

Escrow No: 20190255

APN: 19-440-160

When Recorded Return to:

First Bank of Arizona
7373 North Scottsdale Road
Suite A280
Scottsdale, AZ 85253
186-2001071

MODIFICATION AGREEMENT

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THIS AGREEMENT (the "Agreement") is made as of the 14TH day of FEBRUARY, 2001 by the undersigned ("Borrower"), with an address of 769 GANSBERG COURT, GARDNERVILLE, NV 89410

and FIRST NATIONAL BANK OF NEVADA ("Lender") with an address of 1101 NORTH CARSON STREET, CARSON CITY, NV 89701

This instrument modifies the terms of (i) either a Fixed Rate Note or an Adjustable Rate Note (the "Note"), as modified by the Allonge Amending Note (the "Addendum to Note") both executed on APRIL 17, 2000 by Borrower in favor of Lender, and (ii) the Mortgage, Deed of Trust, Trust Deed, Deed to Secure Debt, Security Deed or similar instrument (the "Security Instrument") as modified by an Adjustable Rate Rider (if applicable) and a Residential Construction Loan Agreement or Building Loan Agreement both executed on the same date as the Note, by Borrower in favor of Lender and recorded on APRIL 19, 2000 in Official Records Book or Liber 0400, at Page 3322 as Document No. 0490167 of the Public/Land Records of DOUGLAS County, NEVADA. All terms defined in the Security Instrument shall have the same definitions when used in this Agreement.

1. LOAN AMOUNT

IF CHECKED, the outstanding principal balance remains unchanged.

IF CHECKED, the outstanding principal balance on the loan as of the date of this Agreement is hereby reduced to \$ based on a principal curtailment made by Borrower. The monthly payment of principal and interest will be \$

2. MATURITY

IF CHECKED, the first monthly payment date of the permanent loan phase and the maturity date of the Note and Security Instrument remain unchanged.

IF CHECKED, Borrower's first monthly payment of principal and interest under the permanent loan phase will be due on APRIL 1, 2001 and the first Change Date (if applicable) will be N/A. The maturity date of the Note and Security Instrument is hereby changed to MAY 1, 2030, at which time the entire unpaid principal balance and all unpaid accrued interest shall be due and payable. All references in the Note and Security Instrument to the above dates are hereby modified to refer to such dates.

3. INTEREST RATE AND TERM

IF CHECKED, the interest rate payable under the Note remains unchanged.

IF CHECKED, the terms and provisions of the Note are amended and modified as indicated in the New Loan Terms below. This Agreement shall render forever null and void and of no further force or effect any Rider to the Note providing for, implementing, or relating to any change or adjustments in the rate of interest payable under the Note.

IF CHECKED, the terms and provisions of the Adjustable Rate Note are amended and modified as indicated in the New Loan Terms below. The interest rate will remain fixed for the term of the loan and any references to changes in the interest rate are null and void. This Agreement shall render forever null and void of no further force or effect and provision in the Adjustable Rate Note, the Security Instrument and any rider or addendum to the Note and Security Instrument providing for, implementing, or relating to any changes or adjustments in the rate of interest payable under the Note, and any prepayment penalty and conversion option (if applicable).

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NEW LOAN TERMS

FIXED RATE

Interest Rate 7.375 %
Term 350 Months
Monthly Payment \$ 2,088.36

ADJUSTABLE RATE

Initial Interest Rate _____ %
Term _____ Months
Initial Monthly Payment \$ _____
Margin: _____ %
Interest Rate at First Change Date will NOT be
GREATER than _____ %
or LESS than _____ %
Interest Rate during life of loan will NEVER be
GREATER than _____ %
or LESS than the margin

4. CONSTRUCTION PHASE TERMINATED

The Addendum to Note, Allonge Amending Note, and Residential Construction Loan Agreement or Building Loan Agreement are hereby terminated and from and after the date hereof shall be forever null and void and of no further force or effect. The loan shall hereafter be evidenced by the Note as modified by this Agreement and secured by the Security Instrument as modified by the Adjustable Rate Rider (if applicable) and any other rider or addendum to the Note or Security Instrument not specifically terminated by this Agreement.

All terms and provisions of the Note and Security Instrument, or any rider, addendum, 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 terms and provisions relating solely to the construction phase of the loan, including, if applicable, any changes to the title of the Note or Security Instrument, or any such rider, addendum or other instrument or document, are hereby terminated and from and after the date hereof shall be forever null and void and of no further force or effect.

5. RELEASE OF SECURITY INTEREST

Lender hereby releases the security interest in the Collateral that Borrower granted to lender in the Residential Construction Loan Agreement or Building Loan Agreement.

