

**OFFICIAL RECORD**

Requested By:  
FIRST CENTENNIAL TITLE CO OF  
NV  
Douglas County - NV  
Werner Christen - Recorder  
Page: 1 of 13 Fee: 26.00  
BK-0206 PG- 8534 RPTT: 0.00

APN: 1220-04-501-012

150329-CT

**WHEN RECORDED MAIL TO:**

Merrill Lynch Capital, a Division of  
Merrill Lynch Business Financial  
Services Inc.

Attention: Benjamin Abbas  
222 North LaSalle Street  
16th Floor  
Chicago, Illinois 60601



THIS INSTRUMENT IS BEING RECORDED AS AN  
ACCOMODATION ONLY. NO LIABILITY, EXPRESS  
OR IMPLIED, IS ASSUMED AS TO IT'S REGULARITY  
OR SUFFICIENCY NOR AS TO ITS EFFECT, IF ANY,  
UPON TITLE TO ANY REAL PROPERTY DESCRIBED  
THEREIN.  
FIRST CENTENNIAL TITLE COMPANY OF NEVADA

**MODIFICATION TO AND ASSIGNMENT OF DEED OF TRUST,  
SECURITY AGREEMENT, FINANCING STATEMENT AND  
ASSIGNMENT OF RENTS**

<b>Grantor:</b>	Bladow Properties, LLC
<input type="checkbox"/> Additional on page	_____
<b>Trustee:</b>	Chicago Title Insurance Company
<input type="checkbox"/> Additional on page	_____
<b>Beneficiary:</b>	Merrill Lynch Capital, a Division of Merrill Lynch Business Financial Services Inc., as Administrative Agent
<input type="checkbox"/> Additional on page	_____
<b>Legal Description (abbreviated):</b>	
<input checked="" type="checkbox"/> Additional on page	11
<b>Assessor's Tax Parcel ID #:</b>	1220-04-501-012
<b>Reference Nos. of Documents Released or Assigned:</b>	N/A

1345 Hwy. 395, Gardnerville, Nevada 89410

*Merrill Lynch*

**MODIFICATION TO AND ASSIGNMENT OF DEED OF TRUST,  
SECURITY AGREEMENT, FINANCING STATEMENT AND  
ASSIGNMENT OF RENTS**

**THIS MODIFICATION TO AND ASSIGNMENT OF DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENTS** ("Modification"), is made and delivered as of this 24<sup>th</sup> day of February, 2006, by **BLADOW PROPERTIES, LLC**, a Nevada limited liability company having an office at 2235 Encinitas Boulevard, Suite 107, Encinitas, California 92024 ("Grantor") to **CHICAGO TITLE INSURANCE COMPANY**, whose address is 171 North Clark Street, Chicago, Illinois 60601, as Trustee ("Trustee") for the benefit of **MERRILL LYNCH CAPITAL, A DIVISION OF MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC.**, having its principal office at 222 North LaSalle Street, 16th Floor, Chicago, Illinois 60601 ("Beneficiary") as Administrative Agent for the Lenders (as defined in the Loan Agreement (as hereinafter defined)) and **MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC.**, a Delaware corporation, having its principal office at 222 North LaSalle Street, 17th Floor, Chicago, Illinois 60601 ("Merrill Lynch").

WITNESSETH:

WHEREAS, Grantor heretofore executed and delivered to Merrill Lynch that certain **DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENTS** dated as of October 31, 2003 (as amended, modified, restated and supplemented, the "Deed of Trust"; terms used herein but not defined shall have the meanings given therein), conveying to Trustee, for the benefit of Merrill Lynch certain real and other property located in Gardnerville, Nevada which is further and more particularly described on Exhibit "A" attached hereto and made a part hereof by reference and in the Deed of Trust (collectively, the "Property"), to secure the Obligations of Grantor incurred pursuant to the Loan Documents (the "Prior Loan"). The Deed of Trust was recorded on February 18, 2004 in the Office of the County Recorder of Douglas County, Nevada in Book 204, Page 7284, under Document No. 0604977; and

