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Mail to: First National Bank  
601 W. Moana Lane, Suite 1  
Reno, Nevada 89509

~~APN. 23-260-84~~

1320-34-002-015

MODIFICATION AGREEMENT  
(Secured Loan)

THIS MODIFICATION AGREEMENT ("Agreement") dated as of June 1, 2000 entered into by and between FIRST NATIONAL BANK OF NEVADA, whose address is 601 West Moana Lane, Suite 1, Reno, Nevada 89509 ("Lender"), and Scott W. Willson and Janet L. Willson ("Borrower") whose address is 1546 Scoti Lane, Gardnerville, Nevada 89410.

RECITALS

A. Pursuant to the terms of a loan agreement between Borrower and Lender dated June 1, 2000 ("Loan Agreement"), Lender made a loan to Borrower in the Principal amount of One Hundred Twenty Five Thousand and No/100 Dollars (\$125,000.00) ("Loan"). The Loan is evidenced by a promissory note dated as of the date of the Loan Agreement, executed by Borrower in favor of Lender, in the principal amount of the Loan ("Note"), and is further evidenced by the documents described in the Loan Agreement as "Loan Documents". The Note is secured by, among other things, a deed of trust ("Deed of Trust") dated June 1, 2000, executed by Borrower, as Trustor, to Stewart Title Guaranty Company, as Trustee, in favor of Lender, as Beneficiary. The Deed of Trust was recorded June 9, 2000, as Instrument or Document No. 0493801, in the Official Records of Douglas County, State of Nevada, and described as follows:

PARCEL 4-B-1 AS SET FORTH ON THAT CERTAIN RECORD OF SURVEY IN SUPPORT OF A BOUNDARY LINE ADJUSTMENT RECORDED SEPTEMBER 4, 1998, IN BOOK 998, AT PAGE 1029, DOCUMENT NO. 448833; BEING A PORTION OF PARCEL 4-B AS SET ON THAT CERTAIN PARCEL MAP OF DUANE D. SOUTHWICK AND TANNY SOUTHWICK BEING A PORTION OF THE SOUTHEAST ¼ OF SECTION 34, TOWNSHIP 13 NORTH, RANGE 20 EAST, M.D.B. & M.. FILED FOR RECORD FEBRUARY 5, 1985, IN BOOK 285, PAGE 175.  
APN 23-260-84

B. The Note, Deed of Trust, Loan Agreement, this Agreement, the other documents described in the Loan Agreement as "Loan Documents", together with all modifications and amendments thereto and any document required hereunder, are collectively referred to herein as the "Loan Documents".

C. By this Agreement, Borrower and Lender intend to modify and amend certain terms and provisions of the Loan Documents.

NOW, THEREFORE, Borrower and Lender agree as follows:

1. CONDITIONS PRECEDENT. The following are conditions precedent to Lender's obligations under this Agreement:

1.01 If required by Lender, receipt and approval by Lender of a lien free Endorsement to Title Policy No. CL-1519-746072 dated June 9, 2000, issued by Stewart Title Guaranty Company ("Title Company") and assurance acceptable to Lender, including, without limitation, without deletion or exception other than those expressly approved by Lender in writing, that the priority and validity of the Deed of Trust has not been and will not be impaired by this Agreement or the transactions contemplated hereby;

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1.02 Receipt by Lender of the executed originals of this Agreement, the short form of this Agreement (if any) and any and all other documents and agreements which are required by this Agreement or by any other Document, each in form and content acceptable to Lender;

1.03 Recordation in the Official Records of the County where the Property is located of (i) the short form of this Agreement (if any), and (ii) any other documents which are required to be recorded by this Agreement or by any other Loan Document (if any);

1.04 Reimbursement to Lender by Borrower of Lender's costs and expenses incurred, in connection with this Agreement and the transactions contemplated hereby, including, without limitation, title insurance costs, recording fees, attorneys' fees, appraisal, engineers' and inspection fees and documentation costs and charges, whether such services are furnished by Lender's employees or agents or by independent contractors;

1.05 The representations and warranties contained in this Agreement are true and correct;

1.06 The payment to Lender of a modification fee in the amount of \$ N/A ;and

1.07 Whereas, the undersigned, owner of said premises, has found it necessary and does hereby request a modification of the terms of said Loan Agreement by changing the interest rate from Eight and One Fourth percent (8.250%) to Six and Seven Eighths percent (6.875%) in order to qualify for Wells Fargo financing and Lender has agreed to the terms of said loan modification as herein stated; and

1.08 Whereas, the parties desire to restate the modified terms of said Loan Agreement so that there shall be no misunderstanding of the matter,

Therefore, it is hereby agreed that, as of the date of this Agreement, the unpaid balance of said indebtedness is One Hundred Ten Thousand and No/100 Dollars (\$110,000.00) all of which the Borrower promises to pay with interest at Six and Seven Eighths percent (6.875%) per annum until paid, and that the same shall be payable One Thousand Seven and 26 /100 Dollars (\$1,007.26), per month beginning on the 1<sup>st</sup> day of March 1, 2001, to be applied first to interest, and balance to principal, and the entire unpaid balance of principal and interest shall be payable on or before June 1, 2015, and that in all other respects said Note and Deed of Trust shall remain in full force and affect.

