

Recording Requested by
HOUSING CAPITAL COMPANY,
a Minnesota partnership

And when recorded return to:
HOUSING CAPITAL COMPANY
1825 South Grant Street, Suite 630
San Mateo, CA 94402
Attention: Loan Administration Manager
Loan No. 1402L

040503032-TO

DOC # 0698142
03/29/2007 03:51 PM Deputy: GB

OFFICIAL RECORD

Requested By:

STEWART TITLE OF DOUGLAS

COUNTY

Douglas County - NV

Werner Christen - Recorder

Page: 1 of 9 Fee: 22.00

BK-0307 PG-10112 RPTT: 0.00



MEMORANDUM OF THIRD MODIFICATION AGREEMENT AMENDING LOAN DOCUMENTS

The undersigned declare that they have entered into a third modification agreement dated of even date herewith, wherein provision is made for (a) amendment of that certain Loan Agreement ("Loan Agreement") dated October 25, 2004, evidenced by a promissory note in the amount of SEVEN MILLION FIVE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$7,500,000.00), secured by a deed of trust dated October 25, 2004 and executed by RANCHOS, LLC, a Nevada limited liability company, as Trustor, to STEWART TITLE GUARANTY COMPANY, as Trustee, in favor of HOUSING CAPITAL COMPANY, a Minnesota partnership, as Beneficiary, which was recorded on November 2, 2004 as Instrument or Document No. 0628225, in the Official Records of Douglas County, Nevada, encumbering certain real property more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property") and/or (b) amendment of certain obligations secured by that deed of trust. This instrument is a memorandum of the third modification agreement, and the same is incorporated herein by this reference with the same effect and as though set forth herein in its entirety.

Dated: March 12, 2007

“Beneficiary/Lender”

HOUSING CAPITAL COMPANY,
a Minnesota partnership

By: DFP Financial, Inc., a California corporation,
its Managing General Partner

By: *Loni Arroyo*

Its: *Vice President*

“Trustor/Borrower”

RANCHOS, LLC,
a Nevada limited liability company

By: DGD DEVELOPMENT LIMITED PARTNERSHIP,
a Nevada limited partnership
Manager

By: SSS INVESTMENTS, LLC,
a Nevada limited liability company
General Partner

By: *[Signature]*
John C. Serpa, Sr., Manager



EXHIBIT A
(Description of Property)

Exhibit A to MEMORANDUM OF THIRD MODIFICATION AGREEMENT dated as of March 12, 2007, executed by RANCHOS, LLC, a Nevada limited liability company, as "Borrower" and HOUSING CAPITAL COMPANY, a Minnesota partnership, as "Lender"

Description of Property

The land referred to herein is situated in the State of Nevada, County of DOUGLAS, described as follows:

PARCEL 1:

The West 1/2 of the Southeast 1/4 of Section 15, Township 12 North, Range 20 East, M.D.B.&M., according to the official map thereof.

Together with the following property as described in document recorded August 21, 1985, Book 885, Page 2172, as Document No. 121873.

Commencing at the center 1/4 corner of Section 15, Township 12 North, Range 20 East, M.D.B.&M., as shown on the Official Plat of the Gardnerville Ranchos Subdivision, Unit #4 and recorded as Document No. 35915, Douglas County, Nevada, Recorder's Office; thence along the Easterly right-of-way of Dresslerville Road as described in the Deed of Dedication of Dresslerville Road and recorded as Document No. 19840, Douglas County, Nevada, Recorder's Office, South 00°00'30" West, 823.87 feet to the Point of Beginning; thence continuing South 00°00'30" West, 140.23 feet; thence along the arc of a curve to the left, tangent to the preceding course and having a delta angle of 90°05'30", radius of 120.00 feet and an arc length of 188.69 feet; thence North 89°55'00" East, 140.23 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course and having a delta angle of 90°05'30" radius of 260.00 feet and an arc length of 408.82 feet to the Point of Beginning.

EXCEPTING THEREFROM: The East 1/2 of the Northeast 1/4 of the Southwest 1/4 of the Southeast 1/4 of said Section 15, Township 12 North, Range 20 East, M.D.B.&M.



FURTHER EXCEPTING THEREFROM: That portion beginning 660 feet South of a point which is the center of the Southeast 1/4 of Section 15, Township 12 North, Range 20 East; thence 132 feet South; thence 330 feet West; thence 132 feet North; thence 330 feet East to place of beginning.

