

The undersigned  
hereby affirms that  
this document  
submitted for  
recording does not  
contain a Social  
Security Number.

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 Of 10 Fee: 23.00  
BK-1106 PG-00599 RPTT: 0.00



Assessor Parcel No(s):  
1220-21-102-010 &  
1220-21-102-002

RECORDATION  
REQUESTED BY:

WHEN RECORDED MAIL  
TO:  
Business Bank of  
Nevada  
Credit Department  
6085 W. Twain Ave.  
Las Vegas, NV  
89103-1228

SEND TAX NOTICES TO:  
Kit Carson  
Development, Ltd.  
PO Box 487  
Minden, NV 89423

260416 TO

FOR RECORDER'S USE ONLY

## MODIFICATION OF DEED OF TRUST

THIS MODIFICATION OF DEED OF TRUST dated October 20, 2006, is made and executed between between Kit Carson Development, Ltd., a Nevada limited liability company, whose address is 1226 Kimmerling Road, Gardnerville, NV 89410 ("Grantor") and Business Bank of Nevada, whose address is Carson Valley Branch, 1647 U.S. Highway 395 North, Minden, NV 89423-4302 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated January 17, 2006 (the "Deed of Trust") which has been recorded in Douglas County, State of Nevada, as follows:

**MODIFICATION OF DEED OF TRUST  
(Continued)**

Loan No: 1826041

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February 3, 2006, in Book 0206, Page 1347, as Document No. 0667270.

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

See Exhibit "A", which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as 1213 & 1233 Kimmerling Road, Gardnerville, NV 89460. The Real Property tax identification number is 1220-21-102-010 & 1220-21-102-002.

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

The definition of "Note" is hereby modified as follows: The word "Note" means the promissory note dated January 17, 2006 in the original principal amount of \$3,790,300.00 with a current and/or available principal balance of \$3,790,300.00, as modified by a change in terms agreement dated October 20, 2006 that, among other things, increased the principal amount of the promissory note by \$800,000.00, for an aggregate principal face amount of \$4,590,300.00, and an aggregate current and/or available principal balance of \$4,590,300.00, from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancing of, consolidations of, and substitutions for the Promissory Note. **NOTICE TO GRANTOR: THE PROMISSORY NOTE CONTAINS A VARIABLE INTEREST RATE..**

**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.

**GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED OCTOBER 20, 2006.**




MODIFICATION OF DEED OF TRUST  
(Continued)


Loan No: 1826041


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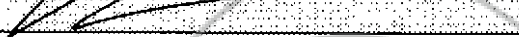
GRANTOR:

KIT CARSON DEVELOPMENT, LTD.

By:   
John Jack Fleming, Manager of Kit Carson  
Development, Ltd.

By:   
Richard P. McCole, Manager of Kit Carson  
Development, Ltd.

By:   
Byron Waite, Manager of Kit Carson Development, Ltd.

By:   
D. Gerald Bing, Jr., Manager of Kit Carson  
Development, Ltd.

LENDER:

BUSINESS BANK OF NEVADA

X   
Susan C. Potter, Vice President

MODIFICATION OF DEED OF TRUST  
(Continued)

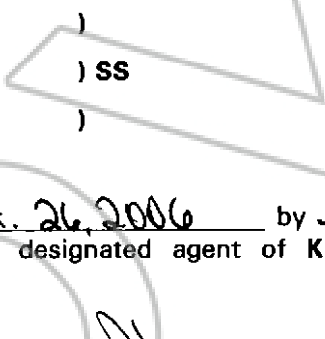
Loan No: 1826041

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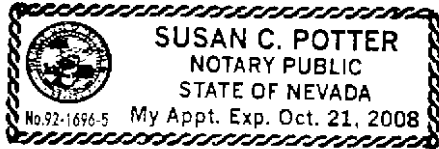
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEVADA

COUNTY OF Douglas



This instrument was acknowledged before me on Oct. 26, 2006 by John Jack Fleming, Manager of Kit Carson Development, Ltd., as designated agent of Kit Carson Development, Ltd..

