



MODIFICATION AGREEMENT

March 30, 1992

This Agreement is by and between Sierra Timber Products, Inc., a Nevada Corporation ("Borrower") and Sunrise Bank of California ("Bank").

RECITALS

1. Borrower is indebted to Bank under a certain promissory note or loan agreement dated July 3, 1989, for the original principal sum of \$150,000.00 ("Note"). The Note is held by Bank as Loan No. 5795.

2. The note is secured by a deed of trust dated July 3, 1989, executed by Borrower as trustor, in favor of Bank as beneficiary, with Stewart Title Company named as trustee ("Deed of Trust"). The Deed of Trust was recorded on July 13, 1989 in Book 789 at Page 1120 of the Official Records of the County Recorder of the County of Douglas, State of Nevada ("Deed of Trust").

3. The outstanding balance of the Note as of March 30, 1992 (Date) is \$150,626.05 of which \$149,903.24 is unpaid principal and \$722.81 is accrued interest.

4. Borrower and Bank mutually desire and it would be to their mutual benefit to modify certain terms and conditions of the Note.

AGREEMENT

In view of the Recitals and for other valuable consideration, receipt of which is hereby acknowledged, Borrower and Bank hereby agree as follows:

1. Upon receipt by Bank of a documentation fee of \$175.00, \$450.00 for Title Insurance Endorsement and \$944.58 for interest due to April 5, 1992, and upon receipt of signed Modification Agreement, the note is modified as follows:

[X] Changes to Payment Schedule: **BORROWER WILL PAY THIS LOAN IN 11 SEMI-ANNUAL PRINCIPAL PAYMENTS OF \$15,000.00 BEGINNING JULY 28, 1992, AND SEMI-ANNUALLY THEREAFTER. IN ADDITION, BORROWER WILL MAKE CONSECUTIVE MONTHLY INTEREST PAYMENTS BEGINNING APRIL 28, 1992.**

[X] Change in Maturity Date: **EXTEND MATURITY DATE FROM FEBRUARY 5, 1992 TO JULY 28, 1997.**

[X] Change in Interest Rate: **INCREASE INTEREST RATE FROM BCLR +2.5% TO BCLR +3.5%, EFFECTIVE MARCH 31, 1992.**

[X] **THIS NOTE IS ALSO SUBJECT TO TERMS AND CONDITIONS AS OUTLINED IN BUSINESS LOAN AGREEMENT, TWO SECURITY AGREEMENTS AND CROSS-COLLATERALIZATION AGREEMENTS, ALL DATED JULY 3, 1989.**

2. Bank and Borrower further agree that except as provided above, all other terms and conditions of the Note and the Deed of Trust are unaltered and remain in full force and effect.

Executed on March 31, 1992, at NEVADA CITY, CALIF.

**BORROWER
SIERRA TIMBER PRODUCTS, INC.
a Nevada Corporation**

By: Frank A. Pendola
Frank A. Pendola, President

By: Dolores A. Pendola
Dolores A. Pendola, Vice President

The undersigned is a guarantor of the payment and other obligations of Borrower under the Note and Deed of Trust as described above. The undersigned hereby acknowledges and consents to the terms of the within agreement and further acknowledges and warrants that Borrower's obligations under the Note as so modified remain subject to the terms of the undersigned's guaranty of Borrower's obligations to Bank as provided in the guaranty.

Executed on March 31, 1992, at Newark City Calif

GUARANTORS
FRANK A. PENDOLA AND DOLORES A. PENDOLA
 Two Individuals

By: Frank A. Pendola
 Frank A. Pendola, An Individual

By: Dolores A. Pendola
 Dolores A. Pendola, An Individual

The foregoing revision is accepted this
31 day of March, 1992.

SUNRISE BANK OF CALIFORNIA
 By: Kenneth L. Shepard
 Kenneth L. Shepard, Vice President

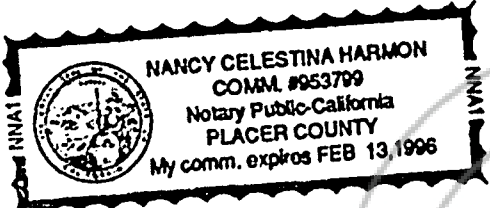
CORPORATE ACKNOWLEDGMENT

NO. 202

State of California
 County of Placer } SS.

On this the 31 day of March, 1992, before me,
Nancy Celestina Harmon
 the undersigned Notary Public, personally appeared

Frank A. Pendola and Dolores A. Pendola



~~XXXXXX~~
 proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as President & Vice Pres. ~~XX~~ on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.
 WITNESS my hand and official seal.

Nancy Celestina Harmon
 Notary's Signature

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE
 MUST BE ATTACHED
 TO THE DOCUMENT
 DESCRIBED AT RIGHT:

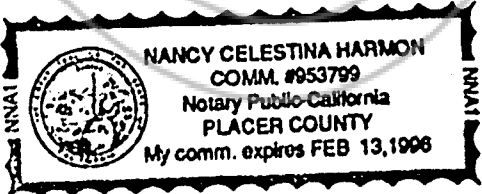
Title or Type of Document Modification Agreement
 Number of Pages 1 F & B Date of Document March 30, 1992
 Signer(s) Other Than Named Above Kenneth L. Shepard

CORPORATE ACKNOWLEDGMENT

NO. 202

State of California
 County of Placer } SS.

On this the 31 day of March, 1992, before me,
Nancy Celestina Harmon
 the undersigned Notary Public, personally appeared



Kenneth L. Shepard
 personally known to me
 proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President -----er on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.
 WITNESS my hand and official seal.

Nancy Celestina Harmon
 Notary's Signature

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Title or Type of Document Modification Agreement
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275779

INDIVIDUAL ACKNOWLEDGMENT

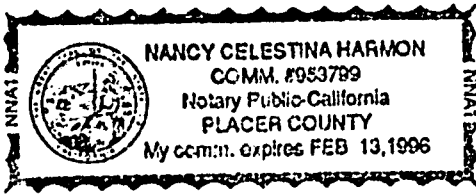
State of California
County of Placer } SS.

On this the 31 day of March 1992, before me,

Nancy Celestina Harmon

the undersigned Notary Public, personally appeared

Dolores A. Pendola



personally known to me
 proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) is subscribed to the
within instrument, and acknowledged that she executed it.
WITNESS my hand and official seal.

Nancy Celestina Harmon
Notary's Signature

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INDIVIDUAL ACKNOWLEDGMENT

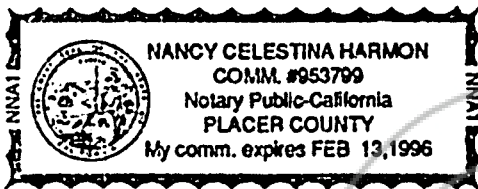
State of California
County of Placer } SS.

On this the 31 day of March 1992, before me,

Nancy Celestina Harmon

the undersigned Notary Public, personally appeared

Frank A. Pendola



personally known to me
 proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) is subscribed to the
within instrument, and acknowledged that he executed it.
WITNESS my hand and official seal.

Nancy Celestina Harmon
Notary's Signature

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Signer(s) Other Than Named Above Dolores A. Pendola and Kenneth L. Shepard

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REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
INTEREST IN REALTY OF
DOUGLAS COUNTY, NEVADA

'92 APR 10 P1:36

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