WHEREAS, Merrill Lynch has agreed to a restructuring and consolidation (but not a repayment) of the Prior Loan (the "Restructuring") and in connection therewith has assigned to Beneficiary, as the Administrative Agent for the Lenders (as defined in the Loan Agreement (as hereinafter defined)) all of its right, title and interest in and to the Prior Loan and all the loan documents associated with the Prior Loan including, without limitation, the Deed of Trust (collectively with the Deed of Trust, the "Prior Loan Documents"); and

WHEREAS, Beneficiary, on behalf of itself and the Lenders, has agreed as part of the Restructuring to extend a credit facility to Grantor in the form of a revolving loan in the maximum principal amount of \$15,000,000 (and having a maturity date of January 31, 2011) (the "Restructured Loan"); and

WHEREAS, Beneficiary and Grantor wish to modify the Deed of Trust so that the Property secures, in addition to the Obligations described therein, the Restructured Loan.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed between the parties as follows:

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1. Incorporation of Recitals. The above recitals are incorporated into this Modification as if restated herein.

2. Modification, Assignment and Grant.

(a) In order to induce Beneficiary to make the Restructured Loan available to Grantor, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to secure the payment and performance of the Restructured Loan and the covenants and agreements contained therein, Grantor, Merrill Lynch and Beneficiary agree to amend and modify the Deed of Trust so that the Property as described in the Deed of Trust secures the Obligations (as hereinafter defined) of Grantor under the Restructured Loan in addition to the Obligations as described therein. Further, Merrill Lynch hereby assigns to Beneficiary all of its right, title and interest in and to Prior Loan Documents including, without limitation, the Deed of Trust. To further effect the foregoing, the following definitions contained in Section 1.01 of the Deed of Trust are added or restated, as applicable, as follows:

"Beneficiary" shall mean Merrill Lynch Capital, a Division of Merrill Lynch Business Financial Services Inc., as Administrative Agent.

"Documents" shall mean collectively the Loan Agreement, the Note, this Deed of Trust and the other Financing Documents (as defined in the Loan Agreement).

"Loan Agreement" shall mean that certain Credit Agreement dated as of February 24, 2006 among Grantor, certain other Borrowers named therein, Beneficiary, as Administrative Agent, Sole Bookowner and Sole Lead Arranger, and the Lenders (as defined in the Loan Agreement) from time to time party thereto, as the same may from time to time be or have been amended, renewed, restated, extended or supplemented.

"Note" shall mean that certain revolving note providing for a maximum revolving line of credit in the initial maximum principal amount of \$15,000,000.00 (and having a maturity date of January 31, 2011), given by Grantor to Beneficiary (in its capacity as a Lender) or to any other Lender, as the same may from time to time be amended, renewed, restated, extended or supplemented.

"Obligations" shall mean all indebtedness, obligations and liabilities of Grantor to Beneficiary (in its capacity as Lender or otherwise) or any other Lender, howsoever created, arising or evidenced, whether now existing or hereafter arising, whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint and several, under the Documents, including under the Note, Loan Agreement and other Documents executed in connection with the Restructured Loan.

"Restructured Loan" shall mean that certain revolving loan providing for a maximum revolving line of credit in the original principal amount of \$15,000,000 as evidenced by the Note.

(b) The following shall be added to the end of Section 2.04 of the Deed of Trust:

"Anything herein to the contrary notwithstanding, it is specifically understood and agreed that all funds furnished by Beneficiary and employed in performance of the obligations or to protect Beneficiary's security shall be deemed advanced by Beneficiary under an obligation to do so regardless of the identity of the person or persons to whom such funds are disbursed."

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3. Reaffirmation. This Modification is, in part, a reaffirmation of the Obligations of Grantor to Beneficiary and is not to be construed as a release or modification of any of the terms, conditions, warranties, waivers, or other rights set forth in the Prior Loan Documents or the Documents (as defined herein), except to the extent expressly modified herein. Grantor, in consideration of Beneficiary's agreement in its capacity as Lender to make the Restructured Loan, hereby reaffirms the lien of the Deed of Trust and all of Grantor's Obligations to Beneficiary, as set forth in the Documents.

