

**OFFICIAL RECORD**

Requested By:

WESTERN TITLE COMPANY INC

Recording Requested by  
HOUSING CAPITAL COMPANY,  
a Minnesota partnership

Douglas County - NV  
Werner Christen - Recorder

Page: 1 Of 5 Fee: 18.00  
BK-0707 PG- 2174 RPTT: 0.00



And when recorded return to:  
HOUSING CAPITAL COMPANY  
1825 South Grant Street, Suite 630  
San Mateo, CA 94402  
Attention: Loan Administration Manager  
Loan No. 1341R

---

**MEMORANDUM OF SECOND MODIFICATION AGREEMENT  
AMENDING LOAN DOCUMENTS**

The undersigned declare that they have entered into a second modification agreement dated of even date herewith, wherein provision is made for (a) amendment of that certain Revolving Loan Agreement ("Loan Agreement") dated October 18, 2005, evidenced by a revolving promissory note in the amount of SIXTEEN MILLION FIVE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$16,500,000.00), secured by a deed of trust dated October 18, 2005 and executed by LA COSTA MINDEN, LLC, a Nevada limited liability company, as Trustor, to WESTERN TITLE COMPANY, as Trustee, in favor of HOUSING CAPITAL COMPANY, a Minnesota partnership, as Beneficiary, which was recorded on November 7, 2005 as Instrument or Document No. 0660145 and is being re-recorded concurrently herewith, 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 second 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: June 21, 2007

“Lender/Beneficiary”

HOUSING CAPITAL COMPANY,  
a Minnesota partnership

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

By: Louis Armas

Its: Vice President

“Borrower/Trustor”

LA COSTA MINDEN, LLC,  
a Nevada limited liability company

By: SYNCON HOMES,  
a Nevada corporation  
Manager

By: Andrew W. Mitchell

Andrew W. Mitchell, Chief Financial Officer

[Attach Notary Acknowledgments]

0704661 Page: 2 OF 5 07/09/2007  
BK- 0707  
PG- 2175

**EXHIBIT A**  
**(Description of Property)**

Exhibit A to Second Modification Agreement executed by LA COSTA MINDEN, LLC, a Nevada limited liability company, LEO A. HANLY, JOHN C. SERPA, SR., JOHN C. SERPA, SR., TRUSTEE OF THE JOHN C. SERPA TRUST DATED FEBRUARY 7, 1997 and JOHN C. SERPA, JR to HOUSING CAPITAL COMPANY, a Minnesota partnership, "Lender", dated as of June 21, 2007.

**Description of Property**

All that real property situated in Douglas County, Nevada, and described as follows:

**Parcel 1:**

A parcel of land located within a portion of the Northwest one-quarter (NW 1/4) of Section 29 and a portion of the East one-half (E1/2) of Section 30, Township 13 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at a Nevada Department of Transportation survey well on the center Southbound lane of U.S. Highway 395, a brass disk in concrete, Station "S" 56+92.33 P.T., as shown on the Record of Survey to Support a Boundary Line Adjustment for Roland and Joan P. Dryer filed for record July 31, 1997 in the office of Recorder, Douglas County, Nevada as Document No. 418466;

Thence South 89° 41'44" East, 117.00 feet to a point on the Easterly right-of-way of U.S. Highway 395, Project F-395-1(3); thence along said Easterly right-of-way, North 00° 18'16" East, 2115.63 feet to the Northwest corner of Parcel 1-B as shown on the Map of Division into Large Parcels for Roland and Joan Dreyer recorded November 7, 2001 in said office of Recorder as Document No. 527149, also being a point on the South boundary of Parcel 17 as shown on the Record of Survey for Carson Valley Land Company filed for record in said office of Recorder as Document No. 142012; thence along the south boundary of Parcels 17 and 18 per said Record of Survey for Carson Valley Land Company, North 89° 47'31" East, 1592.21 feet to the POINT OF BEGINNING; thence along the South boundary of Parcels 18 and 19 per said Record of Survey for Carson Valley Land Company North 89°47'31" East, 886.47 feet to a found 1/2 iron pipe RE 446, the northwest corner of the Record of Survey for Western Nevada Properties, Inc., filed for record in said office of Recorder as Document No. 136664; thence along the Westerly boundary per said Record of Survey for Western Nevada Properties, Inc., the following courses; South 02°27'27" East, 762.54 feet; South 05°37'53" East, 164.09 feet; South 05°06'57" East, 589.55 feet; South 05°23'10" East, 359.10 feet to the Northerly right-of-way of Lucerne Street; thence along said right-of-way, South 88°23'15" West, 124.13 feet; thence leaving said right-of-way, North 01°36'45" West, 63.40 feet; thence along the arc of a non-tangent curve to the left having a radius of 150.00 feet, central angle of 70°51'23", arc length of 185.50 feet, and chord bearing and distance of North 37°44'02" West, 173.90 feet; thence North 73°09'44" West, 133.85 feet; thence North 87°14'39" West, 66.98 feet; thence South 79°25'18" West, 122.98 feet; thence South 67°28'19" West, 166.27 feet; thence North 05°16'38" West, 136.00 feet; thence South 84°43'22" West, 179.13 feet; thence North 05°16'38" West, 59.00 feet; thence North 84°43'22" East, 45.00 feet; thence along the arc of a curve to the left having a radius of 15.00 feet, central angle of 89°22'14", arc length of 23.40 feet, and chord bearing and distance of North 40°02'15"