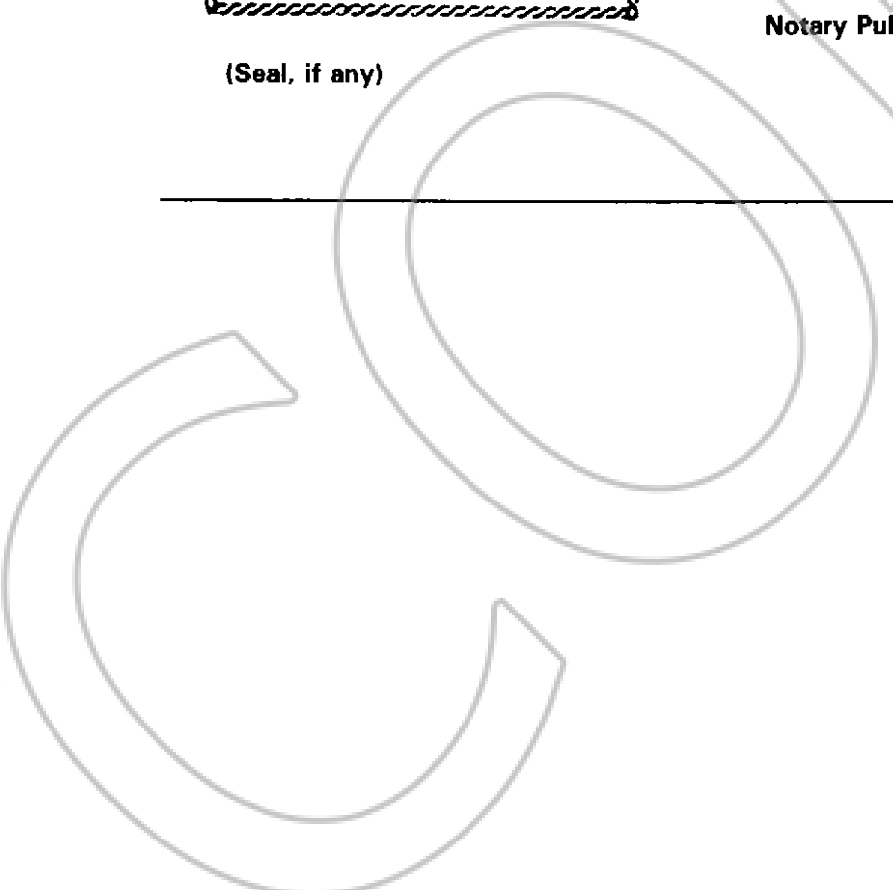


Susan C. Potter

(Signature of notarial officer)

Notary Public in and for State of NEVADA

(Seal, if any)



MODIFICATION OF DEED OF TRUST  
(Continued)

Loan No: 1826041

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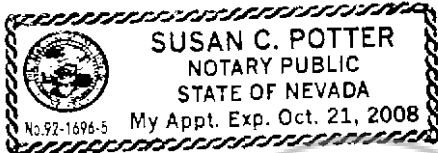
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEVADA

COUNTY OF Douglas

)  
) SS  
)

This instrument was acknowledged before me on Oct. 30, 2006 by Richard P. McCole, Manager of Kit Carson Development, Ltd., as designated agent of Kit Carson Development, Ltd.



(Seal, if any)

[Signature]  
(Signature of notarial officer)

Notary Public in and for State of NEVADA

MODIFICATION OF DEED OF TRUST  
(Continued)

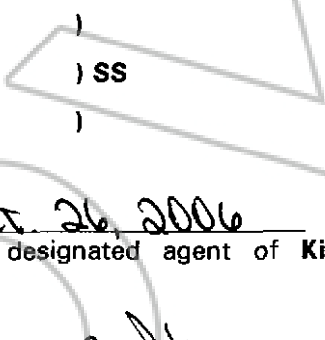
Loan No: 1826041

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

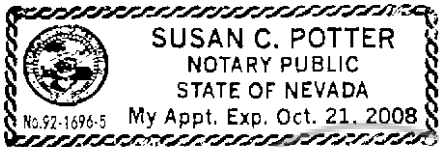
STATE OF NEVADA

COUNTY OF Douglas



)  
) SS  
)

This instrument was acknowledged before me on Oct 26, 2006 by Byron Waite, Manager of Kit Carson Development, Ltd., as designated agent of Kit Carson Development, Ltd.