4. References. All references to the "Deed of Trust" in the Deed of Trust and herein shall mean the "Deed of Trust" as amended by this Modification and as may be further amended and/or restated from time to time. All references to Obligations in the Deed of Trust and herein shall mean the Obligations of Grantor under the Loan Agreement, the Note and the other Documents (as defined herein). All references to Beneficiary in the Deed of Trust, as amended, and in the Documents shall mean Merrill Lynch Capital, a Division of Merrill Lynch Business Financial Services Inc. in its capacity as Administrative Agent.

5. Miscellaneous.

a. Not a Novation. This Modification is not a novation or repayment, nor is it to be construed as a release or modification of any of the terms, conditions, warranties, waivers, or rights set forth in the Prior Loan Documents or the Documents, except as set forth herein.

b. Acknowledgment of Waiver.

(1) Grantor represents and warrants that all of the waivers, warranties, and promises set forth in this Modification are made after consultation with legal counsel of its choosing and with an understanding of their significance and consequence.

(2) Grantor further represents and warrants as follows:

(a) It has received, or has had the opportunity to receive, independent legal advice from attorneys of its choice with respect to the advisability of executing this Modification, and prior to the execution of this Modification its attorneys reviewed this Modification and discussed the Modification with Grantor and they have made all desired changes;

(b) Except as expressly stated in this Modification, neither Beneficiary nor any other person or entity has made any statement or representation to Grantor regarding the facts relied upon by Grantor;

(c) Grantor does not rely upon any statement, representation, or promise of Beneficiary or any other person or entity in executing this Modification except as expressly stated in this Modification; and

(d) The terms of this Modification are contractual and not a mere recital.

c. Survival of Warranties. All agreements, representations, and warranties made herein shall survive the execution and delivery of this Modification.

d. Failure of Indulgence Not Waiver. No failure or delay on the part of Beneficiary in the exercise of any right, power, or privilege hereunder or under the documents or instruments referred to

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herein shall operate as a waiver thereof, and no single or partial exercise of any such power, right, or privilege shall preclude a further exercise of any right, power, or privilege.

e. **Applicable Law.** This Modification and the Documents (as defined herein), and the rights and Obligations of the parties hereto and thereto shall be governed by and construed in accordance with the laws of the State of Nevada. Grantor waives any objection to jurisdiction and venue of any action instituted against it as provided herein and agrees not to assert any defense based on lack of jurisdiction or venue.

f. **Assignability.** This Modification shall be binding upon and inure to the benefit of Beneficiary and Grantor and their respective successors and assigns, except that the respective rights of Grantor hereunder are not assignable without the prior written consent of Beneficiary, which consent Beneficiary may give or withhold in its sole and absolute opinion and judgment.

g. **Expenses and Fees.**

(1) In the event that Beneficiary employs attorneys to remedy or obtain relief from, or arising out of, a breach or default under this Modification, the documents and instruments executed in connection herewith, or the Documents (as defined herein), any of the terms, covenants, provisions and all conditions hereof or thereof, or any of the matters referred to herein or therein or in connection with any bankruptcy proceeding, Beneficiary shall be entitled to be reimbursed by Grantor for all of its reasonable attorneys' fees, whether or not suit is filed and including, without limitation, those incurred in each and every action, suit or proceeding, including any and all appeals and petitions therefrom and all fees and costs incurred by Beneficiary.

h. **Modifications and Amendments.** This Modification may be modified or amended only by written agreement duly executed by the party to be charged.

i. **Integration.** This Modification, the Documents (as defined herein), and the documents and instruments executed in connection herewith constitute a single, integrated written contract expressing the entire agreement of the parties hereto relative to the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any party hereto with respect to the subject matter hereof, except as specifically set forth in this Modification and the documents and instruments executed in connection with this Modification.

