

APN 1420-28-311-044

**MODIFICATION AGREEMENT**

2047275KM

**THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE AND MY MONTHLY PAYMENT. THIS NOTE LIMITS THE AMOUNT MY ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE I MUST PAY. THIS NOTE ALSO CONTAINS THE OPTION TO CONVERT MY ADJUSTABLE RATE TO A FIXED RATE.**

THE STATE OF NEVADA  
COUNTY OF DOUGLAS

KNOW ALL MEN BY THESE PRESENTS:

Recitals

Reference is hereby made to that one certain Promissory Note (the "Note") dated JUNE 7, 2002, in the original principal sum of \$ 320,000.00, executed by EUGENE H. LEITZ AND DONNA L. YOUNGMAN-LEITZ, HUSBAND AND WIFE

(herein referred to as "Borrower" whether one or more), payable to the order of WELLS FARGO HOME MORTGAGE, INC.

("Lender"), and said Note being secured by, among other instruments, that certain Deed of Trust, Mortgage or Security Deed (the "Security Instrument") of even date therewith duly recorded 06-21-02 UNDER#0545336, in the Real Property Records of DOUGLAS County, NEVADA, the above said instruments concerning encumbering and creating liens against the following described property (the "Property"), to wit:

See Exhibit "A" attached hereto and made a part hereof for all purposes and being the same property located at 2849 LA MIRADA COURT, MINDEN, NV 89423

0339272

Multi-State Modification to Arm Loan with Conversion Option  
Requires new T.I.L. and Program Disclosure  
Attach Completed ARM Rider with Conversion Option as Exhibit "B"  
NMFL# 2975 12:00

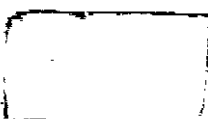
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Initials

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WITNESSETH

WHEREAS, Borrower now desires to modify the Note and ratify said liens against the property; and

WHEREAS, Lender, the legal owner and holder of said Note and liens securing same, in consideration of the premises and at the request of the Borrower has agreed to modify the Note as hereinafter provided; and

WHEREAS, the Borrower, in consideration of the modification of the Note as hereinafter set forth by the legal owner and holder thereof, has agreed to ratify said Note and indebtedness evidenced thereby and reconfirm Borrower's unconditional promise to pay to the order of

at its offices at P.O. BOX 9246, DES MOINES, IA 503069246  
or at such other places as the holder of said Note may designate in writing, the principal sum of FIFTY NINE THOUSAND AND 00/100 (\$ \*\*\*\*59,000.00 ) or so much thereof as may have been or may be advanced under the Note, together with interest thereon at the rates herein provided, in accordance with the terms thereof and hereof from and after the effective date of this Agreement until maturity.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree that the Note and Security Instrument are hereby renewed, extended and/or modified, as follows:

1. Items 1 through 12 below shall, as applicable, amend, modify and replace those items in the Note as originally written to the contrary, as follows:

**1. BORROWER'S PROMISE TO PAY**

In return for a loan that I have received, I promise to pay U.S. \$ \*\*\*\*59,000.00 (this amount is called "Principal"), plus interest, to the order of Lender. Lender is

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

**2. INTEREST**

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 5.000 %. The interest rate I will pay may change in accordance with Section 4 or 5 of this Note.

The interest rate required by this Section 2 and Sections 4 or 5 of this Note is the rate I will pay both before and after any default described in Section 8(B) of this Note.

**3. PAYMENTS**

**(A) Time and Place of Payments**

I will pay principal and interest by making a payment every month.

I will make my monthly payments on the first day of each month beginning on

MARCH 01, 2003. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on FEBRUARY 01, 2033, I still owe amounts under this Note, I will pay those amount in full on that date, which is called the "Maturity Date."

I will make my monthly payments at WELLS FARGO HOME MORTGAGE, INC., P.O. BOX 9246, DES MOINES, IA 503069246 or at a different place if required by the Note Holder.

