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**RECORDING REQUESTED BY
AND
WHEN RECORDED MAIL TO:**

✓ AMRESO Financial I, LP
700 N. Pearl, Suite 2400
Dallas, TX 75201
Attn: Carol Yeager [DAP-25]

**REINSTATEMENT MODIFICATION AND RENEWAL OF NOTE,
AND EXTENSION OF LIEN (REAL ESTATE)**

BETWEEN

PHILLIP AMES AND NANCY AMES ("BORROWER")

AND

OAK CLIFF FINANCIAL INC.

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**REINSTATEMENT MODIFICATION AND RENEWAL OF NOTE,
AND EXTENSION OF LIEN (REAL ESTATE)**

Date: January 22, 1998

This Reinstatement, Modification and Renewal of Note and Extension of Lien ("Modification Agreement" or "Modification") is executed on the date first written above but effective as of November 1, 1997 (the "Modification Date"). In consideration of the mutual covenants herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Phillip Ames and Nancy Ames ("Borrower", whether one or more) and Oak Cliff Financial, Inc. ("Holder") make this Modification to renew, extend and modify that one certain Adjustable Rate Note in the original amount of \$126,000.00 dated October 3, 1991, executed by Borrower and made payable to the order of Mercantile National Bank as amended by Amended Promissory Note dated June 6, 1995 in the original amount of \$103,242.40 payable to the order of Holder.

The Adjustable Rate Note, as amended, modified, renewed and/or extended by one or more documents dated before the Modification Date, is hereinafter called the "Note"; and the Note as modified by this Modification is hereinafter called the "Modified Note." Oak Cliff Financial, Inc. is now the owner and holder of the Note. The security for payment of the indebtedness evidenced by the Note includes, without limitation, the lien or security interest arising under the Deed of Trust (which as it may have been renewed, extended, amended, supplemented, modified or restated, is herein called the "Deed of Trust") of even date with the Note, from Borrower to Mercantile National Bank, Trustee, recorded in Book 1091, Page 2872 of the real property records of Douglas County, Nevada covering the real property in Douglas County, Nevada described therein.

All liens, security interests and assignments securing the Note are collectively called the "Liens", and the Note, all renewals, extensions and modifications thereof, the Deed of Trust, and all other written documents evidencing, securing, guaranteeing or executed in connection with the indebtedness evidenced by the Note, as renewed and extended, are collectively called the "Loan Documents". The real property covered by the Deed of Trust and the improvements and fixtures thereon and appurtenances thereto, subject to recorded partial releases executed by the Holder, if any, are referred to as the "Property". Terms defined in the Loan Documents and not otherwise defined in this Modification shall have the same meanings herein as in the Loan Documents. Borrower and Holder now agree to reinstate the Note to the same extent as if no default had occurred thereunder and further extend the stated final maturity date of the Note, to make certain other changes specified below in this Modification and to ratify the Liens and confirm that they continue to secure the Note, as modified hereby, all as set

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forth in the succeeding provisions of this Modification (which shall control over any conflicting or inconsistent recitals above).

1. Balance. Before the application of the \$3,000.00 payment described below the unpaid principal balance of the Note as of October 31, 1997, was \$65,090.78. The amount that remains unadvanced against the Note is zero. Holder acknowledges receipt of a payment in the amount of \$3,000.00 which was applied first to past due amounts due under the Note, second to payment of all accrued and unpaid interest due under the Note as of October 31, 1997, and the remainder to the principal of the Note. The unpaid principal balance of the Note after application of said payment is \$63,429.44.

2. Interest Rate. Beginning November 1, 1997, interest shall accrue on the unpaid principal balance of the indebtedness evidenced by the Modified Note at the per annum rate equal to the lesser of (a) a fixed rate of 14% or (b) the Maximum Rate (as defined in Section 6 below).

3. Past Due Rate/Late Charge. Interest shall accrue on matured, unpaid principal and interest owing under the Modified Note, at the Maximum Rate, or if no Maximum Rate exists, then at a per annum rate equal to the greater of (i) 18.0% or (ii) the sum of the rate at which interest accrues on unpaid principal, under the Modified Note, before maturity, plus 5.0% per annum. If the monthly payments due under the Modified Note are not received by Holder by the 15th day of the month then Borrower shall pay an additional late charge of \$100.00.

4. Payment Schedule and Maturity Date. Borrower shall pay the indebtedness evidenced by the Modified Note to the order of Holder, at the address Holder shall designate in writing, as follows:

- a. Payments shall be due and payable in monthly installments, with the first installment of \$1,500.00 due December 1, 1997, and installments of the same amount due on the same day of each calendar month thereafter until a final installment equal to the total unpaid balance is due and payable on October 31, 1998 (the "Maturity Date").
- b. Additional principal payments of \$5,000 each shall be due and payable on February 1, 1998 and July 1, 1998.