j. **Severability.** If any provision of this Modification is found to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Modification, such provisions shall be fully severable; this Modification shall be construed and enforced as if such illegal, invalid, or unenforceable provision never compromised a part of this Modification; and the remaining provisions of this Modification shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by severance from this Modification.

k. **Notices.** All Notices shall be provided as in the Documents (as defined herein).

l. **Execution in Counterpart.** This Modification may be executed and delivered in two or more counterparts, each of which, when so executed and delivered, shall be an original, and such counterparts together shall constitute but one and the same instrument and Modification, and the Modification shall not be binding on any party until all parties have executed it.

m. **Final and Binding Agreement.** This Modification is intended to be final and binding among the parties hereto, and each party expressly relies on the finality of this Modification as a substantial,

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material factor inducing that party's execution of this Modification. Each of the parties hereto has the full right and authority to enter into this Modification, and the officer, member, manager, partner, agent, or other representative executing this Modification on behalf of any party has the full right and authority to fully commit and bind to this Modification.

n. No Other Parties Intended. Nothing contained in this Modification is intended, nor shall it be construed or deemed, to confer any rights, powers, or privileges on any person, firm, partnership, corporation, or other entity not an express party hereto, a successor-in-interest, assign, or a party released under this Modification.

o. Section Headings Not Effective. Section headings used in this Modification are for convenience only and shall not effect the construction of this Modification.

p. Construction of Agreement. Whenever the context so requires, the masculine gender shall include the feminine or neuter and the singular shall include the plural, and vice versa. Unless the context of this Modification clearly requires otherwise, the term "or" includes the inclusive meaning represented by the phrase "and/or."

q. Effectiveness of Agreement. In addition to any other conditions to the effectiveness and enforceability of this Modification set forth in this Modification, this Modification shall not be effective and enforceable unless and until it is executed by Beneficiary.

6. In all other respects, the Deed of Trust is hereby restated, reaffirmed and incorporated herein, the only amendments intended to be made thereto being those above set forth. This Modification is incorporated by reference into the Deed of Trust and the other Documents (as defined herein).

7. This Modification shall bind and inure to the benefit of the Grantor and Beneficiary and their respective successors and assigns.

[Signatures on Next Page]

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IN WITNESS WHEREOF, the parties have executed and sealed this MODIFICATION TO AND ASSIGNMENT OF DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENTS as of the day and year first above written.

BLADOW PROPERTIES, LLC

By: *Michael O. Bladow*  
Michael O. Bladow  
Member-Manager  
2/20/06

MERRILL LYNCH CAPITAL, A DIVISION OF  
MERRILL LYNCH BUSINESS FINANCIAL  
SERVICES INC., as Administrative Agent

By: \_\_\_\_\_  
Patrick A. Lucas  
Vice President

MERRILL LYNCH BUSINESS FINANCIAL  
SERVICES INC.

By: \_\_\_\_\_  
Patrick A. Lucas  
Vice President

*Merrill Lynch*

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IN WITNESS WHEREOF, the parties have executed and sealed this MODIFICATION TO AND ASSIGNMENT OF DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT AND ASSIGNMENT OF RENTS as of the day and year first above written.

**BLADOW PROPERTIES, LLC**

By: \_\_\_\_\_  
Michael O. Bladow  
Member-Manager

**MERRILL LYNCH CAPITAL, A DIVISION OF  
MERRILL LYNCH BUSINESS FINANCIAL  
SERVICES INC., as Administrative Agent**

By: Patrick A. Lucas  
Patrick A. Lucas  
Vice President

**MERRILL LYNCH BUSINESS FINANCIAL  
SERVICES INC.**

By: Patrick A. Lucas  
Patrick A. Lucas  
Vice President

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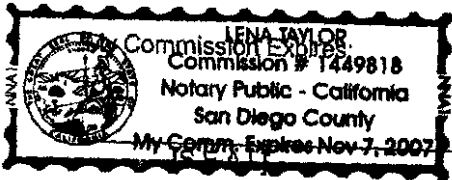




STATE OF California }  
COUNTY OF San Diego } SS.