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WELLS FARGO  
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**(B) Amount of My initial Monthly Payments**

Each of my initial monthly payments will be in the amount of U.S.\$ \*\*\*\*\*316.72 . This amount may change.

**(C) Monthly Payment Changes**

Changes in my monthly payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Section 4 or 5 of this Note.

**4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES**

**(A) Change Dates**

The adjustable interest rate I will pay may change on the first day of **FEBRUARY** , 2006 , and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date".

**(B) The Index**

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index". If the Index is no longer available, the Note Holder will choose a new Index that is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding **TWO AND THREE-QUARTERS** percentage points ( **2.750** %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date. The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than **7.000** % or less than **3.000** %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than **TWO** percentage point(s) ( **2.000** %) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than **11.000** %, which is called the "Maximum Rate".

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

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Initials Page 3 of 9  
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## 5. FIXED INTEREST RATE CONVERSION OPTION

### (A) Option to Convert to Fixed Rate

I have a Conversion Option that I can exercise unless I am in default or this Section 5(A) will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by this Note from an adjustable rate with interest limits to the fixed rate calculated under Section 5(B) below. The conversion can only take place on a date(s) specified by the Note Holder during the period beginning on the first Change Date and ending on the fifth Change Date. Each date on which my adjustable interest rate can convert to the new fixed rate is called the "Conversion Date". If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (i) I must give the Note Holder notice that I want to do so; (ii) on the Conversion Date, I must not be in default under the Note or the Security Instrument; (iii) by a date specified by the Note Holder, I must pay the Note Holder a conversion fee of U.S.

\$ .00 ; and (iv) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion.

### (B) Calculation of Fixed Rate

My new, fixed interest rate will be equal to Fannie Mae's required net yield as of a date and time of day specified by the Note Holder for (i) if the original term of this Note is greater than 15 years, 30-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%), or (ii) if the original term of this Note is 15 years or less, 15-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%). If this required net yield cannot be determined because the applicable commitments are not available, the Note Holder will determine my interest rate by using comparable information. My new rate calculated under this Section 5 (B) will not be greater than the Maximum Rate stated in Section 4 (D) above.

### (C) New Payment Amount and Effective Date

If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in full on the maturity date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the maturity date.

## 6. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment". When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under this Note.

I may make a full Prepayment or partial Prepayments without paying any Prepayment charge. The Note Holder will use all of my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount before applying my Prepayment to reduce the Principal amount of this Note. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payments unless the Note Holder agrees in writing to those changes. My partial Prepayment may reduce the amount of my monthly payments after the first Change Date following my partial Prepayment. However, any reduction due to my partial Prepayment may be offset by an interest rate increase.

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## 7. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as partial Prepayment.

## 8. BORROWER'S FAILURE TO PAY AS REQUIRED

### (A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder.

The amount of the charge will be 5.0000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

### (B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

### (C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal that has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

### (D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

### (E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorney's fees.

## 9. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of the different address.

## 10. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

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## 11. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of the amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

## 12. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as the Note, protects the Note Holder from possible losses which might result if I do not keep the promises that I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions read as follows:

A) Until I exercise my Conversion Option under the conditions stated in Section 5 of this Adjustable Rate Note, Uniform Covenant 18 of the Security Instrument is described as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

(B) If I exercise my Conversion Option under the conditions stated in Section 5 of this Adjustable Rate Note, Uniform Covenant 18 of the Security Instrument described in Section 12 (A) above shall then cease to be in effect, and Uniform Covenant 18 of the Security Instrument shall instead be read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

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If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

(Check and Complete if Applicable):

XX II. The Security Instrument shall be and hereby is amended as follows:

XX (A) Reference to the maturity date of the debt secured by the Security Instrument is changed from DECEMBER 7, 2002 to FEBRUARY 01, 2033

XX (B) The Adjustable Rate Rider (with Fixed Rate Conversion Option) attached hereto as Exhibit "B" is hereby incorporated into and made a part of the Security Instrument.

