

MODIFICATION AGREEMENT

Account Number: 4228145A

Date: Aug 4, 1997

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 Dale C. Schafer and Marion P. Fry (hereinafter jointly and severally "Borrower"), having the address of Post Office Box 1234, Georgetown, CA 95634, 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 August 25, 1996, in the original principal balance of \$17,775.00 executed by Robin K. Hori (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 996 at Page 1004 as Document Number 396035, 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.

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"

Dale C. Schafer
Dale C. Schafer
Marion P. Fry
Marion P. Fry

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

STEWART TITLE OF DOUGLAS COUNTY

Debra R. Kitsman
Comm. #1109091
NOTARY PUBLIC - CALIFORNIA
PLACER COUNTY
Comm. Exp. Aug. 18, 2000

0423096

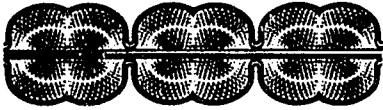
BK 1097PG0483

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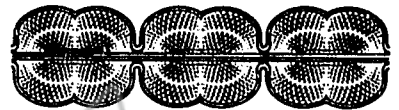
CALIFORNIA

REC'D SEP 29 1997

STEWART TITLE OF DOUGLAS COUNTY



ALL-PURPOSE



ACKNOWLEDGEMENT

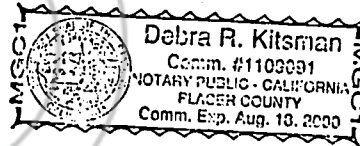
STATE OF CALIFORNIA)

COUNTY OF El Dorado)

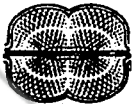
On 8-4-97 before me, Debra R. Kitsman,
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared, Marion P. Fry and Dale C. Schafer
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.

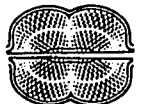
WITNESS my hand and official seal.



Debra R. Kitsman (SEAL)
NOTARY PUBLIC SIGNATURE



OPTIONAL INFORMATION



TITLE OR TYPE OF DOCUMENT _____

DATE OF DOCUMENT _____ NUMBER OF PAGES _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

0423096
BK1097PG0484

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 19____, before me, a notary public in and for said county and state, personally appeared _____, personally known or proven to me to be the person who executed the above instrument.

NOTARY PUBLIC

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 19____, before me, a notary public in and for said county and state, personally appeared _____, personally known or proven to me to be the person who executed the above instrument.

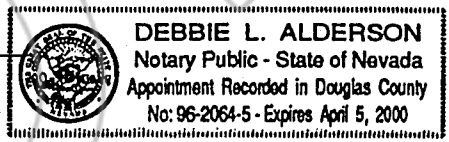
NOTARY PUBLIC

STATE OF NEVADA)
) SS
COUNTY OF DOUGLAS)

On this 1st day of OCTOBER, 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.

Debbie L. Alderson

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

'97 OCT -2 A10:18

0423096

BK 1097PG0485

LINDA SLATER
RECORDER
\$ 9.00 PAID K2 DEPUTY