Interest is included in above installments.

5. Application of Payments. All payments made as scheduled shall be applied first to any unpaid late charges, then to accrued interest and the balance to principal. All prepayments shall be applied first to any unpaid late charges, then to accrued interest and the balance to the remaining principal installments in inverse order of their maturity. Nothing herein shall limit or impair any rights of Holder to apply past due payments, any proceeds from the

disposition of any collateral by foreclosure or other collections after default as provided for in the Loan Documents.

6. Maximum Rate of Interest. Holder and Borrower intend to contract in strict compliance with applicable usury law from time to time in effect. To effectuate this intention, Holder and Borrower stipulate and agree that none of the terms and provisions of the Note, as it may have been renewed or modified, this Modification, the Modified Note, and any other agreement among such parties, whether now existing or arising hereafter, shall ever be construed as a contract to pay interest for the use, forbearance or detention of money in excess of the Maximum Rate. If, from any possible construction of any document, interest would otherwise be payable to Holder in excess of the Maximum Rate, any such construction shall be subject to the provisions of this Section and such document shall be automatically reformed and the interest payable to Holder shall be automatically reduced to the Maximum Rate permitted under applicable law, without the necessity of the execution of any amendment or new document. Neither Borrower nor any other present or future guarantors, endorsers or other persons now or hereafter becoming liable for payment of any portion of the principal or interest of the Modified Note shall ever be liable for any unearned interest on the principal amount or shall ever be required to pay interest thereon in excess of the Maximum Rate that may be lawfully charged under applicable law from time to time in effect. Holder and any subsequent holder of the Modified Note expressly disavows any intention to charge or collect unearned or excessive interest or finance charges in the event the maturity of the Modified Note is accelerated. If the maturity of the Modified Note is accelerated for any reason, whether as a result of a default under of the Modified Note, or by voluntary prepayment, or otherwise, any amounts constituting interest, or adjudicated as constituting interest, which are then unearned and have previously been collected by Holder or any other holder of the Modified Note shall be applied to reduce the principal balance thereof then outstanding, or if such amounts exceed the unpaid balance of principal, the excess shall be refunded to Borrower. In the event Holder or any other holder of the Modified Note ever receives, collects or applies as interest any amounts constituting interest or adjudicated as constituting interest which would otherwise increase the interest to an amount in excess of the amount permitted under applicable law, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Modified Note, and, if the principal balance of the Modified Note is paid in full, any remaining excess shall be paid to Borrower. In determining whether or not the interest paid or payable under the specific contingencies exceeds the Maximum Rate allowed by applicable law, Borrower and Holder shall, to the maximum extent permitted under applicable law, (i) characterize any non-principal payment as an expense, fee or premium, rather than as interest; (ii) exclude voluntary prepayments and the effect thereof; (iii) amortize, prorate, allocate and spread, in equal parts, the total amount of interest throughout the entire contemplated term of the Modified Note (as renewed and extended) so that the interest rate is uniform

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throughout the entire term of the Modified Note. The terms and provisions of this paragraph shall control and supersede every other provision of all existing and future agreements between Holder and Borrower. As used in this Modification Agreement, "Maximum Rate" means the maximum non-usurious interest rate that at any time or from time to time may be contracted for, taken, reserved, charged or received on the unpaid principal or accrued past due interest under applicable law and may be greater than the Applicable Rate, the parties hereby stipulating and agreeing that the Holder may contract for, take, reserve, charge or receive interest up to the Maximum Rate without penalty under any applicable law; and "applicable law" means the laws of the State of Nevada or the laws of the United States of America, whichever laws allow the greater interest, as such laws now exist or may be changed or amended or come into effect in the future.

7. Expenses. To the extent not prohibited by applicable law, Borrower shall pay, or reimburse Holder for, all costs and expenses reasonably incurred by Holder, to one or more third parties, in connection with the preparation and acceptance of this Modification, including, without limitation, attorney's fees, premiums for title policy endorsements, or title policy(ies) if appropriate, appraisal fees, and recording fees.

8. Reinstatement, Renewal and Extension of Indebtedness and Liens. The Note and Loan Documents, as modified herein, are reinstated to the same extent as if no default had occurred thereunder; provided that this reinstatement shall be without prejudice to Holder's rights at any time in the future to exercise any and all rights conferred upon Holder by the Loan Documents and the Modified Note in the event of a future default thereunder, including the right to accelerate the maturity date thereof. Borrower ratifies and confirms the Liens as valid, subsisting and continuing to secure the Note, as modified hereby, and hereby renews (but does not extinguish) the indebtedness evidenced by the Note and the Deed of Trust including any additional advances thereunder, and all modifications and renewals thereto, if any, and the liens and security interests arising under the Loan Documents, and promises to pay to the order of Holder, jointly and severally if more than one, the indebtedness evidenced by the Modified Note or so much thereof as is outstanding from time to time, together with interest at the rate and in the manner specified herein, and to observe, comply with and perform each and every term and condition of the Note and Loan Documents, as amended hereby. Nothing herein shall in any manner diminish, impair or extinguish the Note or the Liens. Except as hereby expressly modified, all terms of the Note and Loan Documents (as they may have previously been modified by any written agreement), remain in full force and effect, provided, however, that notwithstanding anything to the contrary in the foregoing or in the Loan Documents: (i) no non-possessory security interest or lien, other than a purchase money security interest, shall extend to any household goods, if the taking of such lien or security interest would violate any federal or state statute, law or regulation; (ii) no waiver contained herein or in the Loan Documents shall extend to any

