

WHEN RECORDED MAIL TO:

Santa Barbara Bank & Trust
c/o Loan Services
P.O. Box 60734
Santa Barbara, CA 93160-0734

SEND TAX NOTICES TO:

Syncon Homes, A Nevada Corporation
2221 Meridian Suite #A
Minden, NV 89423

020301879

FOR RECORDER'S USE ONLY

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated July 1, 2002, is made and executed between Syncon Homes, A Nevada Corporation, whose address is 2221 Meridian Suite #A, Minden, NV 89423 ("Trustor") and Santa Barbara Bank & Trust, Main Office, c/o Loan Services, P.O. Box 60654, Santa Barbara, CA 93160-0654 ("Lender").

DEED OF TRUST. Lender and Trustor have entered into a Deed of Trust dated July 1, 2001 (the "Deed of Trust") which has been recorded in Douglas County, State of Nevada, as follows:

Recorded on August 2, 2001 as Instrument No. 0519849 in Book 0801 on Page 612.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in Douglas County, State of Nevada:

Lots 1 through 12, inclusive, in Block A; Lots 13 through 24, inclusive, in Block B; Lots 25 through 35, inclusive, in Block C; Lots 36 through 52, inclusive, in Block D; and Lots 53 through 65, inclusive, in Block E as set forth on the Final Subdivision Map FSM #94-04-01 for SKYLINE RANCH PHASE I filed for record with the Douglas County Recorder on May 11, 2001 in Book 0501, Page 3298 as Document No. 514006, Official Records

The Real Property or its address is commonly known as Lots 1 through 12, inclusive, in Block A; Lots 13 through 24, inclusive, in Block B; Lots 25-35, inclusive, in Block C; Lots 36-52, inclusive, in Block D; Lots 53 through 65, inclusive, in Block E located in the Skyline Ranch subdivision, Minden, NV 89423. The Assessor's Parcel Number for the Real Property is 1420-35-401-001 and 1420-35-301-001

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


The commitment amount is being increased from \$1,500,000.00 to \$2,500,000.00. The word Note now means the Change in Terms Agreement dated July 1, 2002.

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.

TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND TRUSTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED JULY 1, 2002.

GRANTOR:

SYNCON HOMES, A NEVADA CORPORATION

By: 
Leo A. Hanly, Chief Executive Officer of Syncon Homes, A Nevada Corporation

0552506

BK 0902 PG 06087

MODIFICATION OF DEED OF TRUST
(Continued)

Loan No: 26181

Page 2

LENDER:

X [Signature]
Authorized Officer

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF California

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) SS

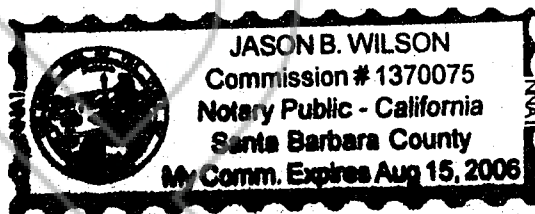
COUNTY OF Santa Barbara

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On September 10, 2002 before me, Jason B. Wilson personally appeared ~~Leo A. Hanly~~ Stephen J. Mihalic 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 signature(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.

Signature [Signature]



(Seal)

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Nevada

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) SS

COUNTY OF Douglas

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On September 10, 2002 before me, Donna Sue Hawkins personally appeared Leo A. Hanly 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 signature(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.

Signature [Signature]



(Seal)

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LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

A portion of the Southwest 1/4 of Section 35, Township 14 North, Range 20 East, M.D.B.&M., more particularly described as follows:

Lots 1 through 12, inclusive, in Block A, Lots 13 through 24, inclusive, in Block B, Lots 25 through 31, inclusive, and Lots 34 and 35 in Block C, Lots 36 through 52, inclusive, in Block D, and Lots 53 through 65, inclusive, in Block E as set forth on the Final Subdivision Map FSM #94-04-01 for SKYLINE RANCH PHASE I filed for record with the Douglas County Recorder on May 11, 2001 in Book 0501, Page 3298 as Document No. 514006, Official Records.

APNs: 1420-35-310-001 THROUGH 1420-35-310-034, INCLUSIVE AND
1420-35-410-001 THROUGH 1420-35-410-007, INCLUSIVE AND
1420-35-410-010 THROUGH 1420-35-410-031, INCLUSIVE

REQUESTED BY
Stewart Title of Douglas County
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2002 SEP 19 PM 3: 26

LINDA SLATER
RECORDER

W PAID *bl* DEPUTY

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