(Seal, if any)

[Signature]

(Signature of notarial officer)

Notary Public in and for State of NEVADA



MODIFICATION OF DEED OF TRUST  
(Continued)

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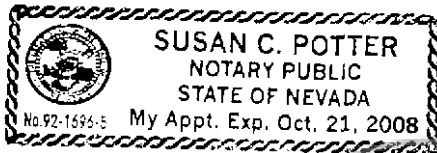
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEVADA

)  
) SS  
)

COUNTY OF Douglas

This instrument was acknowledged before me on Oct. 26, 2006 by D. Gerald Bing, Jr., Manager of Kit Carson Development, Ltd., as designated agent of Kit Carson Development, Ltd..



(Seal, if any)

[Signature]

(Signature of notarial officer)

Notary Public in and for State of NEVADA

MODIFICATION OF DEED OF TRUST  
(Continued)

Loan No: 1826041

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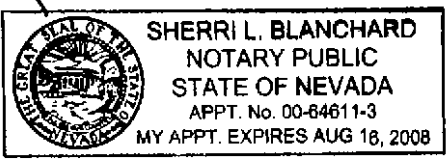
LENDER ACKNOWLEDGMENT

STATE OF NEVADA

COUNTY OF Douglas

)  
) SS  
)

This instrument was acknowledged before me on Oct. 30, 2006 by Susan C. Potter as designated agent of Business Bank of NEVADA.



Sherril L. Blanchard  
(Signature of notarial officer)

Notary Public in and for State of NEVADA

(Seal, if any)



## EXHIBIT "A"

**All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:**

All that certain real property situate within a portion of the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 21, Township 12 North, Range 20 East, Mount Diablo Meridian, further described as Parcel 2A, as shown on the Parcel Map #2035 under Document Number 394380, of the Official Records of Douglas County, Nevada, being more particularly described as follows:

BEGINNING at the Northwest corner of said Parcel 2A of Parcel Map No. 2035, which is also located on the Southerly right-of-way of Kimmerling Road the TRUE POINT OF BEGINNING;  
thence North  $89^{\circ}49'53''$  East, a distance of 156.50 feet along the South right-of-way of Kimmerling Road;  
thence leaving said right-of-way South  $00^{\circ}03'57''$  East, a distance of 102.67 feet to the beginning of a tangent curve concave to the Northeast;  
thence along said curve a distance of 394.55 feet, with a radius of 206.50 feet and a central angle of  $109^{\circ}28'16''$  to a point of compound curve, which is concave to the Northwest;  
thence continuing along said curve, a distance of 350.21 feet, with a radius of 284.50 and a central angle of  $70^{\circ}31'44''$ ;  
thence North  $00^{\circ}03'57''$  West, a distance of 29.96 feet to the Southern right-of-way of Kimmerling Road;  
thence North  $89^{\circ}49'53''$  East, a distance of 35.50 feet along the Southern right-of-way of Kimmerling Road to the Northeast corner of said Parcel 2A, which is the Northwest corner of Parcel 2B of said Parcel Map;  
thence South  $00^{\circ}03'57''$  East, a distance of 615.75 feet along the common property line between said Parcels 2A and 2B to the Southeast corner of Parcel 2A;  
thence North  $85^{\circ}21'36''$  West, a distance of 659.22 feet along the South line of Parcel 2A to the Southwest corner of said parcel;  
thence North  $00^{\circ}03'57''$  West, a distance of 560.49 feet along the West line of Parcel 2A to the Northwest corner of said parcel to THE TRUE POINT OF BEGINNING.

ALSO SHOWN as Parcel 2A-2 on Parcel Map # LDA 04-083 for Sierra Assisted Living, Inc. recorded January 6, 2005 in Book 0105, Page 1808, as Document No. 633822.

Per NRS 111.312, this legal description was previously recorded on January 28, 2005, in Book 0105, at Page 9672, as Document No. 635389, of Official Records.

APN: 1220-21-102-010



## EXHIBIT "A"

**All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:**

All that certain real property situate within a portion of the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 21, Township 12 North, Range 20 East, M.D.M., County of Douglas, State of Nevada, being further described as:

Parcel 2B, as set forth on the Parcel Map #2035 for SIERRA ASSISTED LIVING, INC., filed for record in the Office of the County Recorder, Douglas County, Nevada, on August 16, 1996, in Book 896, Page 2843, as Document No. 394380

APN: 1220-21-102-002