waiver which is prohibited under any applicable federal or state statute, law or regulation; (iii) neither the trustee, any substitute trustee, nor the Holder shall have or be deemed to have the right to declare the indebtedness evidenced by the Note, as modified herein, due in any circumstance in which it may be prohibited by state law, to the extent not otherwise preempted by federal law and by applicable federal law; and (iv) to the extent any federal or state statute, law, or regulation has become effective since the execution of the Loan Documents that affect the terms and provisions of such documents, the Loan Documents are hereby amended to conform to the requirements of such federal or state statute, law or regulation. To the extent of any conflict between the Note (or any modifications to it) and this Modification, this Modification shall control. The Liens are not waived or released.

9. Miscellaneous. This Modification (a) shall bind and benefit the Borrower and the Holder and their respective heirs, beneficiaries, administrators, executors, receivers, trustees, successors and assigns (provided, that Borrower shall not assign any rights hereunder without the prior written consent of the Holder); (b) may be modified or amended only by a writing signed by each party; (c) may be executed in several counterparts, and by the parties hereto on separate counterparts, and each counterpart, when executed and delivered, shall constitute an original agreement enforceable against all who signed it without production of or accounting for any other counterpart, and all separate counterparts shall constitute the same agreement, and (d) embodies the entire agreement and understanding between the parties with respect to modifications of instruments provided for herein and supersedes all prior conflicting or inconsistent agreements, consents and understandings relating to such subject matter. Any exhibits, appendices and annexes which may be described in this Modification Agreement as being attached to it are hereby incorporated into it. "Borrower" shall include in their individual capacities, jointly and severally, all parties named as Borrower if more than one. The duties, covenants, conditions, obligations, and warranties of Borrower in this Agreement shall be joint and several obligations of Borrower and, if more than one, of each party named a Borrower hereinabove, and each such party's heirs, legal representatives, successors and assigns. If any Borrower is a corporation, partnership or other legal entity, Borrower and the person or persons signing for it represent and warrant to Holder that this Modification is duly executed, acknowledged and delivered by Borrower's duly authorized representatives. "Successors" as applied to Holder, includes any receivers for Holder and any assignees thereof. Whenever used herein, the singular number shall include the plural and the plural the singular, and any gender shall be applicable to all genders. The use of the words "herein", "hereof," "hereunder" and other similar compounds of the word "here", as well as "Agreement", shall refer to this entire Modification Agreement and not to any particular section, paragraph or provision. The headings in this Modification shall be accorded no significance in interpreting it.

10. No Implied Waivers. No failure or delay by Holder in exercising any right, power or remedy which Holder may have under any of the Loan Documents shall operate as a waiver thereof or of any other right, power or remedy, nor shall any single or partial exercise by Holder of any such right, power or remedy preclude any other or further exercise thereof or of any other right, power or remedy. No waiver of any provision of any Loan Document and no consent to any departure therefrom shall ever be effective unless it is in writing and signed by Holder, and then such waiver or consent shall be effective only in the specific instances and for the purposes for which given and to the extent specified in such writing. No notice to or demand on any Borrower or any Guarantor or other obligor shall in any case of itself entitle any such person to any other or further notice or demand in similar or other circumstances.

11. Construction. The parties acknowledge that the parties and their counsel have reviewed and had the opportunity to revise this Modification Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

12. Use of Financial and Other Information. Borrower and any Guarantors agree that Holder shall be permitted to investigate and verify the accuracy of any and all information furnished to Holder in connection with the Loan Documents including, without limitation, financial statements, and to disclose such information, or provide copies of such information, to representatives appointed by Holder, including independent accountants, agents, attorneys, asset investigators, appraisers and any other persons deemed necessary by Holder to such investigation.

