

MODIFICATION AGREEMENT

DUE DATE CHG

Account Number: 2804934A

Date: 3-3, 1998

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 Melvin D. Smith and Marilyn R. Smith (hereinafter jointly and severally "Borrower"), having the address of 590 Silver Drive, Vacaville, CA 95687, 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 July 27, 1994, in the original principal balance of \$15,425.00 executed by Melvin D. Smith and Marilyn R. Smith (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 894 at Page 1192 as Document Number 343465, 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. The Note is hereby modified to provide that, commencing March 20, 1998, the day of the calendar month on which scheduled monthly payments of principal and interest are due and payable shall be the 20th of each month.

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"

"Borrower"

Harich Tahoe Developments

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

Melvin D. Smith
Melvin D. Smith
Marilyn R. Smith
Marilyn R. Smith

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

STEWART TITLE OF DOUGLAS COUNTY

REQUESTED BY

IN OFFICIAL RECORDS OF DOUGLAS CO. NEVADA

'98 APR -1 A9:57

LINDA SLATER
RECORDER

\$ PAID DEPUTY

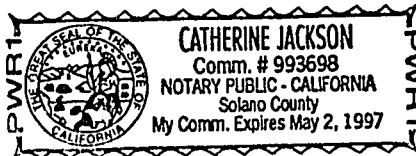
0436355

BOOK 498 PAGE 005

STATE OF California)
) SS
COUNTY OF Solano)

On this 3rd day of March, 1998, before me, a notary public in and for said county and state, personally appeared Melvin D. Smith, personally known or proven to me to be the person who executed the above instrument.

Catherine Jackson
NOTARY PUBLIC Catherine Jackson



STATE OF California)
) SS
COUNTY OF Solano)

On this 3rd day of March, 1998, before me, a notary public in and for said county and state, personally appeared Marilyn R. Smith, personally known or proven to me to be the person who executed the above instrument.

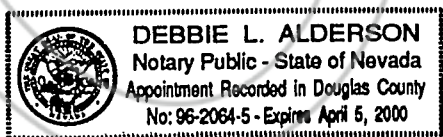
Catherine Jackson
NOTARY PUBLIC Catherine Jackson



STATE OF NEVADA)
) SS
COUNTY OF DOUGLAS)

On this 12th day of March, 1998, 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 Corporation, 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 COUNTY, NEVADA

'98 APR -1 A9:57

0436355

BOOK 498 PAGE 006

LINDA SLATER
RECORDER
\$ 8.00 PAID K2 DEPUTY