

When Recorded Return to:
First Bank of Arizona
14635 North Kierland Blvd
Suite #201
Scottsdale, AZ 85254
126-2001590

APN# 1121-35-002-015

MODIFICATION AGREEMENT

83623 CLH

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THIS AGREEMENT (the "Agreement") is made as of the 23RD day of AUGUST, 2001 by the undersigned ("Borrower"), with an address of 960 CAVELTI ROAD, GARDNERVILLE, NV 89410

and FIRST NATIONAL BANK OF NEVADA ("Lender") with an address of 601 WEST MOANA LANE SUITE #1, RENO, NV 89509

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 DECEMBER 4, 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 DECEMBER 13, 2000 in Official Records Book or Liber 1200, at Page 2322 as Document No. 0504922 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 OCTOBER 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 SEPTEMBER 1, 2031, 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 360 Months
Monthly Payment \$ 2,051.31

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.

Andrew J. Bladen
ANDREW J. BLADEN

State of Nevada

County of Washoe

On the 24th day of August, 2001, before me, the undersigned, a Notary Public for said state, personally appeared

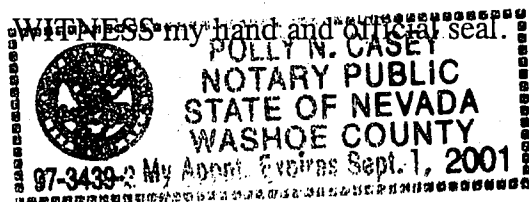
Andrew J. Bladen

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.

Polly N. Casey
Notary Public

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COPY

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

2001 AUG 27 PM 3:43

LINDA SLATER
RECORDER

\$ 9.00 PAID bc DEPUTY

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