

NOTE AND DEED OF TRUST MODIFICATION AGREEMENT

Interval Number 3718239A and 3401245B

Date : October 3, 1996

THIS NOTE AND DEED OF TRUST MODIFICATION AGREEMENT ("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 Steve M. Raymond and Sarah E. Day Raymond (hereinafter jointly and severally "Borrower"), having the address of 2140 Oaks Drive, Hillsborough, CA 94010-6061, and modifies the Note and Deed of Trust hereinafter defined.

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 agreed to buy from Lender and Lender has agreed to sell to Borrower the New Property; and

WHEREAS, part or all of the purchase price for the New Property is to be advanced by Lender as an additional advance of principal under the Note; and

WHEREAS, as a condition to making the additional advance, Lender requires that the Deed of Trust be modified whereby it shall become a first lien against each of the Property and the New Property; and

WHEREAS, Borrower has been and 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 and Deed of Trust terms as set forth hereinafter.

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

- a. Note: that promissory note dated June 8, 1991, in the original principal amount of \$13,950.00 executed by Steve M. Raymond and Sarah E. Day Raymond (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 0691 at Page 3118 as Document Number 253343, as amended if applicable.
- c. Loan Fee: \$0.00;
- d. Additional Advance: that advance of principal to be made under the Note pursuant to this Modification Agreement in the amount of U.S. \$9,900.00;
- e. New Principal Balance: \$16,074.58;
- f. New Interest Rate: nine and 95/100 percent (9.95%) per annum;
- g. New Monthly Principal and Interest Payment: \$211.98;
- h. Monthly Collection Fee shall remain: \$5.00;
- i. New Payment Commencement Date: November 20, 1996;
- j. New Maturity Date: 120 months immediately subsequent to the New Payment Commencement Date;
- k. Property: that real property described in and encumbered by the Deed of Trust;
- l. New Property: that real property described in Exhibit A attached hereto and incorporated herein by this reference;
- m. Official Records: the Official Records of Douglas County, Nevada.

2. Borrower warrants and represents that Steve M. Raymond and Sarah E. Day Raymond are the sole owner(s) of the Property and has not alienated or transferred the Property, and the Property is free and clear of all liens and encumbrances other than the encumbrance of the Deed of Trust. In connection with the entering in to this Modification Agreement, Lender shall obtain such endorsements to Lender's policy of title insurance respecting the Deed of Trust as Lender deems necessary or advisable and Lender agrees to pay all fees charged by the title insurance company and all recording costs associated with this Modification Agreement.

3. 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. Borrower assumes, ratifies and agrees to be bound by and subject to the terms of the Note and Deed of Trust as modified hereby. A breach of this Modification Agreement shall be a default under the Note and Deed of Trust, each of which are incorporated herein by this reference. This agreement shall be binding upon the parties and their respective heirs, personal representatives, successors and assigns. This agreement is made in and shall be construed in accordance with the laws of Nevada.

4. Borrower requests and Lender hereby agrees to make, provided Borrower's warranties and representations set forth herein are true and correct, an advance under the Note in the principal amount of the Additional Advance as payment to Lender of all or part of the purchase price of the New Property and, if applicable, the Loan Fee. The Note is hereby modified to provide that the principal balance outstanding under the Note is increased by the amount of the Additional Advance thereby totalling the New Principal Balance.

5. Effective one month prior to the New Payment Commencement Date, the Note is hereby modified to provide that, notwithstanding any provision in the Note to the contrary including any which might provide for changes to the interest rate based on changes in an interest rate index, effective one month prior to the New Payment Commencement Date, the interest rate charged under the Note shall be and remain fixed at the New Interest Rate.

6. The Note is hereby modified to provide that, commencing with that scheduled monthly principal and interest payment due and payable on the New Payment Commencement Date, and monthly thereafter, Borrower shall make monthly principal and interest payments in the amount of the New Principal and Interest Payment.

7. The Note is hereby modified to provide that, commencing with that scheduled monthly principal and interest payment due and payable on the New Payment Commencement Date, and monthly thereafter, Borrower agrees to pay simultaneously with the New Principal and Interest Payment a monthly collection fee in the amount of the New Monthly Collection Fee for servicing the Note.

8. The maturity date of the Note is hereby amended to be the New Maturity Date, at which time the entire outstanding balance owing under the Note shall be due and payable in full.

