

APNS 1320-30-511-01,02,06,08,011,015
1320-30-511-018 THROUGH 023, 025 THROUGH 033
1320-30-511-036 THROUGH 041, 1320-30-511-043
1320-30-612-01 THROUGH 019, 1320-30-612-023,024
1320-30-612-025,027
Recording Requested by
HOUSING CAPITAL COMPANY,
a Minnesota partnership

DOC # 733555
11/25/2008 12:43PM Deputy: DW
OFFICIAL RECORD
Requested By:
STEWART TITLE - CARSON
Douglas County - NV
Karen Ellison - Recorder
Page: 1 of 7 Fee: 45.00
BK-1108 PG-4617 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. 1341-08-09

**MEMORANDUM
OF SECOND ADDITIONAL ADVANCE, CONSOLIDATION AND FIFTH
MODIFICATION AGREEMENT
(Cross-Default / Cross-Collateralization)**

THIS MEMORANDUM OF SECOND ADDITIONAL ADVANCE, CONSOLIDATION AND FIFTH MODIFICATION AGREEMENT is dated as of October 30, 2008, by and between HOUSING CAPITAL COMPANY, a Minnesota partnership ("Beneficiary") and LA COSTA MINDEN, LLC, a Nevada limited liability company ("Trustor").

RECITALS

Trustor has executed and delivered to Beneficiary that certain Promissory Note Secured by Deed of Trust, payable to the order of Beneficiary, and dated August 5, 2004, in the original principal amount of SIX MILLION TWO HUNDRED FIFTY-ONE THOUSAND AND NO/100THS DOLLARS (\$6,251,000.00) ("Original Note") and Trustor has also executed and delivered to Beneficiary that certain Additional Advance Note Secured by Deed of Trust payable to the order of Beneficiary and dated June 21, 2007, in the principal amount of FIVE HUNDRED THIRTY-TWO THOUSAND FIVE HUNDRED AND NO/100THS DOLLARS (\$532,500.00) ("First Additional Advance Note"). The Original Note and the Additional Advance Note are collectively referred to herein as, "Note".

- A. The Note evidences a loan made by Beneficiary to Trustor of up to the aggregate principal amount of the Note (the "Loan") and is secured by, among other things, that certain Deed of Trust (the "Deed of Trust") executed by Trustor in favor of Beneficiary, dated August 5, 2004, and recorded on August 31, 2004, as Instrument No. 0623085, Book 0804, Page 13697 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").
- B. The Note and Deed of Trust and any and all other documents executed in connection with the Loan, as previously amended, are hereinafter collectively referred to as the "Loan Documents".

- C. Trustor and Beneficiary are entering into that certain Second Additional Advance, Consolidation and Fifth Modification Agreement of even date herewith (the "Second Additional Advance Agreement"), pursuant to which certain provisions of the Loan Documents are being supplemented, amended and extended, including without limitation, the extension of the maturity date of the Loan to July 7, 2010 and increasing the aggregate amount of the Loan as evidenced by a second additional advance note ("Second Additional Advance Note") in the amount of SEVEN HUNDRED TWO THOUSAND EIGHT HUNDRED TWENTY-SEVEN AND NO/100THS DOLLARS (\$702,827.00) less principal payments previously received in the aggregate amount of THREE MILLION SIX HUNDRED SIXTEEN THOUSAND THREE HUNDRED TWENTY-SEVEN AND NO/100THS DOLLARS (\$3,616,327.00), which results in an aggregate Loan amount of THREE MILLION EIGHT HUNDRED SEVENTY THOUSAND AND NO/100THS DOLLARS (\$3,870,000.00). The Second Additional Advance Agreement and the Second Additional Advance Note and all other documents executed in connection therewith are referred to herein as the "Second Additional Advance Documents".
- D. Trustor and Beneficiary desire by this Agreement to modify the Loan Documents to reflect the Second Additional Advance Agreement and confirm the priority and security of the Loan Documents as so modified.

