraph No. 1 above:
- (a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note; and

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- (b) all terms and provisions of any adjustable rate rider or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.
 5. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in
- 5. Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.

LENDER: MORTGAGE PORTFOLIÓ SERVICES, INC. PRINT NAME: Marilyn Haubrich BORROWER: TERRY HOHENSTEIN AND SPOUSE, TAMMY J. HOHENSTEIN Y HÓHÉNSTEIN TAMMY J. HOHENS [Space Below This Line For Acknowledgments] STATE OF NEVADA COUNTY OF DOUGLAS , in the year 1998, before me On this personally appeared TERRY HOHENSTEIN AND SPOUSE, TAMMY J. HOHENSTEIN, 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 signatures(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. 92-2203-5 NOTARY PUBLIC - NEVADA DOUGLAS COUNTY Signature

STATE OF TEXAS §

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COUNTY OF DALLAS §

BEFORE ME, the undersigned authority personally appeared <u>Marilyn Haubrich</u>, <u>Assistant Vice President</u> of Mortgage Portfolio Services, Inc. known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____

TINA NUÑEZ
NOTARY PUBLIC
STATE OF TEXAS
COMM. EXP. 05/20/00

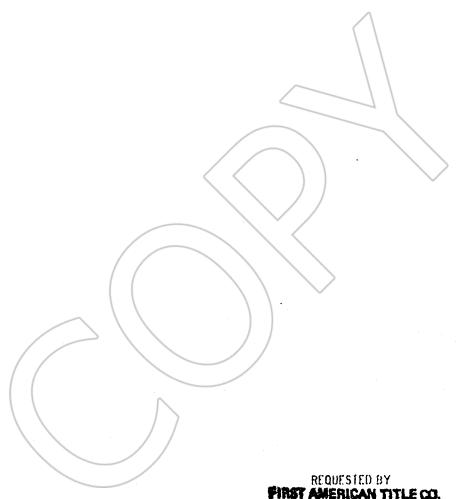
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Ina V Juña

Notary Public, State of Texas

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LINDA SLATER
RECORDER
PAID DEPUTY