Further, it is expressly agreed that for and in consideration of this Modification Agreement, Borrower hereby releases and forever discharges Lender and its officers, directors, counsel, employees, agents, predecessors, successors, and assigns from all causes of action, claims, rights, and controversies, known or unknown, which Borrower had, now has, or may hereafter acquire which relate to, are based on, arise out of, or are in any way connected with any acts of Lender or its above affiliates occurring prior to the execution of this Agreement and relating in any manner to the above described Note or Security Instrument or the Property described herein or therein. This is a general release of all possible claims and causes of action of every kind and character related to the above described subject matter and is to be interpreted liberally to effectuate maximum protection of Lender and its above affiliates.

The Borrower hereby ratifies Lender's liens and/or security interests against the Property until the Note as so hereby modified has been fully paid, and agrees that this renewal, extension and/or modification shall in no manner affect or impair the Note or the liens and/or security interests securing same and that said liens and/or security interests shall not in any manner be waived, but are acknowledged by Borrower to be valid and subsisting, the purpose of this instrument being simply to modify the Security Instrument and the time and manner of payments of the Note and ratify all liens and/or security interest securing same, and the Borrower further agrees that all terms and provisions of the Note, the Security Instrument and the other instruments creating or fixing the liens and/or security interest securing same shall be and remain in full force and effect as therein written, except as otherwise expressly provided herein.

A breach or other default of any of the terms of this Agreement by Borrower shall constitute a breach or default under the Note and Security Instrument, and Lender shall thereupon have the right to seek all remedies available to it under the aforesaid loan instruments.

Borrower covenants and agrees that the rights and remedies of the Lender under this Agreement are cumulative of, are not in lieu of but are in addition to, and their exercise or the failure to exercise them shall not constitute a waiver of, any other rights and remedies which Lender shall have under the Note or the Security Instrument.

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Borrower covenants and agrees that the rights and remedies of the Lender under this Agreement are cumulative of, are not in lieu of but are in addition to, and their exercise or the failure to exercise them shall not constitute a waiver of, any other rights and remedies which Lender shall have under the Note or the Security Instrument.

It is agreed that time and the unimpaired security of Lender are the essence of this Agreement.

Borrower covenants and agrees that this Agreement represents the final agreement between Borrower and Lender relating to the above described subject matter and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties hereto. Except as expressly provided herein, the Loan and all instruments evidencing and securing same shall remain unaffected, unchanged and unimpaired. In the event of a conflict between the terms of the Note or this Agreement, the terms hereof shall be controlling. By entering into this Agreement, the parties have no intention whatsoever to extinguish or discharge the indebtedness or liens and/or security interests evidenced by the loan instruments or to effect any novation. Borrower further covenants and agrees that there are no unwritten oral agreements between the parties hereto relating to the above described subject matter.

EXECUTED this the 10TH day of JANUARY, 2003, to be effective

_____ (SEAL)	<u>Eugene B. Lettz</u> (SEAL)
_____ (SEAL)	<u>Donna L. Youngman-Letz</u> DONNA L. YOUNGMAN-LETTZ
_____ (SEAL)	_____ (SEAL)
_____ (SEAL)	_____ (SEAL)

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_

ACCEPTED AND AGREED TO BY THE OWNER AND HOLDER OF SAID NOTE:

By: Ingre E. Randolph  
Name: INGRE E RANDOLF  
Title: \_\_\_\_\_

WITNESS:

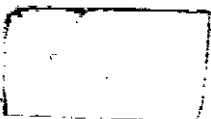
Livia J. Kake

NMFL# 2980 12/00

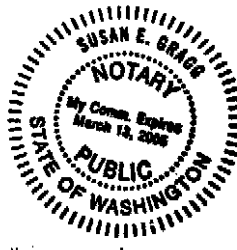
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THE STATE OF WASHINGTON  
COUNTY OF SNOHOMISH

BEFORE ME, the undersigned authority, on this day personally appeared

INGRE' E. RANDOLPH, as ASSISTANT SECRETARY  
of WELLS FARGO HOME MORTGAGE, INC., known to me to be the person whose name is  
subscribed to the foregoing instrument and acknowledged to me that he executed the same for the  
purposes and consideration therein expressed, in the capacity therein stated, as the act and deed of  
said CORPORATION

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10TH day of JANUARY, 2003.