FURTHER EXCEPTING THEREFROM: That portion described in the deeds of dedication to Douglas County, recorded April 6, 1962, as File No. 19840, Official Records, and recorded April 6, 1962, as File No. 19841, Official Records.

FURTHER EXCEPTING THEREFROM: That portion of said land described in document recorded August 21, 1985, in Book 885, Page 2167, Document No. 121872, further described as follows:

Commencing at the center 1/4 corner of Section 15, Township 12 North, Range 20 East, M.D.B.&M., as shown on the Official Plat of the Gardnerville Ranchos Subdivision, Unit 4 and recorded as Document No. 35915, Douglas County, Nevada, Recorder's Office; thence along the Easterly right-of-way of said document, South 00°01'16" West, 1,051.67 feet to the Point of Beginning; thence continuing South 00°01'16" West, 161.53 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course, having a delta angle of 89°53'44", a radius of 40.00 feet and an arc length of 62.76 feet; thence North 89°55'00" East, 220.88 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course, having a delta angle of 50°02'00", radius of 340.00 feet and an arc length of 296.90 feet to the Point of Beginning.

Reference to said premises is made on that certain Record of Survey recorded December 15, 1989 in Book 1289 of Official Records, at Page 1634, as Document No. 216551.

APN's 1220-15-801-01, 1220-15-701-001 and 1220-15-701-003

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10571, AS FILE NO. 546092, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 2:

A parcel of land located within the Southeast one-quarter of Section 22, Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada being more particularly described as follows:

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BEGINNING at the Southeast corner of said Section 22, being a 5/8 inch rebar tagged RLS 3579, as shown on Record of Survey Map, Document No. 70249 of the Douglas County Recorder's Office; thence South 89°47'13" West 2,646.11 feet to the South 1/4 corner of said Section 22, being a 5/8 inch rebar in a rock mound;

thence North 00°15'52" West, along the West line of said Southeast one-quarter, 798.72 feet to a point on the Southerly line of Lot 962 of Gardnerville Ranchos Subdivision Unit No. 7;

thence North 77°06'00" East, along said Southerly line 17.34 feet to the Southwest corner of Lot 961 of said Subdivision;

thence North 79°54'00" East, along the Southerly line of said Lot 961, 66.94 feet;

thence along the Easterly line of said subdivision, the following 15 courses:

- 1) North 08°42'00" West 10.00 feet;
- 2) 28.80 feet along the arc of a curve to the right, having a central angle of 01°06'00" and a radius of 1,500.00 feet, (chord bears North 81°51'00" East, 28.80 feet);
- 3) North 07°36'00" West, 60.00 feet;
- 4) 7.26 feet along the arc of a curve to the left, having a central angle of 00°16'00" and a radius of 1,560.00 feet, (chord bears South 82°16'00" West, 7.26 feet);
- 5) North 07°52'00" West, 125.58 feet;
- 6) South 80°14'00" West, 21.58 feet;
- 7) North 08°36'00" West, 130.00 feet;
- 8) 31.68 feet along the arc of a curve to the right, having a central angle of 01°00'00" and a radius of 1,815.00 feet, (chord bears North 81°54'00" East, 31.68 feet);
- 9) North 07°36'00" West, 50.00 feet;
- 10) 17.36 feet along the arc of a curve to the right, having a central angle of 00°32'00" and a radius of 1,865.00 feet, (chord bears North 82°40'00" East, 17.36 feet);
- 11) North 07°04'00" West, 128.67 feet;
- 12) South 82°16'00" West, 9.33 feet;
- 13) North 07°44'00" West, 130.00 feet;
- 14) North 82°16'00" East, 10.00 feet;
- 15) North 07°44'00" West, 50.00 feet top the Northerly line of Jill Drive;

thence North 82°16'00" East 140.30 feet;

thence 282.20 feet along the arc of a curve to the right having a central angle of 07°31'13" and a radius of 2,150.00 feet, (chord bears North 86°01'37" East, 281.99 feet);

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thence North 89°47'13" East, 766.10 feet;

thence North 00°16'35" West, 998.72 feet to the North line of said Southeast one-quarter;

thence North 89°56'27" East, 1,434.18 feet to the East one-quarter corner of said Section 22;

thence South 00°16'35" East, along the East line of said Southeast one-quarter, 2,648.71 feet to the POINT OF BEGINNING.