NOW THEREFORE, in consideration of the covenants and agreements contained herein and other valuable consideration, the receipt of which is hereby acknowledged:

1. The terms and provisions of the Second Additional Advance Agreement are incorporated herein by reference as though set forth herein in full.
2. **The Deed of Trust is hereby amended and modified as follows:**
 - a. The definition of "Secured Obligations" provided in the Deed of Trust is hereby amended to include the payment and performance of all obligations secured by:
 - (i) that certain deed of trust, as modified and amended from time to time, dated August 5, 2004, and recorded August 31, 2004 as Instrument No. 0623086, Book 0804, Page 13728 in the office of the County Recorder of Douglas County, Nevada, which deed of trust was executed in connection with a loan made by Beneficiary to Borrower evidenced by a building loan agreement dated August 5, 2004 and a promissory note dated August 5, 2004 in the current aggregate principal amount of Three Million Two Hundred Seventy-Six Thousand Dollars (\$3,276,000) payable to the order of Beneficiary ("Loan 1341L");
 - (ii) that certain deed of trust, as modified and amended from time to time, dated October 18, 2005, which recorded on November 7, 2005 as Instrument No. 0660145, Book 1105, Page 3485 and re-recorded on July 9, 2007 as Instrument No. 0704660, Book 0707, Page 2140 in the office of the County Recorder of Douglas County, Nevada which deed of trust was executed in connection with a loan made by Beneficiary to Borrower evidenced by a revolving loan agreement dated October 18, 2005 and a revolving promissory note dated October 18, 2005, as modified by the second modification dated June 21, 2007, the third modification dated December 19, 2007 and the fourth modification dated June 6, 2008 in the current aggregate principal amount of Five Million Dollars (\$5,000,000.00) payable to the order of Beneficiary ("Loan 1341R");
 - (iii) that certain deed of trust as modified and amended from time to time, dated July 14, 2006 and



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recorded August 9, 2006 as Instrument No. 3424057 in the office of the County Recorder of Washoe County, Nevada which deed of trust was executed in connection with a loan by Beneficiary to McCauley Ranch Estates, LLC a Nevada limited liability company ("McCauley Ranch") and McCauley Inc., a Nevada corporation ("McCauley Inc") and pursuant to the terms of that certain loan assumption and second modification agreement dated January 8, 2007, McCauley Ranch assumed the loan as evidenced by the building loan agreement dated July 14, 2006 and a promissory note dated July 14, 2006 in the current aggregate principal amount of Eighteen Million Two Hundred Forty Thousand Dollars (\$18,240,000) payable to the order of Beneficiary ("**Loan 1470**")"; (iv) that certain deed of trust, as modified and amended from time to time, dated August 12, 2005 and recorded on September 7, 2005 as Instrument No. 0654491 in the office of the County Recorder of Douglas County, Nevada, which deed of trust was executed in connection with a loan by Beneficiary to Monterra 270, LLC, a Nevada limited liability company ("Monterra 270"), evidenced by a building loan agreement dated August 12, 2005 and a promissory note dated August 12, 2005 in the current aggregate principal amount of Ten Million Eight Hundred Sixty-Four Thousand Nine Hundred Fifty-Five and No/100ths Dollars (\$10,864,955) payable to the order of Beneficiary ("**Loan 1381**")"; and (v) that certain deed of trust, as modified and amended from time to time, dated May 17, 2007 and recorded June 1, 2007 as Instrument No. 0702257 in the office of the County Recorder of Douglas County, Nevada, which deed of trust was executed in connection with a loan by Beneficiary to Monterra 270, evidenced by a revolving loan agreement dated May 17, 2007, and a revolving promissory note dated May 17, 2007 in the current aggregate principal amount of Five Million Dollars (\$5,000,000.00) payable to the order of Beneficiary ("**Loan 1381R**").

- b. The Deed of Trust, as so modified, continues to be effective as, and to constitute, a first and prior lien and charge on the Property, leases, rents and other property described therein to the full extent of all obligations secured or to be discharged thereby.

3. **The Loan Documents are hereby modified as follows:**

- a. The Deed of Trust and other Loan Documents which secure the Note are hereby modified to additionally secure the full performance of the Second Additional Advance Note and other Loan Documents as modified by the Second Additional Advance Agreement.
- b. All references in the Loan Documents to the Note and other Loan Documents shall be deemed to refer to the Note and the Second Additional Advance Note and other Loan Documents as so modified, and all renewals, further modifications, changes or extensions thereof.
- c. The Loan Documents, as so modified, continue to be effective as, and to constitute, a first and prior lien and charge on the Property, leases, rents and other property described therein to the full extent of all obligations secured or to be discharged thereby.

