

NOTE AND DEED OF TRUST MODIFICATION AGREEMENT

Account Number: 2801740ADate: 4-10, 19997

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 Richard A. Pender and Phyllis Pender (hereinafter jointly and severally "Borrower"), having the address of 7950 Bates Road, Tracy, CA 95376, and modifies the Note and Deed of Trust 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 October 8, 1994, in the original principal amount of \$16,420.00 executed by Richard A. Pender and Phyllis Pender (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 1094 at Page 3870 as Document Number 349149, as amended if applicable.

c. Property: that real property described in and encumbered by the Deed of Trust;

d. 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. Borrower and Lender ratify and agree to be bound by and subject to the terms of the Note and Deed of Trust as modified hereby. A breach of this 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, or, at the election of Lender, Lender may treat such costs and expense as an additional advance of principal under the Note and Deed of Trust with interest payable thereon at the rate specified in the Note. 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. 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.

2. 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 January 24, 1997, the interest rate charged under the Note shall be and remain fixed at nine point nine five per cent (9.95%) per annum. As a result of the foregoing change in interest rate, commencing with that scheduled monthly principal and interest payment due and payable on January 24, 1997, and monthly thereafter, Borrower shall make monthly payments in the amount of U.S. \$223.80. In addition to each scheduled monthly payment of principal and interest, Borrower further agrees to simultaneously pay a monthly collection fee in the amount of U.S. \$5.00 for servicing the Note. Effective January 24, 1999, the interest rate charged under the Note shall be and remain fixed at fourteen point nine five per cent (14.95%) per annum. As a result of the foregoing change in interest rate, commencing with that scheduled monthly principal and interest payment due and payable on January 24, 1999, and monthly thereafter, Borrower shall make monthly payments in the amount of U.S. \$255.10. In addition to each scheduled monthly payment of principal and interest, Borrower further agrees to simultaneously pay a monthly collection fee in the amount of U.S. \$5.00 for servicing the Note. The aforesaid fixed rate of interest, principal and interest monthly payment amount, and monthly collection fee amount shall remain in effect through the Note maturity. Notwithstanding that these monthly payment amounts may not be sufficient to fully amortize the principal balance outstanding under the Note on or before the maturity date thereof, Borrower agrees the entire outstanding balance owing under the Note shall remain due and payable in full on the maturity date set forth in the Note, which date shall not be affected hereby.

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 Douglas County, Nevada.

"Lender"

Harich Tahoe Developments

By Jan S. Martin

Jan S. Martin

Loan Operations Manager

"Borrower"

Richard A. Pender

Richard A. Pender

Phyllis Pender

Phyllis Pender

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

0412579

BK 0597PG2454

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CA
County of SAN JOAQUIN

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STEWART TITLE OF DOUGLAS COUNTY

On 4-10-97 before me, Sally M. HUTCHISON, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared RICHARD A. PENDER AND PHYLLIS A. PENDER
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.

Sally M. Hutchison
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: NOTE AND DEED OF TRUST MODIFICATION AGREEMENT

Document Date: 4-10-97 Number of Pages: 1

Signer(s) Other Than Named Above: _____

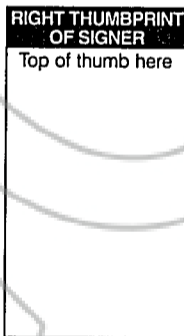
Capacity(ies) Claimed by Signer(s)

Signer's Name: RICHARD A. PENDER

Signer's Name: PHYLLIS A. PENDER

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

Signer Is Representing:

0412579

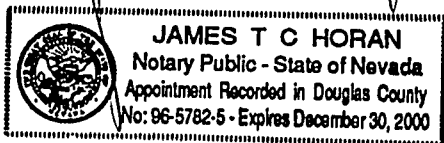
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STATE OF NEVADA)
) SS
COUNTY OF DOUGLAS)

On this 16th day of April, 1997, 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



RECORDED

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

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

'97 MAY 15 A9:43

0412579
BK0597PG2456

LINDA SLATER
RECORDER
\$ 9. PAID k2 DEPUTY