Reference is made to Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

TOGETHER with a 30 foot strip of land for access and drainage purposes as described in Deed executed by Southern Nevada Culinary and Bartenders Pension Trust, recorded December 15, 1989, in Book 1289, Page 1609, Document No. 216549.

APN 1220-22-000-005

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JULY 1, 2002, BOOK 0702, PAGE 008, AS FILE NO. 546096, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 3:

The Southeast 1/4 of the Southwest 1/4 of Section 22, Township 12 North, Range 20 East, M.D.B.&M.

EXCEPTING THEREFROM: That portion of said land lying within Gardnerville Ranchos Unit No. 7 filed in the Office of the County Recorder of Douglas County, Nevada, March 27, 1974, as File No. 72456.

APN 1220-22-401-003

PARCEL 4:

The East 1/2 of Northeast 1/4 of Section 28; the Northwest 1/4 of Northwest 1/4 of Section 27; all in Township 12 North, Range 20 East, M.D.B.&M., according to the official map thereof.

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EXCEPTING THEREFROM: All that portion of said lands lying within Gardnerville Ranchos Unit No. 7 filed in the Office of the County Recorder of Douglas County, Nevada, March 27, 1974, as File No. 72456.

Reference is made to Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, Recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

APN 1220-28-000-009

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10559, AS FILE NO. 546086, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 5:

A Parcel of land located within the Northeast one-quarter of Section 22 and the West, one-half of the West one-half of Section 23 Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, being more particularly described as follows:

BEGINNING at the North one-quarter corner of said Section 22, being a 2 inch iron pipe in concrete marked RLS 1635, as shown on Record of Survey Map, Document No. 70249 of the Douglas County Recorder's Office; thence South 89°55'57" East, 1326.99 feet to a 2 inch iron pipe marked Southwest corner, Southeast 1/4, Southeast 1/4, Section 15 RLS 1688; thence South 00°11'14" East, 30.00 feet; thence South 89°56'10" East, along the Southerly line of a 30 foot wide roadway, 1326.80 feet to a point on the East line of said Section 22; thence South 00°05'56" East, along said East line, 1293.37 feet to the Northwest corner of the Southwest one-quarter of the Northwest one-quarter of said Section 23, being a 5/8 inch rebar tagged RLS 3579; thence South 89°53'01" East, 1329.96 feet to a 2 inch iron pipe marked Northwest Corner, Southeast 1/4, Northwest 1/4, Section 23, RLS 1688; thence South 00°02'20" East, 1321.90 feet to a 2 inch iron pipe marked Southeast corner, Southwest 1/4, Northwest 1/4, Section 23, RLS 1688; thence South 00°07'49" East, 1323.82 feet to a 2 inch iron pipe marked Southwest corner, Northeast 1/4, Southwest 1/4, Section 23, RLS 1688; thence North 89°57'40" West, 1325.19 feet to the Southwest

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corner of the Northwest one-quarter of the Southwest one-quarter of said Section 23, being a 5/8 inch rebar tagged RLS 3579; thence North 00°16'35" West 1324.36 feet to the West one-quarter corner of said Section 23, being a 60-D spike in a rock mound; thence South 89°56'27" West, along the South line of the Northeast one-quarter of said Section 22, 1434.18 feet; thence North 00°16'35" feet, 210.00 feet; thence South 89°56'27" West, 1211.36 feet to a point on the West line of the Northeast one-quarter of said Section 22; thence North 00°16'51" West, along said West line, 1116.28 feet to a 5/8 inch rebar tagged RLS 3907; thence North 00°16'32" West, along said West line, 1326.07 feet to the POINT OF BEGINNING.

Reference is made as Lot 1 on that Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, Recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

APN 1220-22-000-006

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10559, AS FILE NO. 546086, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."



STATE OF CALIFORNIA

COUNTY OF SAN MATEO

On March 21, 2007, before me, HEIDI P. EHRICH, a Notary Public, personally appeared LOUI ARMAT, personally known to me to be the person(s) (or proved to me on the basis of satisfactory evidence) 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 and that by his/her/their signature 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.

Signature

[SEAL]



STATE OF ~~CALIFORNIA~~ NEVADA

COUNTY OF Douglas

On MARCH 19, 2007, before me, TAMARA M. PETERSON, a Notary Public, personally appeared JOHN C. SERPA, SR, personally known to me to be the person(s) (or proved to me on the basis of satisfactory evidence) 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 and that by his/her/their signature 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.

Signature

[SEAL]

