

Anthony J. Krol, Esquire
White and Williams LLP
1800 One Liberty Place
Philadelphia, PA 19103-7395

[Subordinated Loan]

**AMENDMENT TO
ASSIGNMENT OF LEASES AND RENTS**

THIS AMENDMENT (the "**Amendment**") is made effective as of April 20, 2001, between **WALLEY'S PARTNERS LIMITED PARTNERSHIP**, a Nevada limited partnership having an office located at 2001 Foothill Road, Genoa, Nevada 89411 ("**Assignor**"), and **LIBERTY BANK**, a Connecticut nonstock mutual savings bank with an office and place of business at 291 Main Street, Middletown, Connecticut 06457 ("**Assignee**").

BACKGROUND

A. Assignor has previously executed and delivered an Assignment of Leases and Rents dated June 5, 1998 in favor of Assignee (the "**Assignment**"). The Assignment was recorded as document number 0441513 in Book 0698 Page 1825 of the real estate records of Douglas County, Nevada.

B. The Assignment covers leases and rents of the real estate referred to as 2001 Foothill Road, Genoa, Nevada, more particularly described on **Exhibit "A"** attached hereto (the "**Premises**").

C. Assignor and Assignee have amended and restated the indebtedness secured by the Assignment and Assignee has agreed to increase such indebtedness by adding accrued and unpaid interest and unpaid incentive fees to the principal balance which increased indebtedness is to be secured by the Assignment.

Now, therefore, for valuable consideration the parties hereto agree as follows:

1. Indebtedness Secured Hereby. The Assignment shall be deemed to secure payment of the indebtedness evidenced by an amended and restated subordinated loan note in the amount of \$1,181,832.74, of even date with this Amendment made by Assignor payable to the order of Assignee together with all renewals, extensions, modifications, refinancings and substitutions for those notes (collectively, the "**Current Note**") all of which are secured also by a Deed of Trust, Assignment of Rents and Proceeds, Security Agreement, Financing Statement and Fixture Filing dated June 5, 1998 as amended by an amendment of even date herewith from Assignor in favor of the Assignee, as beneficiary encumbering the Premises.

The obligations of Assignors under the Current Note and all documents, collateral thereto shall be deemed to be included within the term "Indebtedness Secured Hereby" in the Assignment and all references in the Assignment to the term "Note" shall be deemed to refer to the Current Note.

2. **Inconsistency.** To the extent of any inconsistency between the terms and conditions of this Amendment and the terms and conditions of the Assignment, the terms and conditions of this Amendment shall prevail.

3. **Ratification.** All terms and conditions of the Assignment not inconsistent herewith shall remain in full force and effect and are hereby ratified and confirmed by Grantor.

4. **No Release.** Nothing contained herein is intended to terminate or release the lien of the Assignment, which lien is hereby ratified, confirmed, extended and continued.

5. **Legal Description of Real Estate Exhibit.** An exhibit, titled "LEGAL DESCRIPTION EXHIBIT A," is attached to this Amendment and by this reference is made a part of this Amendment just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Assignment.

6. **Miscellaneous Provisions.** The following miscellaneous provisions are a part of this Amendment:

6.1 **Amendments.** No alteration of or amendment to this Amendment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

6.2 **Applicable Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada.

6.3 **Caption Headings.** Caption headings in this Amendment are for convenience purposes only and are not to be used to interpret or define the provisions of this Amendment.

6.4 **Severability.** If a court of competent jurisdiction finds any provision of this Amendment to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Amendment in all other respects shall remain valid and enforceable.

6.5 Waiver of Right to Trial by Jury. ASSIGNOR AND ASSIGNEE WAIVE ANY RIGHT TO TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER ANY OF THE LOAN DOCUMENTS OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF GRANTOR AND LENDER WITH RESPECT TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. ASSIGNOR AND ASSIGNEE AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF ASSIGNOR AND ASSIGNEE TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. GRANTOR ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, REGARDING THIS SECTION, THAT IT FULLY UNDERSTANDS ITS TERMS, CONTENT AND EFFECT, AND THAT IT VOLUNTARILY AND KNOWINGLY AGREES TO THE TERMS OF THIS SECTION.

ASSIGNOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AMENDMENT, AND AGREES TO ITS TERMS.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed effective as of the date written above.

WALLEY'S PARTNERS LIMITED PARTNERSHIP, a Nevada limited partnership

By: **Valley Partners, L.L.C.**, its sole general partner

By: **Sierra Resorts Group, L.L.C.**, Manager

By: 

Name/Title: GARY GROTTKE, MANAGER

LIBERTY BANK

By: 

Name/Title: James R. Bishop, VP

STATE OF PENNSYLVANIA :

SS.