East, 21.10 feet, thence North 04°38'52" West, 643.15 feet; thence along the arc of a curve to the left having a radius of 15.00 feet, central angle of 88°19'13", arc length of 23.12 feet, and chord bearing and distance of North 48°48'28" West, 20.90 feet; thence South 87°01'55" West, 44.22 feet; thence North 02°35'49" West, 94.14 feet; thence North 87°46'26" East, 44.92 feet; thence along the arc of a curve to the left having a radius of 15.00 feet, central angle of 89°05'43", arc length 23.33 feet, and chord bearing and distance of North 43°13'35" East, 21.05 feet; thence North 01°19'17" West, 479.18 feet; thence North 07°01'53" West, 161.40 feet; thence South 88°40'43" West, 22.90 feet; thence along the arc of a curve to the left having a radius of 329.50 feet, central angle of 06°47'27", arc length of 39.05 feet, and chord bearing and distance of South 85°16'59" West, 39.03 feet; thence South 81°53'16" West, 5.00 feet; thence along the arc of a curve to the right having a radius of 15.00 feet, central angle of 90°00'00", arc length of 23.56 feet, and chord bearing and distance of North 53°06'44" West, 21.21 feet; thence North 08°06'44" West, 40.14 feet; thence along the arc of a curve to the right having a radius of 470.00 feet, central angle of 07°54'15", arc length of 64.84 feet, and chord bearing and distance of North 04°09'37" West, 64.79 feet to the said POINT OF BEGINNING.

Excepting therefrom all that portion of land contained within the perimeter lines of that Final Map for La Costa at Monte Vista filed for record in the Office of the Recorder of Douglas County on April 25, 2005, in Book 0405, at Page 9815, as Document No. 642625, Official Records.

Parcel 2:

LOTS 1, 2, 5, 6, AND 8 THRU 12, IN BLOCK "A"; LOT 15 IN BLOCK "B";

LOTS 19 AND 20, IN BLOCK "D";

LOTS 22 THRU 32, IN BLOCK "E"; LOTS 33 THRU 40 AND LOT 42, IN BLOCK "F";

LOTS 43 THRU 47, IN BLOCK "G"; LOTS 48 THRU 51, IN BLOCK "H";

LOTS 52 THRU 60, IN BLOCK "I"; LOTS 62 THRU 71, IN BLOCK "J";

As shown on the Final Map PD 02-04 for LA COSTA AT MONTE VISTA, filed for record in the Office of the Recorder of Douglas County, Nevada, on April 25, 2005, in Book 0405, at Page 9815, as Document No. 642625, Official Records.



0704661 Page: 4 Of 5 BK- 0707  
PG- 2177  
07/09/2007

STATE OF Nevada

COUNTY OF Douglas

On June 25, 2007, before me, Joanne Detter, a Notary Public, personally appeared Andrew W. Mitchell, 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 Joanne Detter



[SEAL]

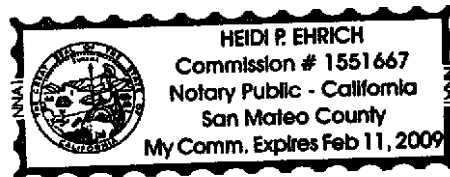
STATE OF CALIFORNIA

COUNTY OF SAN MATEO

On JULY 3, 2007, before me, HEIDI P. EHRICH, a Notary Public, personally appeared LOUI ARMAZ, 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 Heidi Ehrich



[SEAL]