13. Participation or Sale of Loan. Holder shall have the right to sell all of the Modified Note or participation interests. Borrower shall execute, acknowledge and deliver any and all instruments requested by Holder to satisfy such purchasers or participants that the unpaid indebtedness evidenced by the Modified Note is outstanding upon the terms of the provisions set out in the Loan Documents. Holder shall have the right to disclose in confidence such financial information regarding Borrower, Guarantors or the Property as may be necessary to complete any sale or attempted sale of the Modified Note or participations or attempted participations in the Loan, including, without limitation, all Loan Documents, financial statements, projections, internal memoranda, audits, reports, payment history, appraisals and any and all other information and documentation in the Holder's files relating to the Borrower, and any Guarantors of the Modified Note, and the collateral for the Modified Note. This authorization shall be irrevocable in favor of the Holder, and Borrower and Guarantors waive any claims that they may have against the Holder or the party receiving information from the Holder regarding disclosure of information in the Holder's files, and further waive

any alleged damages which they may suffer as a result of such disclosure.

14. Waiver of Claims. Borrower warrants and represents to Holder that the indebtedness identified by this Modification as being evidenced by the Modified Note is subject to no credits, charges, claims, or rights of offset or deduction of any kind or character whatsoever; and each of Borrower releases and discharges Holder from any and all claims and causes of action, whether known or unknown and whether now existing or hereafter arising, including without limitation, any usury claims, that have at any time been owned, or that are hereafter owned, by such Borrower and that arise out of any one or more circumstances or events that occurred prior to the Modification Date.

15. Further Assurances. Borrower agrees to execute and deliver to Holder, promptly upon request from Holder, such other and further documents as may be reasonably necessary or appropriate to consummate the transactions contemplated herein or to perfect the Liens.

16. Applicable Law and Venue. EXCEPT WHERE FEDERAL LAW IS APPLICABLE (INCLUDING, WITHOUT LIMITATION, ANY FEDERAL USURY CEILING OR OTHER FEDERAL LAW WHICH, FROM TIME TO TIME, IS APPLICABLE TO THE INDEBTEDNESS EVIDENCED HEREIN AND WHICH PREEMPTS STATE USURY LAWS OR WOULD OTHERWISE APPLY), THIS MODIFICATION AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA AND THE LAWS OF THE UNITED STATES APPLICABLE TO TRANSACTIONS IN SUCH STATE.

17. Special Notices to Borrowers and All Other Obligors.

THIS LOAN IS PAYABLE IN FULL ON OCTOBER 31, 1998. AT MATURITY, YOU MUST PAY THE ENTIRE UNPAID PRINCIPAL BALANCE OF THE LOAN AND ACCRUED UNPAID INTEREST THEN DUE. THE HOLDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL THEREFORE BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER WILLING TO LEND THE MONEY AT PREVAILING MARKET RATES, WHICH MAY BE CONSIDERABLY HIGHER THAN THE INTEREST RATE ON THIS LOAN.

THIS WRITTEN LOAN AGREEMENT, TOGETHER WITH THE LOAN DOCUMENTS AS AMENDED HEREBY, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

The address of Borrower for Notice is:

Mr. Phillip Ames
P.O. Box 222
1978 Praymeadow Road
Glenbrook, NV 89413

Borrower:

Phillip Ames
Phillip Ames
Nancy Ames
Nancy Ames

The Address of Holder for Notice is:

700 North Pearl Street
Suite 2400, LB 342
Dallas, TX 75201-7424

Holder:

Oak Cliff Financial Inc.

By: Andrew S. Doughtie
Name: Andrew S. Doughtie
Vice President

ACKNOWLEDGMENTS

THE STATE OF Nevada §
§
COUNTY OF Douglas §

On 1-15, 1998, personally appeared before me, a notary public, Phillip Ames, who acknowledged that he/she executed the above instrument.

Judy Hardman
NOTARY PUBLIC, State of NV



THE STATE OF Nevada §

COUNTY OF Douglas §

On JANUARY 15, 1998, personally appeared before me, a notary public, Nancy Ames, who acknowledged that he/she executed the above instrument.

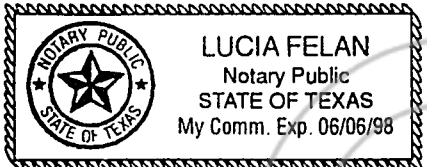


Judy Hardman
NOTARY PUBLIC, State of Nevada

THE STATE OF TEXAS §

COUNTY OF DALLAS §

On January 22nd, 1998, personally appeared before me, a notary public, Andrew Saughie, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument and who acknowledged to me that she is the Vice President of Oak Cliff Financial, Inc. and who acknowledged to me that she executed the foregoing instrument.



Lucia Felan
NOTARY PUBLIC, State of _____

After Recording Return to:

Oak Cliff Financial, Inc. (AMRESO)
Attention: Thomas Waincott
700 North Pearl Street, Suite 2400, LB 342
Dallas, TX 75201-7424

REQUESTED BY
Amresco Financial
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'98 JAN 30 A11 :02

LINDA SLATER
RECORDER
\$16⁰⁰ PAID: KJ DEPUTY

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