This instrument was acknowledged before me on this 20<sup>th</sup> day of February, 2006 by Michael O. Bladow as Member-Manager of Bladow Properties, LLC.

*Lena Taylor*  
NOTARY PUBLIC



*COPIES*

*Alma Lynch*

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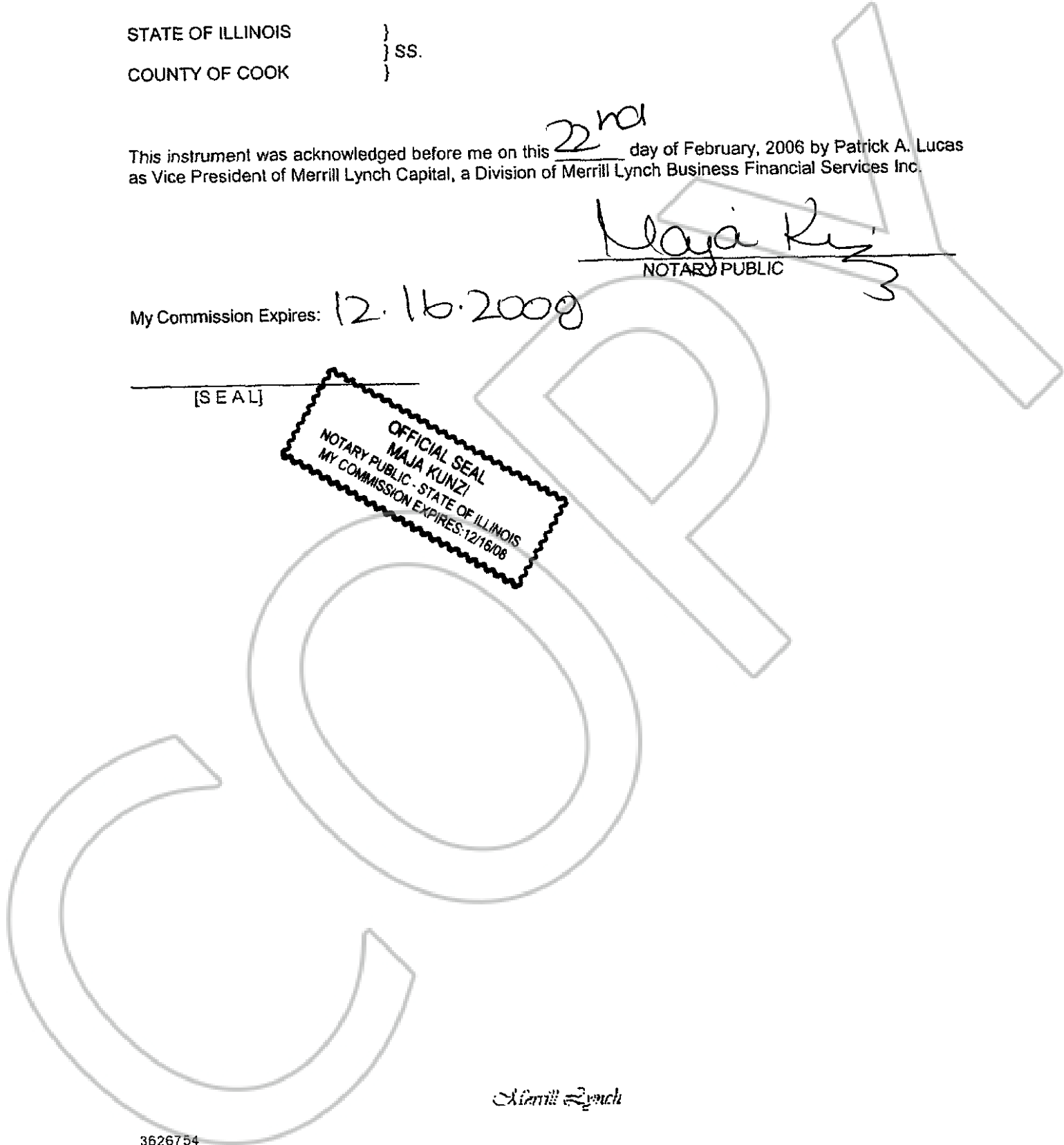
STATE OF ILLINOIS }  
COUNTY OF COOK } SS.

