

Modification of Mark to Market Loan Documents

(Caliente Renaissance Apartments, Lincoln County, Nevada)

This Modification of Mark to Market Loan Documents ("Modification Agreement") is made and entered into as of June 25, 2002, by and among (i) Caliente Associates, a Nevada limited partnership ("Owner") and (ii) Office of Multifamily Housing Assistance Restructuring ("OMHAR").

Recitals:

R-1. The parties previously entered into a mortgage restructuring transaction under the Mark to Market ("M2M") program with respect to the indebtedness for the property known as the Caliente Renaissance Apartments, located in Lincoln County, Nevada, as legally and particularly described in the Mark to Market Loan Documents and in Exhibit A attached hereto and incorporated herein by this reference, which mortgage restructuring is evidenced and secured by, among others, the following documents (collectively the "Mark to Market Loan Documents"):

A. Documents for First Mortgage Loan: The following documents, among others ("First Trust Loan Documents"), evidencing or securing a loan ("First Trust Loan") in the original principal amount of \$181,200.00 from Highland Mortgage Company ("First Trust Lender") to Owner (New FHA# 125-35161); all dated effective as of June 25, 2001:

1. Deed of Trust Note.
2. Deed of Trust securing the First Trust Loan, recorded among the Land Records of Lincoln County, Nevada ("Land Records") on or about June 27, 2001.
3. Regulatory Agreement, with attached Rider, relating to the First Trust Loan, recorded among the Land Records on the same date as the above referenced Deed of Trust ("First Trust Loan Regulatory Agreement").

B. Documents for OMHAR Mortgage Restructuring Loan: The following documents, among others, evidencing or securing a loan ("Mortgage Restructuring Loan") in the original principal amount of \$251,418.00 from OMHAR to Owner (FHA#125-35064), all dated effective as of June 25, 2001:

1. Mortgage Restructuring Note.
2. Mortgage Restructuring Deed of Trust securing the Mortgage Restructuring Loan, recorded among the Land Records on the same date as the First Trust Loan Documents.

Prepared by
Wombé, Carlyle, Sandridge & Rice
and when recorded Return to: Donna Clark MLOAN DOCS
Real Estate Recovery, Inc.
950 Herndon Pkwy, Suite 200
Herndon, VA 20170

3. Mortgage Restructuring Loan Regulatory Agreement, with attached Rider, relating to the Mortgage Restructuring Loan, recorded among the Land Records on the same date as the First Trust Loan Documents ("Mortgage Restructuring Loan Regulatory Agreement").

C. Documents for OMHAR Contingent Repayment Loan: The following documents, among others, evidencing or securing a loan ("Contingent Repayment Loan") in the original principal amount of \$80,824.00 from OMHAR to Owner, all dated effective as of the date of the OMHAR Mortgage Restructuring Loan Documents:

1. Contingent Repayment Note.
2. Contingent Repayment Deed of Trust securing the Contingent Repayment Loan, recorded among the Land Records on the same date as the First Trust Loan Documents.
3. Contingent Repayment Loan Regulatory Agreement, with attached Rider, relating to the Contingent Repayment Loan, recorded among the Land Records on the same date as the First Trust Loan Documents ("Contingent Repayment Loan Regulatory Agreement").

D. Other Mark to Market Loan Documents, all dated effective as of the date of the OMHAR Mortgage Restructuring Loan Documents:

1. Certification of Sources and Uses of Funds.
2. Amendment to Restructuring Commitment, if applicable.

R-2. The parties hereto desire to modify certain of the terms of the Mark to Market Loan Documents as set forth in this Modification Agreement.

NOW THEREFORE, the parties hereto hereby agree as follows:

1. The Recitals hereto are incorporated in this Modification Agreement as if set forth in full herein.

2. The following provisions of the Mark to Market Loan Documents are hereby changed for all purposes and in all documents, effective as of the original effective date of the Mark to Market Loan Documents:

(i) The Capital Recovery Payment ("CRP") that shall be applicable for all purposes under the Mark to Market Loan Documents is hereby agreed to be \$301.67 per month for 84 months, in lieu of any other amount for the CRP previously set forth in any of the Mark to Market Loan Documents.

3. OMHAR is acting in its capacity as authorized agent of the Secretary of Housing and Urban Development, Washington, D.C. in entering into this Modification Agreement.

4. Except as modified herein, the Mark to Market Loan Documents shall all remain in full force and effect in accordance with their respective terms, without modification, and are hereby ratified and reaffirmed by the parties hereto.

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IN WITNESS WHEREOF, the parties hereto have entered into and executed and delivered this Modification Agreement as their free act and deed for the uses and purposes herein set forth, effective as of the date set forth above.

WITNESS/ATTEST:

OWNER:

CALIENTE ASSOCIATES,
A Nevada Limited Partnership

Kathleen Oppio

By: *[Signature]*
Name: Robert Nielson
Title: S.P.

STATE/Commonwealth of Nevada
COUNTY OF Washoe SS:

On the 21st day of November in the year 2002, before me, the undersigned, a notary public in and for the said state, personally appeared ROBERT F. NIELSON personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his or her capacity, and that by signing his/her signature on the instrument, the individual or the person upon behalf of which the individual acts, executed the instrument.

Kathleen Oppio
NOTARY PUBLIC

My Commission expires July 6, 2004
[SEAL]



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WITNESS:

Simon Lybra

OMHAR:

Office of Multifamily Housing Assistance
Restructuring

By: [Signature]
Name: _____
Portfolio Director,
OMHAR Central Office
Authorized Agent

STATE/Commonwealth of Maryland
COUNTY OF Charles SS:

On the 23 day of Dec in the year 2002, before me, the undersigned, a notary public in and for the said state, personally appeared Donna Rose personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his or her capacity, and that by signing his/her signature on the instrument, the individual or the person upon behalf of which the individual acts, executed the instrument.

[Signature]

NOTARY PUBLIC

My Commission expires: 01-01-03

[SEAL]

List of Exhibits:

Exhibit A -- Legal Description of Property

EXHIBIT A
LEGAL DESCRIPTION

ALL THAT REAL PROPERTY SITUATED IN THE COUNTY OF LINCOLN, STATE OF NEVADA BOUNDED AND DESCRIBED AS FOLLOWS:

LOTS TWO (2) AND THREE (3) IN BLOCK FORTY-SIX (46) OF NORTHSIDE ADDITION IN THE CITY OF CALIENTE, LINCOLN COUNTY, NEVADA.

MZMUseAgmt Revised:01/01/01
WASHINGTON 38327v2

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FILED FOR RECORDING
AT THE REQUEST OF
Nortside Mortgage
2003 APR 14 PM 2 58
LINE OF COUNTY RECORD
FEE 1900
ISSUE NUMBER 087-TWS