

REQUESTED BY:
Stewart Title of Douglas County

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2004 DEC 28 AM 10:56

WERNER CHRISTEN
RECORDER

\$16⁰⁰ PAID K2 DEPUTY

WHEN RECORDED MAIL TO:

Pacific Capital Bank, N.A., a national banking
association, doing business as
Santa Barbara Bank and Trust
c/o Loan Services
P.O. Box 60734
Santa Barbara, CA 93160-0734

Loan No.: 24621-26181 and 24621-31937

030303269

MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated December 22, 2004, is made and executed between Syncon Homes, A Nevada Corporation, whose address is 2221 Meridian Blvd., Suite #A, Minden, NV 89423 ("Trustor") and Pacific Capital Bank, N.A., a national banking association, doing business as Santa Barbara Bank and Trust; c/o Loan Services; P.O. Box 60654; Santa Barbara, CA 93160-0654 ("Bank").

DEED OF TRUST. Bank and Trustor have entered into a Deed of Trust dated **August 7, 2003** (the "Deed of Trust"), which has been recorded in **Douglas County, State of Nevada**, as follows:

Recorded September 25, 2003 as Instrument No. 0591258 in Book 903 at Page 14077

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

Lots 78 through 95, inclusive, in Block A; Lots 66 through 77, inclusive, Block B; and Lots 96 and 97, Block C, as set forth on the Final Subdivision Map FSM #94-04-02 for SKYLINE RANCH PHASE 2, filed for record with the Douglas County Recorder on June 18, 2003, in Book 0603, of Official Records, Page 9143 as Document No. 0580419.

The Real Property or its address is commonly known as **Johnson Lane Area, Minden, NV 89423**. The Assessor's Parcel Number for the Real Property is **1420-35-411-001 through 1420-35-411-032, inclusive**.

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


The word Note now means the Promissory Note dated August 7, 2003, in the original principal amount of \$2,375,000.00 from Trustor to Lender and the Change in Terms Agreement dated July 1, 2003, in the original principal amount of \$2,500,000.00 from Trustor to Lender, and the Term Note - Line of Credit dated December 22, 2004, in the original principal amount of \$5,000,000.00, from Trustor to Lender, together with all renewals of, extensions of, modifications, refinancings, consolidations of and substitutions for the notes or agreements.

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 Bank to this Modification does not waive Bank's right to require strict performance of the Deed of Trust as changed above nor obligate Bank 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 Bank to retain as liable all parties to the Deed of Trust and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Bank 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 Bank 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.

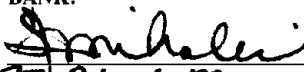
TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND TRUSTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED December 22, 2004.

TRUSTOR:

Syncon Homes, A Nevada Corporation


Leo A. Hanly, CEO

BANK:


STEPHEN MIHALIC SUP
Authorized Officer

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BK1204PG12913

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF California)
) SS

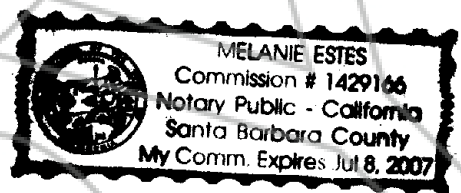
COUNTY OF Santa Barbara

On 12-22-04, 2004 before me, Melanie Estes, Notary Public personally appeared Leo A. Hanken, 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.

Melanie Estes
Signature

(Seal)



COPY

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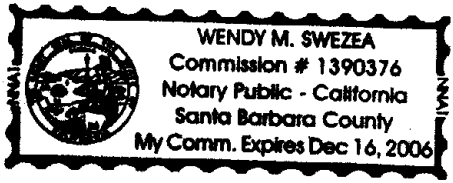
BK1204PG12914

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Santa Barbara } ss.

On 12/23/04, before me, Wendy M. Swezea Notary,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Stephen M. Hatic,
Name(s) of Signer(s)

personally known to me
 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.
Wendy M. Swezea
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

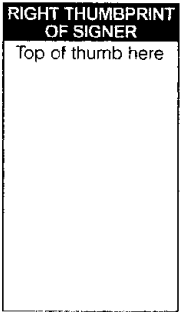
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



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