COUNTY OF PHILADELPHIA :

On this, the 12th day of APRIL, 2001 before me, a notary public, personally appeared GARY GROTKE, who acknowledged himself to be the MANAGER of Sierra Resorts Group, L.L.C., Manager of Valley Partners, L.L.C., a Nevada limited liability company and the sole general partner of Walley's Partners Limited Partnership, and that he as such officer, being authorized to do so, executed the foregoing instrument on behalf of the partnership for the purposes therein contained by signing his name on behalf of the company as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Mary E. Brundage
Notary Public
My Commission Expires:

SEAL

NOTARIAL SEAL
MARY E. BRUNDAGE, Notary Public
City of Philadelphia, Phila. County
My Commission Expires May 5, 2003

STATE OF Connecticut

ss. Middletown

COUNTY OF Middlesex

On this, the 20 day of APRIL, 2001 before me, a notary public, personally appeared JAMES F. BISHOP, who acknowledged himself to be the SUP of Liberty Bank, a Connecticut nonstock mutual savings bank, and that he as such officer, being authorized to do so, executed the foregoing instrument on behalf of the Bank for the purposes therein contained by signing his name on behalf of the Bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Arlene S. Moroch

Notary Public

My Commission Expires:

ARLENE S. MOROCH
NOTARY PUBLIC
MY COMMISSION EXPIRES NOV. 30, 2005

SEAL

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

PARCEL 1:

PARCELS A, B, C, D, E-1 and F, of the Final Subdivision Map LDA #98-05 for DAVID WALLEY'S RESORT, a Commercial Subdivision, filed for record with the Douglas County Recorder on October 19, 2000, in Book 1000, at Page 3464, as Document No. 501638, and by Certificate of Amendment recorded November 3, 2000 in Book 1100, Page 467, as Document No. 502689, Official Records of Douglas County, Nevada.

APN's 17-211-01, 17-211-02, 17-211-03, 17-211-04, 17-212-05, 17-212-07

TOGETHER WITH a permanent non-exclusive easement for utilities and access, FOR THE BENEFIT OF PARCEL E-1, as set forth in Quitclaim Deed recorded September 17, 1998 in Book 998, Page 3250 as Document No. 449574, Official Records, Douglas County, Nevada.

PARCEL 2:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of the West one-half of the Southeast one-quarter (W1/2SE1/4) of Section 15 and the West one-half of the Northeast one-quarter (W1/2NE1/4) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T.13N, R19.E, M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937; thence along the north-south centerline of said Section 15, North 00°03' 48" West, 1322.57 feet to a found 2" iron pipe, no tag; thence North 86°52'39" East, 249.87 feet to a point on the easterly right-of-way of Foothill Road, the Northwest corner of Parcel E as shown on the Record of Survey for Walley's Hot Springs, Inc. recorded May 14, 1998 in the office of the Recorder, Douglas County, Nevada as document No. 439613, the POINT OF BEGINNING; thence along the boundary of said Parcel E the following courses: thence continuing North 86°52'39" East, 4.38 feet to a found fence post, no tag, per Deed Recorded February 28, 1977 in the office of Recorder, Douglas County,

Nevada in Book 277, at page 1249; thence South 89°20'43" East, 1064.63 feet; thence South 00°04'09" West, 2621.92 feet to a point on the north-south 1/16 line of the Northeast one-quarter of said Section 22; thence South 89°11'10" West, 1178.84 feet to a found 1/2" rebar, no tag, a point on said easterly right-of-way of Foothill Road; thence along said easterly right-of-way along the arc of a curve to the left, nontangent to the preceding course, having a radius of 1240.00 feet, central angle of 02°22'15", arc length of 51.31 feet, chord bearing North 05°40'39" East, and a chord distance of 51.31 feet; thence North 04°29'31" East, 313.93 feet; thence along the arc of a curve to the right having a radius of 1160.00 feet, central angle of 24°21'00", arc length of 492.99 feet, chord bearing North 16°40'01" East, and chord distance of 489.28 feet; thence North 28°50'31" East, 265.21 feet; thence along the arc of a curve to the left having a radius of 1240.00 feet, central angle of 54°31'00", arc length of 1179.85 feet, chord bearing North 01°35'01" East, and chord distance of 1135.85 feet; thence North 25°40'29" West, 499.42 feet to the POINT OF BEGINNING.

TOGETHER with a permanent non-exclusive easement for utilities and access as set forth in Quitclaim Deed recorded September 17, 1998 in Book 998, Page 3250 as Document No. 449574, Official Records, Douglas County, Nevada.

EXCEPTING THEREFROM the timeshare interests previously released of record by Liberty Bank from the liens in favor of Liberty Bank pursuant to those certain Deeds of Trust, Assignment of Rents and Proceeds, Security Agreement, Financing Statement and Fixture Filing, one dated June 5, 1998, recorded with the Recorder of Douglas County, Nevada, on June 8, 1998 in Book 0698, at page 1755, as instrument 0441510, and the other dated June 5, 1998, recorded with the Recorder of Douglas County, Nevada, on June 8, 1998 in Book 0698, at page 1782, as instrument 0441511.

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

2001 APR 24 PM 2: 25

LINDA SLATER
RECORDER

\$13⁰⁰ PAID *KD* DEPUTY