This instrument was acknowledged before me on this 22<sup>nd</sup> day of February, 2006 by Patrick A. Lucas as Vice President of Merrill Lynch Capital, a Division of Merrill Lynch Business Financial Services Inc.

Maja Kunzi  
NOTARY PUBLIC

My Commission Expires: 12.16.2008

[SEAL]  
OFFICIAL SEAL  
MAJA KUNZI  
NOTARY PUBLIC - STATE OF ILLINOIS  
MY COMMISSION EXPIRES: 12/16/08



*Merrill Lynch*

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STATE OF ILLINOIS        )  
                                  ) SS.  
COUNTY OF COOK        )

This instrument was acknowledged before me on this 22<sup>nd</sup> day of February, 2006 by Patrick A. Lucas as Vice President of Merrill Lynch Business Financial Services Inc.

Maja Kunzi  
NOTARY PUBLIC

My Commission Expires: 12.16.2008

\_\_\_\_\_  
[SEAL]



*Merrill Lynch*

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**EXHIBIT A ATTACHED TO AND HEREBY MADE A PART OF  
MODIFICATION TO DEED OF TRUST, SECURITY AGREEMENT FINANCING STATEMENT  
AND ASSIGNMENT OF RENTS AMONG BLADOW PROPERTIES, LLC  
AND MERRILL LYNCH CAPITAL, A DIVISION OF MERRILL LYNCH BUSINESS FINANCIAL  
SERVICES INC.**

**COMMON ADDRESS OF REAL PROPERTY:** 1345 Hwy. 395  
Gardnerville, Nevada 89410

**RECORD OWNER:** Bladow Properties, LLC

**LEGAL DESCRIPTION:** See attached.

**APN:** 1220-04-501-012

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Exhibit A

**Legal Description**

All that certain real property situate in the County of **Douglas**, State of **NEVADA**, described as follows:

**A parcel of land located within a portion of the Northwest one-quarter of the Northwest one-quarter (NW ¼ NW ¼) of Section 4, Township 12 North, Range 20 East, Mount Diablo Meridian, Douglas County, Nevada described as follows:**

**Commencing at centerline Station "A" 370+44.51 of U.S. Highway 395 per found Nevada Department of Transportation highway right-of-way Brass Cap monuments; thence along said centerline South 51°04'00" East, per Document No. 28058, 1403.69 feet; thence North 38°56'00" East, a right angle to the preceding course a distance of 40.00 feet to a point on the Northeasterly right-of-way line of U.S. 395, said point further described as the Southwesterly most corner of the property conveyed to Wayne C. Matley et ux recorded May 19, 1971 in Book 87 of Official Records at Page 109, in Douglas County, Nevada; thence along said right-of-way line South 51°04'00" East, 50.00 feet to THE TRUE POINT OF BEGINNING. Thence North 38°54'53" East, 190.00 feet; thence South 51°04'00" East, 166.85; thence South 38°54'53" West, 190.00 feet, to the Northeasterly right-of-way line of U.S. Highway 395; thence along said right-of-way line North 51°04'00" West, 166.85 feet to THE POINT OF BEGINNING.**

**The Basis of Bearing of this description is the centerline of U.S. Highway 395 per the Record of Survey of the Lampe Ranch recorded May 7, 1965 as Document No. 28058.**

**The above metes and bounds description appeared previously in that certain Grant, Bargain, Sale Deed, recorded in the Office of the County Recorder of Douglas County, Nevada on May 17, 1996, in Book 596, Page 3349, as Document No. 388146, Official Records.**

APN: 1220-04-501-012