2. REPRESENTATIONS AND WARRANTIES. Borrower hereby represents and warrants that no Default, breach or failure of condition has occurred, or would exist with notice or the lapse of time or both, under any of the Loan Documents (as modified by this Agreement) and that all representations and warranties herein and in the other Loan Documents are true and correct, which representations and warranties shall survive execution of this Agreement.

3. MODIFICATION OF LOAN DOCUMENTS. The Maturity Date of the Note is hereby extended from N/A to N/A. All other terms and conditions under the Note shall remain unchanged. Any reference to the Note in the other Loan Documents are hereby supplemented and modified to incorporate this extension, which shall supersede and prevail over any conflicting provisions in any of the other loan Documents:

4. MISCELLANEOUS. This Agreement and the other Loan Documents shall be governed by and interpreted in accordance with the laws of the State of Nevada, except if preempted by Federal law. In any action brought or arising out of this Agreement or the Loan Documents, Borrower hereby consents to the jurisdiction of any Federal or State Court having proper venue within the State of Nevada and also consents to the service of process by any means authorized by Federal or State law. The headings used in this Agreement are for convenience only and shall be disregarded in interpreting the substantive provisions of this Agreement. Except as expressly provided otherwise herein, all terms used herein shall have the meaning given to them in the other Loan Documents. Time is of the essence of each term of the Loan Documents, shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Agreement and the remaining parts shall in full force as though the invalid, illegal, or unenforceable portion had never been a part thereof.

5. INTEGRATION; INTERPRETATION. The Loan Documents, including this Agreement, contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated herein and supersede all prior negotiations. The Loan Documents shall not be modified except by written instrument executed by all parties. Any reference in any of the Loan Documents to the Property or Improvements shall include all or any parts of the Property of Improvements. Any reference to the Loan Documents in any of the Loan Documents includes any amendments, renewals or extensions approved by Lender.

6. EXECUTION IN COUNTERPART. This agreement, and other Loan Documents which expressly so provide, may be executed in any number of counterparts, each of which when executed and delivered will be deemed to be an original and all of which, taken together, will be deemed to be one and the same instrument.

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be duly executed as of the date first above written.

"Borrower"

*Scott W. Willson*

Scott W. Willson

*Janet L. Willson*

Janet L. Willson

"Lender"

FIRST NATIONAL BANK OF NEVADA

By: *Shirley A. Boynton*  
Shirley A. Boynton - Vice President Operations

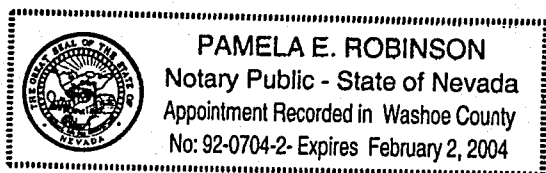
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STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

On this 18<sup>th</sup> day of January 2001 personally appeared before me, a Notary Public in and for said County and State, Shirley A. Boynton, known to me to be the person(s) described in and who executed the within and foregoing instrument, and who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Washoe, the day and year in the Certificate first above written.



(seal)

Pamela E. Robinson  
Notary Public

My commission expires: 2/2/2001

STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ personally appeared before me, a Notary Public in and for said County and State, \_\_\_\_\_, known to me to be the person(s) described in and who executed the within and foregoing instrument, and who acknowledged to me that \_\_\_he\_\_\_ executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Washoe, the day and year in the Certificate first above written.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

(seal)

STATE OF NEVADA )  
 ) *Jane* ss.  
COUNTY OF WASHOE )

On this 22 day of January, 2001 personally appeared before me, a Notary Public in and for said County and State, Scott W. Wilson & Janet L. Wilson, known to me to be the person(s) described in and who executed the within and foregoing instrument, and who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Washoe, the day and year in the Certificate first above written.



*Diane Jackson*  
\_\_\_\_\_  
Notary Public

My commission expires: 1-20-2002

(seal)

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COPY

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

2001 JAN 22 AM 10: 27

LINDA SLATER  
RECORDER

\$12<sup>00</sup> PAID *KJ* DEPUTY

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