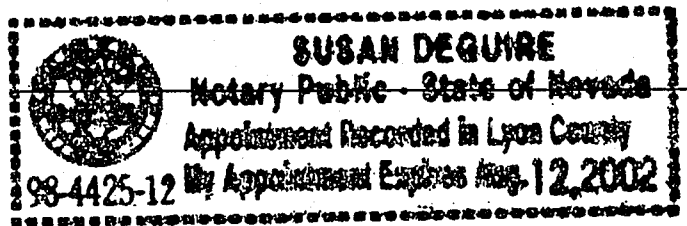
6. MISCELLANEOUS

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 Borrower and Lender will be bound by and comply with, all of the terms and provisions thereof, as amended by this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto effective the day and year first above written

[Signature]
J.T. LOMBARD

[Signature]
DIANA K. LOMBARD



State of NEVADA

County of CARSON

On the 14th day of February, 2001, before me, the undersigned, a Notary Public for said state, personally appeared J.T. Lombard AND Diana K Lombard

known to me, (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) subscribed to the foregoing instrument and acknowledged that executed the same.

WITNESS my hand and official seal.

[Signature]
Notary Public
0508891

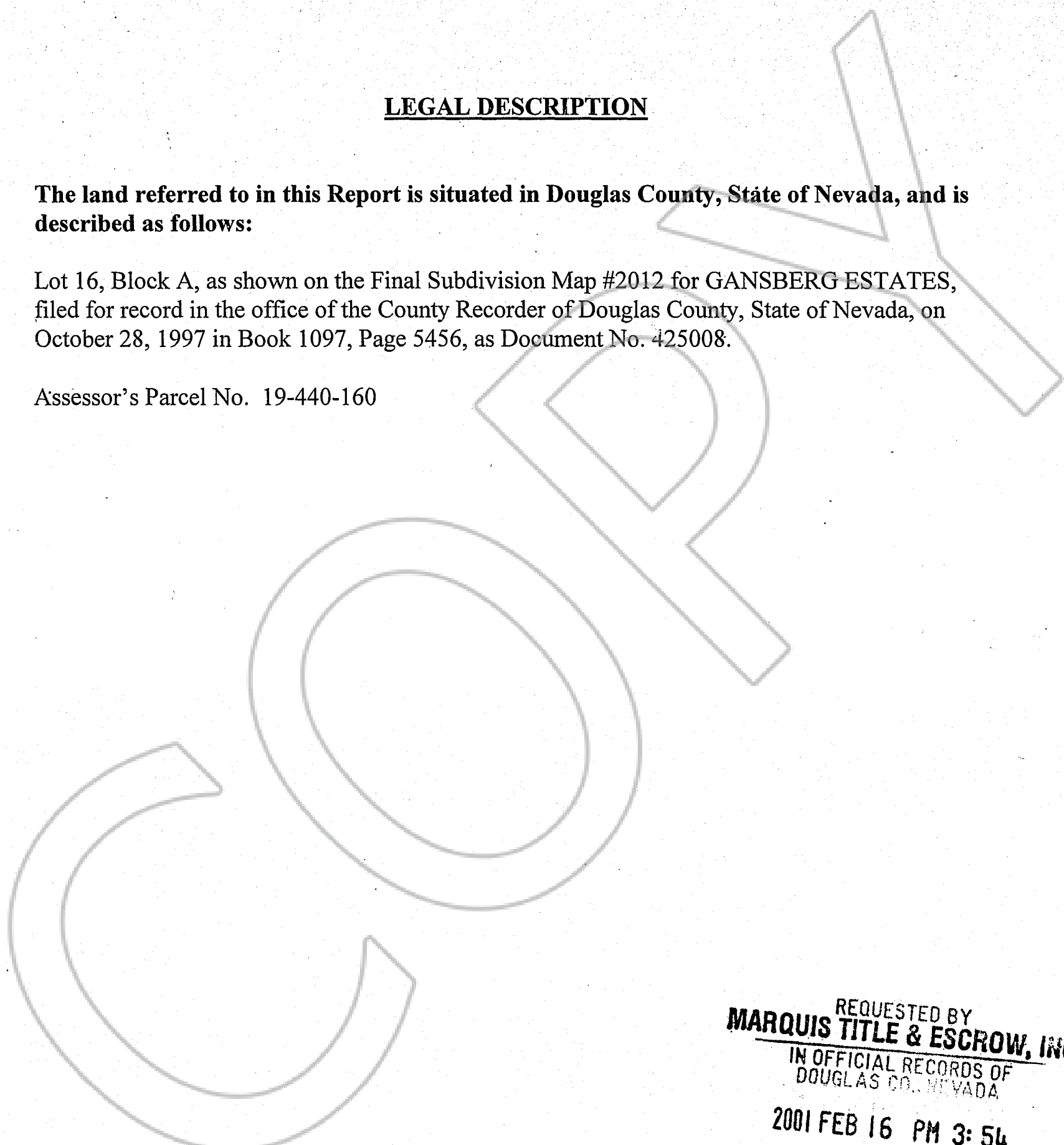
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LEGAL DESCRIPTION

The land referred to in this Report is situated in Douglas County, State of Nevada, and is described as follows:

Lot 16, Block A, as shown on the Final Subdivision Map #2012 for GANSBERG ESTATES, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on October 28, 1997 in Book 1097, Page 5456, as Document No. 425008.

Assessor's Parcel No. 19-440-160



REQUESTED BY
MARQUIS TITLE & ESCROW, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2001 FEB 16 PM 3: 54

LINDA SLATER
RECORDER

\$ *QW* PAID *BC* DEPUTY

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