

MODIFICATION AGREEMENT

THIS AGREEMENT is made and entered into this 4th day of March, 1988, by and between LARRY L. HERCEG and JOYCE A. HERCEG, husband and wife (hereinafter called "Makers"), and WILLIAM BURNAUGH, a married man as his sole and separate property (hereinafter called "Lender").

WHEREAS, Larry L. Herceg and Joyce A. Herceg, executed that certain promissory note dated March 25, 1987 in the amount of FIFTEEN THOUSAND AND NO/100ths DOLLARS (\$15,000.00), in favor of lender, which promissory note is secured by that certain Deed of Trust dated March 25, 1987 and executed by Larry L. Herceg and Joyce A. Herceg, husband and wife as joint tenants, as trustor, to Northern Nevada Title Company as Trustee, for the benefit of lender, as beneficiary, which deed of trust was recorded on March 27, 1987, in the office of the County Recorder of Douglas, State of Nevada, in book 387, page 2855, as document no. 152210

WHEREAS, Makers desire to obtain from lender an extension of time for the payment of principal and interest under said promissory note;

WHEREAS, lender is willing to grant said extension of time provided that Makers agree to certain modifications in the terms and conditions of said promissory note.

NOW THEREFORE, in consideration of their mutual covenants and promises, the parties hereto agree as follows:

1. The due date of March 27, 1988 provided in said note is extended to on or before March 27, 1989.
 2. The note shall become all due and payable in the event the payor herein should sell or agree to sell the water rights held for the property secured by the note and deed of trust.
 3. All of the property subject to said deed of trust, as amended by this agreement, shall remain subject to the lien, charge or encumbrance of said deed of trust. Nothing contained herein or done pursuant hereto shall affect or be constructed to affect the lien, charge or encumbrance of said deed of trust, or the priority thereof over other liens, charges or encumbrances.
 4. The representations, warranties, covenants, conditions and other terms of said promissory note and deed of trust are reaffirmed by Makers as of the date of this agreement and lender relies on said reaffirmation in entering into this agreement.
- Makers and Lenders agree that said promissory note and deed of trust and this agreement

shall be read together as one document. It is further agreed that except as provided for herein, the terms and conditions of said promissory note and deed of trust remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

("LENDER")

("MAKERS")

William Burnaugh
William Burnaugh

Larry L. Herceg
Larry L. Herceg

Joyce A. Herceg
Joyce A. Herceg

STATE OF NEVADA

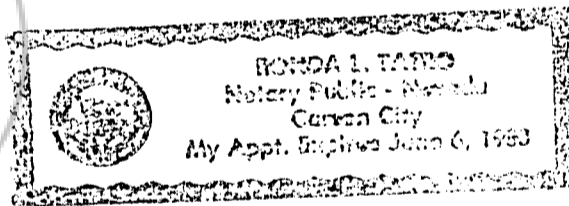
COUNTY OF CARSON CITY

ON THIS 28th DAY OF March, 19 88, PERSONALLY APPEARED BEFORE ME A NOTARY PUBLIC IN AND FOR SAID COUNTY, Larry L. Herceg and Joyce A. Herceg and William Burnaugh

KNOWN TO ME TO BE THE PERSONS DESCRIBED IN AND WHO EXECUTED THE FOREGOING INSTRUMENT, WHO ACKNOWLEDGED TO ME THAT THEY EXECUTED THE SAME FREELY AND VOLUNTARILY AND FOR THE USES AND PURPOSES THEREIN MENTIONED.

WITNESS MY HAND AND OFFICIAL SEAL.

Ronda L. Tasio
Signature



REQUESTED BY
Northern Nevada Title Company
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'88 APR -4 P2:31

SUZANNE BEAUDREAU
RECORDER
\$ 6.00 PAID BH DEPUTY

175528

BOOK 488 PAGE 230