

**FIRST AMENDMENT  
TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS**

This **FIRST AMENDMENT TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS** ("Amendment") is made and entered into as of July 25, 2005, by and between Triple M, LLC ("Seller"), and Castle Arch Real Estate Investment Company, LLC, a California limited liability company, or its assignee ("Buyer"), with respect to the following.

**RECITALS**

A. Buyer and Seller entered into that certain Purchase Agreement and Escrow Instructions dated on or about May 4, 2005 (the "Purchase Agreement"), whereby Seller agreed to sell to Buyer, and Buyer agreed to purchase from Seller, the Property (as described in the Purchase Agreement).

B. Seller desires to assign its interest in the Property to Three M Development, LLC, a California Limited Liability Corporation.

C. Buyer and Seller recognize the value of the land sold shall reflect that there are no water rights to the Property.

D. Based thereon, the parties hereby modify and/or clarify the terms and conditions of the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

**AGREEMENT**

NOW THEREFORE, for mutual consideration, the receipt and adequacy of which is hereby acknowledged, Buyer and Seller hereby amend the Purchase Agreement as follows:

1. **Capitalized Terms.** All capitalized terms herein shall have the same meanings ascribed to them in the Purchase Agreement, except as otherwise specifically modified or defined herein.

2. **Amendments.** The following terms and provisions of the Purchase Agreement are modified, revised and/or supplemented as follows:

A.

All references throughout the document for Triple M, LLC will be replaced with Three M Development, LLC. Triple M, LLC hereby assigns all interest in this purchase agreement to Three M Development, LLC:

B.

Section 3.1 Purchase Price. The first sentence is hereby deleted and replaced with "The Purchase Price is Two Million Nine Hundred Fifty-Two Thousand Seven Hundred and Twenty Dollars (\$2,952,720.00) or \$27,000.00 per acre."

3. Counterparts. This Amendment may be executed in any number of counterparts and each counterpart shall be deemed to be an original document. Delivery of the executed Amendment may be accomplished by facsimile transmission and, if so, the facsimile copy shall be deemed an executed original counterpart of this Amendment. All executed counterparts together shall constitute one and the same document, and any signature pages, including facsimile copies thereof, may be assembled to form a single original document.

IN WITNESS WHEREOF, Buyer and Seller have executed this Amendment as of the date first above written.

BUYER:

Castle Arch Real Estate Investment Company, LLC

By: [Signature]  
Name: Robert D. Geringer  
Its: President

Dated: July 25, 2005

SELLER AND ASSIGNOR:

Triple M, LLC

By: [Signature]  
Name: Richard Skamdehn  
Its: Managing Member

Dated: July 25, 2005

Dated: July 25, 2005

**ASSIGNEE:**

**Three M Development, LLC**

By: 

Name: Richard Skonieczny

Its: Mangis Mountain