9. The legal description set forth in the Deed of Trust is hereby modified to add the legal description of the New Property.

10. A full release or discharge of the Deed of Trust shall automatically release and discharge this Modification Agreement with respect to the effect thereof upon the Property and the New Property.

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

"Lender"

Harich Tahoe Developments

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

"Borrower"

Steve M. Raymond
Steve M. Raymond
Sarah E. Day Raymond
Sarah E. Day Raymond

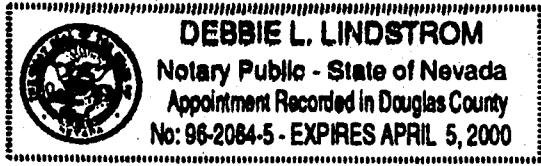
STATE OF NEVADA

}
} ss.
}

County of Douglas

On October 21st, 1996, personally appeared before me, a Notary Public, Jan S. Martin, personally-known or proved to me to be the person whose name is subscribed to the above instrument, who acknowledged that she executed the instrument as Manager, Loan Operations, of Harich Tahoe Developments, a Nevada general partnership, on behalf of the partnership.

[Signature]
Notary Public



STATE OF _____ }
County of _____ } ss.

On _____, 199__, personally appeared before me, a Notary Public, _____, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged that he or she executed the instrument.

Notary Public

STATE OF _____ }
County of _____ } ss.

On _____, 199__, personally appeared before me, a Notary Public, _____, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged that he or she executed the instrument.

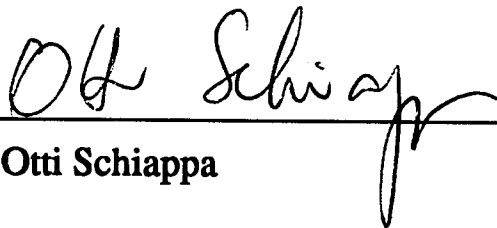
Notary Public

STATE OF NEVADA

COUNTY OF DOUGLAS

On this 3 day of October 1996, Otti Schiappa, personally appeared before me, whom I know personally to be the person who signed this certificate while under oath, being sworn by me, and swears that he/she was present and saw
Steve M. Raymond and Sarah E. Day Raymond

sign the attached document and that it is their signature.

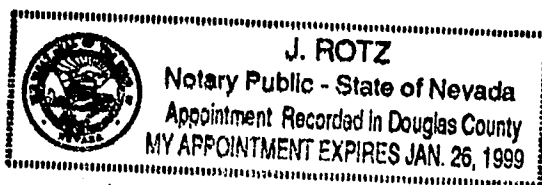


Otti Schiappa

Signed and sworn to before me by Otti Schiappa, this 3 day of October 1996.



Notary Public



398309

-BK1096PG1449

An undivided 1/102nd interest as tenants in common in and to that certain real property and improvements as follows: (A) an undivided 1/38th interest in and to Lot 34 as shown on Tahoe Village Unit No. 3-13th Amended Map, recorded December 31, 1991, as Document No. 268097, rerecorded as Document No. 269053, Official Records of Douglas County, State of Nevada, excepting therefrom Units 001 to 038 as shown on that certain Condominium Plan recorded June 22, 1987, as Document No. 156903; and (B) Unit No. 012 as shown and defined on said Condominium Plan; together with those easements appurtenant thereto and such easements described in the Fourth Amended and Restated Declaration of Time Share Covenants, Conditions and Restrictions for The Ridge Tahoe recorded February 14, 1984, as Document No. 096758, as amended, and in the Declaration of Annexation of The Ridge Tahoe recorded February 21, 1984 as Document No. 097150 and as amended by Documents recorded October 15, 1990, June 22, 1987 and November 10, 1987 as Document Nos. 236691, 156904 and 166130, and as described in the Recitation of Easements Affecting The Ridge Tahoe recorded February 24, 1992, as Document No. 271619, and subject to said Declarations; with the exclusive right to use said interest in the same unit type conveyed, in Lot 34 only, for one week every other year in odd-numbered years in the swing "Season" as defined in and in accordance with said Declarations.

A portion of APN: 42-261-12

REQUESTED BY
Stewart Title of Douglas County
 IN OFFICIAL RECORDS OF
 DOUGLAS CO., NEVADA

'96 OCT -9 NO:16

398309
BK 1096 PG 1450

LINDA SLATER
 RECORDER
 \$ 11.00 PAID KJ DEPUTY