My Commission Expires: 03-13-05

*Susan E. Gragg*  
Notary Public for the State of WASHINGTON  
Name: SUSAN E. GRAGG

THE STATE OF NEVADA  
COUNTY OF DOUGLAS

BEFORE ME, the undersigned authority, on this day personally appeared  
EUGENE H. LEITZ AND DONNA L. YOUNGMAN-LEITZ

*See Attached*

known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and  
acknowledged to me that he/she/they executed the same for the purpose and consideration therein  
expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10TH day of JANUARY, 2003.

My Commission Expires:

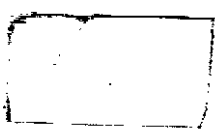
Notary Public for the State of NEVADA  
Name:

NMFL# 2979 12/00

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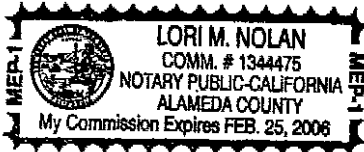


**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

STATE OF CALIFORNIA }  
 COUNTY OF Alameda } SS.

On January 21, 2003 before me, the undersigned, a Notary Public in and for said State personally appeared Eugene H. Hertz and Donna L. Youngman-Hertz  
 Name(s) of Signer(s)

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/hers/their authorized capacity(ies), and that by his/hers/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.

Lori M. Nolan  
 Signature of Notary

Lori M. Nolan  
 Name (Typed or Printed)

(Area above for official notarial seal)

Capacity Claimed by Signer	Description of Attached Document
<input checked="" type="checkbox"/> Individual(s) <input type="checkbox"/> Corporate Officer(s) - Title(s) _____  <input type="checkbox"/> Partner(s) <input type="checkbox"/> Attorney-in-Fact <input type="checkbox"/> Trustee(s) <input type="checkbox"/> Guardian/Conservator <input type="checkbox"/> Other: _____	<p>(Although this information is optional, it could prevent fraudulent attachment of this certificate to another document.)</p> <p>This certificate is for attachment to the document described below:</p> <p>Title or type of document <u>Modification Agreement</u></p> <p>Number of pages <u>1</u></p> <p>Date of document <u>1-10-03</u></p> <p>Signer(s) other than named above _____</p>
<p>Signer is Representing: Name of person(s) or Entity(ies) _____</p>	

## LEGAL DESCRIPTION OF PROPERTY

Borrower Name: EUGENE H. LEITZ  
Property Address: 2849 LA MIRADA COURT  
MINDEN, NV 89423

Loan Number: 0339272  
Date: 01/10/03

Property Description:

ALL THAT REAL PROPERTY SITUATED IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, BOUNDED AND DESCRIBED AS FOLLOWS:  
LOT 112, BLOCK G AS SHOWN ON THE MAP OF SARATOGA SPRINGS ESTATES UNIT 5, FILED IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER ON MAY 4, 2001, FILE NO. 513570.

VMP 4034 199011.01

VMP MORTGAGE FORMS - (800)521-7291

1/99

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## ADJUSTABLE RATE RIDER

( 1 Year Treasury Index - Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 10TH day of JANUARY, 2003 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to WELLS FARGO HOME MORTGAGE, INC.

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:  
2849 LA MIRADA COURT, MINDEN, NV 89423

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

#### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 5.000 %. The Note provides for changes in the interest rate and the monthly payments as follows:

#### 4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

##### (A) Change Dates

The interest rate I will pay may change on the first day of FEBRUARY, 2006 and on that day every 12 MONTHS thereafter. Each date on which my interest rate could change is called a "Change Date."