4. **WAIVER OF MARSHALLING RIGHTS.** Trustor waives all rights to have all or part of the property covered by the Deed of Trust and/or by the other deed of trust listed in Section 2(a)(i)-(v) above (the "Other Deeds of Trust") (described in each of said deeds of trust, respectively, as the "Subject Property"), marshalled upon any foreclosure of the Deed of Trust or any Other Deeds of Trust.



Beneficiary shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of Subject Property, or any part thereof, as a whole or in separate parcels, in any order that Beneficiary may designate. Trustor makes this waiver for itself, and for all persons and entities claiming through or under Trustor, and for persons and entities who may acquire a lien on all or any part of the Subject Property or on any interest therein.

- 5. **WARRANTIES AND REPRESENTATIONS.** Trustor represents and warrants that the lien of the Deed of Trust is a first lien on the property described therein and covered thereby and that this Modification Agreement will not cause intervening liens to become prior to the lien of the Deed of Trust. If any intervening lien exists or hereafter arises, Trustor shall cause the same to be released or subordinated to the lien of the Deed of Trust, without limiting any other right or remedy available to Beneficiary. Trustor further warrants that Trustor has no legal or equitable claim against any trustor named in the Other Deeds of Trust which would entitle Trustor to a judgment entitling Trustor to an equitable lien on all or any portion of that property prior in lien to the Other Deeds of Trust.
- 6. **NON-IMPAIRMENT.** Except as amended by this Agreement, all of the terms, covenants, and conditions contained in the Deed of Trust and any Loan Documents executed in connection therewith shall remain unmodified and in full force and effect.
- 7. **EXECUTION IN COUNTERPART.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered will be deemed to be an original and all of which, taken together, will be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

“Beneficiary/Lender”

HOUSING CAPITAL COMPANY,
a Minnesota partnership

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

By: Y. Armas
L. ARMAS
Its: Vice President



“Trustor/Borrower”

LA COSTA MINDEN, LLC,
a Nevada limited liability company

By: SYNCON HOMES,
a Nevada corporation
Manager

By: Andrew W. Mitchell CFO
Andrew W. Mitchell, Chief Financial Officer

COOPER



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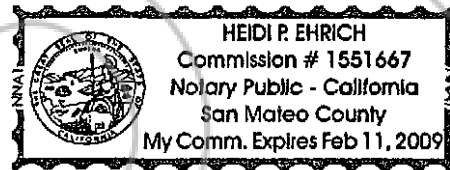
STATE OF CALIFORNIA)
)
) ss.
COUNTY OF SAN MATEO)

On 11/13, 2008, before me, Heidi P. Ehrich, a Notary Public, personally appeared V. ARMAZ, who proved to me on the basis of satisfactory evidence to be the person whose name is 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, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



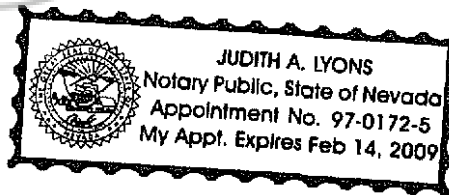
STATE OF Nevada)
)
) ss.
COUNTY OF Douglas)

On November 12, 2008, before me, Judith A Lyons, a Notary Public, personally appeared Andrew W. Mitchell, who proved to me on the basis of satisfactory evidence to be the person whose name is 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, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Nevada that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



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EXHIBIT "A"

The land referred to herein situate in the State of Nevada, County of Douglas, described as follows:

Lots 1, 2, 6, 8 in Block "A"; Lots 15, in Block "B"; Lots 21, in Block "D"; Lots 22 thru 30 inclusive and Lot 32 in Block "E"; Lots 33 thru 40 inclusive in Block "F"; Lots 43 thru 47 inclusive, in Block "G"; Lots 48 thru 51 inclusive, in Block "H"; Lots 52 thru 60 inclusive, in Block "I"; Lots 64, 66, 67, 68, 69, 70, 71 in Block "J"; and Remainder Adjusted Parcel 2 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.

ASSESSOR'S PARCEL NOS.

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