

PROMISSORY NOTE

\$39000.00

Date: August 1, 1988

For value received, the undersigned John W. Montesanto and Laurette N. Montesanto (collectively, the "Promisor") each as a principal, jointly and severally, promise to pay to the order of Mr. and Mrs. John L. Montesanto (the "Payee"), at Current Address,, (or at such other place as the Payee may designate in writing) the sum of \$39000.00 with no interest.

The unpaid principal shall be payable in full on August 1, 1989 (the "Due Date"). All payments on this Note shall be applied first in payment of accrued interest and any remainder in payment of principal.

The Promisor waives presentment for payment, protest, and notice of protest and nonpayment of this Note.

If any of the following events of default occur, this Note and any other obligations of the Promisor to the Payee, shall become due immediately, without demand or notice: 1) the failure of the Promisor to pay the principal and any accrued interest in full on or before the Due Date; 2) the death of the Promisor(s) or Payee(s); 3) the filing of bankruptcy proceedings involving the Promisor as a Debtor; 4) the application for appointment of a receiver for the Promisor; 5) the making of a general assignment for the benefit of the Promisor's creditors; 6) the insolvency of the Promisor; or 7) the misrepresentation by the Promisor to the Payee for the purpose of obtaining or extending credit. In addition, the Promisor shall be in default if there is a sale, transfer, assignment, or any other disposition of any assets pledged as security for the payment of this Note, or if there is a default in any security agreement which secures this Note. If any of the above defaults apply to one Promisor, all Promisors shall be deemed in default of this Note regardless of whether all Promisors are directly involved in the default.

This Note is secured by a Right to shares in Kawasumi Inc. owned by Promisors, dated August 1, 1988. The Payee is not required to rely on the above security for the payment of this Note in the case of default, but may proceed directly against the Promisor(s).

No renewal or extension of this Note, delay in enforcing any right of the Payee under this Note, or assignment by Payee of this Note shall affect the liability of the Promisor(s). All rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

If any one or more of the provisions of this Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative.

All payments of principal and interest on this Note shall be paid in the legal currency of the United States.

Signed this 1st day of August, 1988, at

By: John W. Montesanto
John W. Montesanto

By: Laurette N. Montesanto
Laurette N. Montesanto

COOPY

REQUESTED BY
Mrs Mrs J Montesanto
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

'97 JUN 16 AIO:50

LINDA SLATER
RECORDER
\$ 8.00 PAID to DEPUTY

Page 2

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✓ Mr. & Mrs. J. Montesanto
1357 Toyabe Avenue
Gardnerville, NV 89410