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MULTISTATE ADJUSTABLE RATE RIDER - ARM 5-2 -Single Family- Fannie Mae/Freddie Mac

UNIFORM INSTRUMENT Fannie Mae 4-2/5-2/6-2 ARM

822R (0008) Form 3111, 1/01 NMFL #3111

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VMP MORTGAGE FORMS - (800)521-7291



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**(B) The Index**

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year(s), as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding **TWO AND THREE-QUARTERS** percentage points ( 2.750 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than 7.000 % or less than 3.000 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than **TWO** percentage points ( 2.000 %) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 11.000 %.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

1244D-B22R (0008)

Page 2 of 4

Initials: *DKL*  
*dlyl*

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BK0103PG10664

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

Section 18 of the Security Instrument is amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

922R (0008)

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Initials:

*DM*  
*dlyf*

Form 3111 1/01

0565185

BK0103PG10665

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Eugene H. Leitz (Seal)  
EUGENE H. LEITZ -Borrower

Donna L. Youngman Leitz (Seal)  
DONNA L. YOUNGMAN-LEITZ -Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

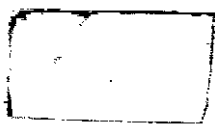
\_\_\_\_\_ (Seal)  
-Borrower

WMP-822R (0008)

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Form 3111 1/01

0565185  
BK0103PG10666



## PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 10<sup>TH</sup> day of JANUARY, 2003, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to WELLS FARGO HOME MORTGAGE, INC.

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 2849 LA MIRADA COURT, MINDEN, NV 89423

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration"). The Property is a part of a planned unit development known as SARATOGO SPRINGS ESTATES UNIT 5

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

**PUD COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:


**A. PUD Obligations.** Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

0339272

MULTISTATE PUD RIDER - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Page 1 of 3

Form 3150 1/01  
Initials: *WAC*

 7R (0008)

VMP MORTGAGE FORMS - (800)521-7291

*dlyf*



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**B. Property Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

**C. Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

**D. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

**E. Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

**F. Remedies.** If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

7R (0008)

Page 2 of 3

Initials: *HL*  
*dlf*

Form 3150 1/01

0565185

BK0103PG10668

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

*Eugene H. Leitz* (Seal)  
EUGENE H. LEITZ -Borrower

*Donna L. Youngman-Leitz* (Seal)  
DONNA L. YOUNGMAN-LEITZ -Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

\_\_\_\_\_ (Seal)  
-Borrower

MP-7R (0008)

Page 3 of 3

Form 3150 1/01

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BK0103PG10669



## SECOND HOME RIDER

THIS SECOND HOME RIDER is made this 10TH day of JANUARY, 2003, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower" whether there are one or more persons undersigned) to secure Borrower's Note to WELLS FARGO HOME MORTGAGE, INC.

(the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at:  
2849 LA MIRADA COURT, MINDEN, NV 89423

[Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Sections 6 and 8 of the Security Instrument are deleted and are replaced by the following:

**6. Occupancy.** Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's second home.

0339272

MULTISTATE SECOND HOME RIDER - Single Family -  
Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Page 1 of 2

Initials: *WJL* Form 3890 1/01

365R (0011)

VMP MORTGAGE FORMS - (800)521-7291



*dlyl*

0565185

BK0103PG10670

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Second Home Rider.

Eugene H. Deitz (Seal)  
EUGENE H. DEITZ - Borrower

Donna L. Youngman Deitz (Seal)  
DONNA L. YOUNGMAN-DEITZ - Borrower

\_\_\_\_ (Seal)  
- Borrower

\_\_\_\_ (Seal)  
- Borrower

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- Borrower

\_\_\_\_ (Seal)  
- Borrower

\_\_\_\_ (Seal)  
- Borrower

12410-365R (0011)

Page 2 of 2

Form 3890 1/01

REQUESTED BY  
FIRST AMERICAN TITLE CO.  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2003 JAN 27 PM 12: 25

WERNER CHRISTEN  
RECORDER

\$33<sup>00</sup> PAID KD DEPUTY

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