

Upon recordation, return to:

Scott J. Heaton, Esq.
Heaton, Ltd.
Post Office Box 605
Carson City, Nevada 89702

Loan No. 777.2-08-10

APN: 1420-07-502-004

**MODIFICATION AGREEMENT
(Termination of Cross-Default/Cross-Collateralization)**

THIS MODIFICATION AGREEMENT (this "**Agreement**") is made and entered into as of the 12th day of December, 2012 (the "**Effective Date**"), by and among RANCHOS, LLC, a Nevada limited liability company ("**Trustor**"), and U. S. BANK NATIONAL ASSOCIATION, a national banking association, d/b/a Housing Capital Company, formerly known as Housing Capital Company, a Minnesota partnership ("**Beneficiary**"), with respect to the following:

RECITALS

A. Beneficiary and DGD Development Limited Partnership ("**DGD**", predecessor-in-interest to Trustor) entered into that certain Modification Agreement (Cross-Default/Cross-Collateralization) dated as of May 8, 2008 (the "**Modification Agreement**"), and recorded on May 13, 2008, as Instrument No. 723158, in the office of the County Recorder of Douglas County, Nevada (the "**Official Records**"), for the purpose of cross-default and cross-collateralization of the obligations secured by the Construction Deed of Trust with Assignment of Leases and Rents, Security Agreement and Fixture Filing dated August 9, 2006, executed by DGD, for the benefit of Beneficiary, and recorded on August 29, 2006, as Document No. 0683234 in the Official Records (as amended, the "**Deed of Trust**"), and the Other Deed of Trust (defined in the Modification Agreement).

B. Trustor and Beneficiary have agreed to modify the Deed of Trust and the Other Deed of Trust to delete all cross-default and cross-collateralization provisions contained therein and delete all such provisions in any and all other loan documents relating to the Deed of Trust and/or the Other Deed of Trust.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. **Termination of Cross-Default/Cross-Collateralization:** Sections 1 through 6, inclusive of the Modification Agreement are hereby deleted in their entirety for the effect that the obligations secured by the Deed of Trust and the Other Deed of Trust are no longer cross-defaulted or cross-collateralized. In addition, any and all cross-default and/or cross-collateralization provisions in any other document relating to the obligations secured by the Deed



of Trust and/or the Other Deed of Trust are also hereby deleted and are of no further force or effect.

2. Incorporation of Recitals. Each of the Recitals set forth above in this Agreement are incorporated herein and made a part hereof.

3. Partial Invalidity. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement.

4. Non-Impairment. Except as modified by this Agreement, all of the terms , covenants, and conditions contained in the Deed of Trust and the Other Deed of Trust and any loan documents executed in connection therewith shall remain in full force and effect.

5. Binding Effect. This Agreement and the documents contemplated to be executed in connection herewith shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which will be an original, but any of which, taken together, will constitute one and the same Agreement.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

[SIGNATURES SHOWN ON FOLLOWING PAGE]



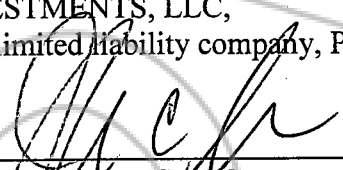
IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have executed this Agreement to be effective as of the date first aforesaid.

TRUSTOR:

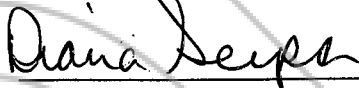
RANCHOS, LLC,
a Nevada limited liability company

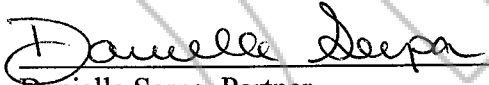
By: DGD DEVELOPMENT GENERAL PARTNERSHIP,
a Nevada general partnership, Manager


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



By: 
John C. Serpa, Sr., Manager


John Serpa, Jr., Partner


Diana Serpa, Partner


Danielle Serpa, Partner


Gabrielle Serpa, Partner


John Serpa III, by  Parent
John Serpa III, Partner



BENEFICIARY:

U.S. BANK NATIONAL ASSOCIATION,
d/b/a HOUSING CAPITAL COMPANY

By: Kent M Wheelock

Name: KENT M WHEELOCK

Title: SVP

COPY



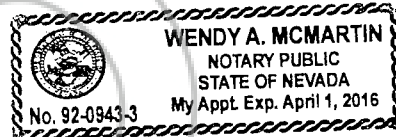
State of Nevada)
~~County of~~ Carson City)

On December 10, 2012, before me, Wendy A. McMartin,
Notary Public, personally appeared John C. Serpa, Sr., who
proved to me on the basis of satisfactory evidence to be the person(s) 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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) 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 Wendy A. McMartin (Seal)



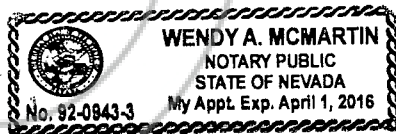
State of Nevada)
~~County of~~ Carson City)

On December 10, 2012, before me, Wendy A. McMartin,
Notary Public, personally appeared John Serpa, Jr., who
proved to me on the basis of satisfactory evidence to be the person(s) 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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) 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 Wendy A. McMartin (Seal)





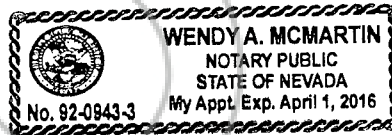
State of Nevada)
~~County of~~ Carson City)

On December 10, 2012, before me, Wendy A. McMartin,
Notary Public, personally appeared Diana Serpa, who
proved to me on the basis of satisfactory evidence to be the person(s) 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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) 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 Wendy A. McMartin (Seal)



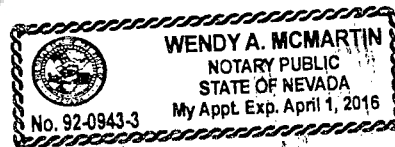
State of Nevada)
~~County of~~ Carson City)

On December 10, 2012 before me, Wendy A. McMartin,
Notary Public, personally appeared Danielle Serpa, who
proved to me on the basis of satisfactory evidence to be the person(s) 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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) 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 Wendy A. McMartin (Seal)





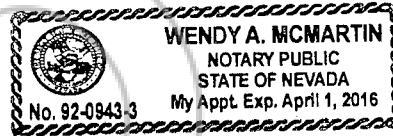
State of Nevada)
County of Carson City)

On December 10, 2012, before me, Wendy A. McMartin,
Notary Public, personally appeared Gabrielle Serpa, who
proved to me on the basis of satisfactory evidence to be the person(s) 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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) 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 Wendy A. McMartin (Seal)



State of Nevada)
County of Carson City)

On December 10, 2012, before me, Wendy A. McMartin,
Notary Public, personally appeared John Serpa III through his parent John Serpa Jr.
proved to me on the basis of satisfactory evidence to be the person(s) 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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) 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 Wendy A. McMartin (Seal)





State of Minnesota)
County of Hennepin)

On December 12, 2012 before me, Marilyn K. Hiscock,
Notary Public, personally appeared Kent M. Wheelock, who
proved to me on the basis of satisfactory evidence to be the person(s) 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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Marilyn K. Hiscock (Seal)

