

MODIFICATION AGREEMENT

Account Number: 3714634BDate: June 6, 1996

THIS MODIFICATION AGREEMENT, made on the above Date, is by and between Harich Tahoe Developments, a Nevada general partnership (hereinafter "Lender"), having an address of Post Office Box 5790, Stateline, Nevada 89449, and Susan Schwitalla (hereinafter jointly and severally "Borrower"), having the address of 2708 Jacqueline Court, Napa, CA 94558, and modifies the Note hereinafter defined.

1. When used herein, the following terms shall have the following meanings unless the context requires otherwise:

a. Note: that Promissory Note dated November 4, 1991, in the original principal balance of \$10,840.00 executed by Susan Schwitalla and Steve Scharer (hereinafter the "Note Maker") payable to the order of Lender, as amended if applicable, and secured by the Deed of Trust.

b. Deed of Trust: that Deed of Trust and Assignment of Rents recorded in the Official Records in Book 1191 at Page 4666 as Document Number 266067, as amended if applicable.

c. Official Records: the Official Records of Douglas County, Nevada.

WITNESSETH:

WHEREAS, Lender is the holder or agent of the holder of the Note which is secured by the Deed of Trust; and

WHEREAS, Borrower has been or will be making payments to Lender as set forth in the Note, and Lender and Borrower have agreed to modify and/or supplement certain of the Note terms.

NOW, THEREFORE, Lender and Borrower, in consideration of the above premises, the mutual covenants, conditions and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, agree as follows.

1. Except as modified hereby, the terms and conditions of the Note and Deed of Trust shall remain in full force and effect. In the event of any conflict between the terms of this Modification Agreement and the terms of the Note or Deed of Trust, this Modification Agreement shall control. A breach of the agreement shall be a default under the Note and Deed of Trust, each of which are incorporated herein by this reference. Lender, at its discretion, shall obtain such endorsements to Lender's policy of title insurance respecting the Deed of Trust as Lender deems necessary or advisable as a result of this Modification Agreement, and Borrower agrees to pay or reimburse Lender any costs therefor or related thereto upon demand. This agreement shall be binding upon the parties respective heirs, personal representatives, successors and assigns. This agreement is made in and shall be construed in accordance with the laws of Nevada. In the event this Modification Agreement is recorded in the Official Records, a release of the Deed of Trust shall automatically operate to release this agreement with respect to its effect upon the property described in and encumbered by the Deed of Trust.

2. Borrower hereby (a) assumes and agrees to pay the Note and to fulfill the obligations of the Note Maker in accordance with the terms and conditions of the Note, (b) assumes the obligations and agrees to abide and be bound by the covenants, conditions and agreements of the trustor as set forth in the Deed of Trust, and (c) waives presentment, demand, protest, and notice of nonpayment and protest together with any and all claims of exemptions, offsets, and homestead rights. Upon assumption of the obligations of the Note Maker and trustor by the Borrower and payment by Borrower of any applicable assumption, document preparation, recording, or other fees related to this transaction, Lender agrees to release and discharge the Note Maker, if not a Borrower hereunder, from any recourse under the Note and Deed of Trust. Borrower agrees to perform and be bound by all of the terms and conditions contained in the time share declaration applicable to the property described in and encumbered by the Deed of Trust and the articles of incorporation, bylaws, and rules and regulations of the property owners association charged with managing said property.

3. The Note is hereby modified to provide that, commencing with that scheduled monthly principal and interest payment due and payable on June 27, 1996, and monthly thereafter, Borrower agrees to pay simultaneously therewith a monthly collection fee in the amount of U.S. \$5.00 for servicing the Note.

4. The Note is hereby modified to provide that, in the event any scheduled monthly payment of principal and interest is not paid on or before ten (10) days after the date on which it is due, Borrower agrees to pay an Accounting Service Charge of ten (10) per cent of the overdue installment for the purpose of defraying the expense of following up and handling the delinquent payment.

IN WITNESS WHEREOF, Lender and Borrower have executed and delivered this Modification Agreement as of the Date first set forth above in Douglas County, Nevada.

"Lender"

Harich Tahoe Developments

By Jan S. Martin
Jan S. Martin
Loan Operations Manager

"Borrower"

Susan E. Schwitalla 6/6/96
Susan Schwitalla

THIS INSTRUMENT IS BEING RECORDED AS AN ACCOMMODATION ONLY. NO LIABILITY, EXPRESSED OR IMPLIED, IS ASSUMED AS TO ITS REGULARITY OR SUFFICIENCY NOR AS TO ITS AFFECT, IF ANY, UPON TITLE TO ANY REAL PROPERTY DESCRIBED THEREIN.

STEWART TITLE OF DOUGLAS COUNTY

390094

BK 0696 PG 2655

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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STEWART TITLE OF DOUGLAS COUNTY

STATE OF California
COUNTY OF Napa } SS.

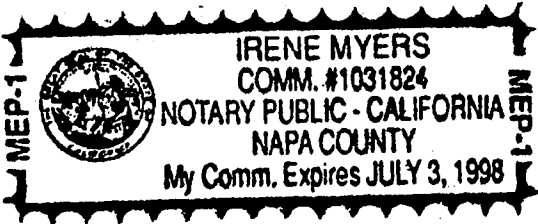
On June 6, 1996 before me, the undersigned, a Notary Public in and for said State personally appeared Susan E Schwitalla
Name(s) of Signer(s)

Personally known to me OR 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.

Witness my hand and official seal.

Irene E Myers
Signature of Notary

IRENE E MYERS
Name (Typed or Printed)



(This area for official notarial seal)

Capacity Claimed by Signer

Description of Attached Document

- Individual(s)
- Corporate Officer(s) - Title(s) _____
- Partner(s)
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

This certificate must be attached to the document described below:

Title or type of document Modification Agreement

Number of Pages 1

Date of Document 6-6-96

Signer(s) Other than Named Above None

Signer is Representing:

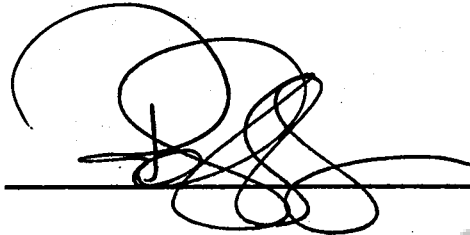
Name of person(s) or Entity(ies)

ATTENTION NOTARY

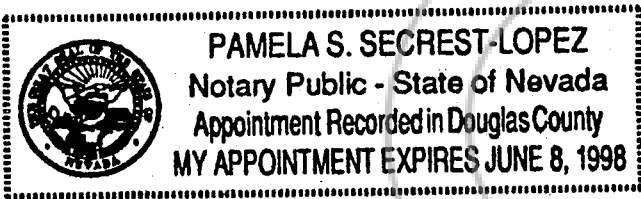
Although the information requested above is optional, it could prevent fraudulent attachment of this certificate to another document.

STATE OF NEVADA)
)
) SS
COUNTY OF DOUGLAS)

On this 14 day of June, 1996, before me, a notary public in and for said county and state, personally appeared Jan S. Martin, who is the Loan Operations Manager of Harich Tahoe Developments, a Nevada general partnership, personally known to me to be the person who executed the above instrument, and she acknowledged to me that she executed the same for and on behalf of the corporation for the purposes therein stated.



Notary Public



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STEWART TITLE OF DOUGLAS COUNTY

REQUESTED BY
STEWART TITLE OF DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'96 JUN 17 10:37

390094
BK 06 96 PG 2657

LINDA SLATER
RECORDER
\$ 9.00 PAID LL DEPUTY