

APN ~~1221~~-19-002-002

When Recorded Return to:
First Bank of Arizona
14635 North Kierland Blvd
Suite #201
Scottsdale, AZ 85254
126-2004620

MODIFICATION AGREEMENT

020307936 [Space Above This Line For Recording Data]

THIS AGREEMENT (the "Agreement") is made as of the 1ST day of MAY, 2003 by the undersigned ("Borrower"), with an address of 2010 PALOMINO LANE, GARDNERVILLE, NV 89410 and FIRST NATIONAL BANK OF NEVADA ("Lender") with an address of 6275 NEIL ROAD, RENO, NV 89511

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 SEPTEMBER 9, 2002 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 SEPTEMBER 18, 2002 in Official Records Book or Liber 0902, at Page 05430 as Document No. 0552367 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 JULY 1, 2003 and the first Change Date (if applicable) will be N/A. The maturity date of the Note and Security Instrument is hereby changed to JUNE 1, 2033, 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).

0576361

BK0503PG05049

NEW LOAN TERMS

FIXED RATE

Interest Rate 5.750 %
Term 360 Months
Monthly Payment \$ 1,598.99

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.

Larry F. Perretta
LARRY F. PERRETTA

Cheryl A. Perretta
CHERYL A. PERRETTA

State of Nevada

County of Washoe

On the 24 day of May, 2003, before me, the undersigned, a Notary Public for said state, personally appeared

Larry F. Perretta and Cheryl A. Perretta

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

WITNESS my hand and official seal
PAMELA E. ROBINSON
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 92-0704-2- Expires February 2, 2004

Pamela E. Robinson
Notary Public 0576361

BK0503PG05050

COPY

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

2003 MAY -9 PM 4: 09

WERNER CHRISTEN
RECORDER

\$ 16.00 PAID *W* DEPUTY

0576361

BK0503PG05051