

When recorded, mail documents to:

Colonial Bank
2330 S. Virginia St.
Reno, NV 89502

AGREEMENT MODIFYING TERMS OF
NOTE AND DEED OF TRUST

Loan No. 23600291

THIS AGREEMENT, made and entered into on October 15, 1998, by and between Randall S. Harris, President and Martin L. Stahl, Secretary/Treasurer for H & S Construction, Inc. and Colonial Bank, formerly InterWest Bank,

W I T N E S S E T H:

WHEREAS, on June 29, 1998, Randall S. Harris, President and Martin L. Stahl, Secretary/Treasurer for H & S Construction, Inc. executed a Promissory Note in the sum of Eight hundred thousand dollars and no/100 (\$800,000.00), with the following payment schedule:

Six (6) consecutive monthly interest payments beginning August 5, 1998, with interest calculated on the unpaid principal balances at an interest rate of 1.000 percentage points over the Index; thirty six (36) consecutive monthly principal and interest payments in the initial amount of eight thousand dollars and no/100 (\$8,000.00) each, beginning February 5, 1999, with interest calculated on the unpaid principal balances at an interest rate of 0.250 percentage points over the Index; thirty six (36) consecutive monthly principal and interest payments in the initial amount of eight thousand dollars and no/100 (\$8,000.00) each beginning February 5, 2002, with interest calculated on the unpaid principal balances at an interest rate of 0.250 percentage points over the Index; thirty six (36) consecutive monthly principal and interest payments in the initial amount of eight thousand dollars and no/100 (\$8,000.00) each, beginning February 5, 2005, with interest calculated on the unpaid principal balances at an interest rate of 0.250 percentage points over the Index; eleven (11) consecutive monthly principal and interest payments in the initial amount of eight thousand dollars and no/100 (\$8,000.00) each, beginning February 5, 2008, with interest calculated on the unpaid principal balances at an interest rate of 0.250 percentage points over the Index; and one (1) principal and interest payment in the initial amount of four hundred ten thousand eight hundred thirty three dollars and 28/100 (\$410,833.28) on February 5, 2009, with interest calculated on the unpaid principal balance at an interest rate of 0.250 percentage points over the Index; the interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Bank of America's Prime Rate (the "Index"); and secured the same by the execution of a Deed of Trust dated the same date in which Randall S. Harris, President and Martin L. Stahl, Secretary/Treasurer for H & S Construction, Inc., of the County of Douglas, State of Nevada, appears as Trustor, Stewart Title of Carson City, as Trustee, and InterWest Bank, as Beneficiary, and recorded June 30, 1998, in the office of the County Recorder in and for the County of Douglas, State of Nevada, under File No. 0443327, and,

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WHEREAS, the parties have agreed on a new payment schedule for the payment of the Note secured by the Construction Deed of Trust hereinbefore described.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereinafter stated, it is understood and agreed as follows, to-wit:

1. That the unpaid principal balance available on the note hereinbefore described, as of the date of this agreement, is the sum of **Eight hundred thousand dollars and no/100 (\$800,000.00)**.

2. Borrower will pay this loan in accordance with the following payment schedule:

One hundred twenty (120) consecutive monthly principal and interest payments with interest being calculated on the unpaid principal balances at a variable interest rate of Prime plus 0.250 percentage points over the Index, beginning January 5, 1999 and continuing on the 5th day of each month thereafter until December 5, 2008 at which time the final payment of all principal and interest not yet paid, together with any other unpaid amounts under this Note, will be due. The interest rate on this Modification is subject to change every three (3) years on the anniversary date of this Modification, based on changes in an independent index which is the Bank of America's Prime Rate (the "Index"). The monthly principal and interest payment for the initial three (3) year period is Seven thousand six hundred seventy-seven dollars and no/100 (\$7,677.00), beginning ~~November 5, 1998~~ January 5, 1999. Greater or more frequent payments may be made at any time without premium or fee.

3. It is further understood and agreed that all other provisions, as set forth in the aforementioned Construction Deed of Trust and Promissory Note shall remain the same and with the same force and effect as before the date of this Agreement.

DATED this 17th day of December, 1998..

H & S Construction, Inc.

Randall S. Harris
Randall S. Harris, President

Martin L. Stahl
Martin L. Stahl, Sec/Treas.

Colonial Bank

By: Ken Achurra
Ken Achurra, Senior Vice President

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Jan 5
1999
M.C.S

STATE OF NEVADA)
 : ss.
County of Douglas)

On the 17th day of December, 1998,
personally appeared before me, a notary public, Randall S. Harris,
President and Martin L. Stahl, Secretary/Treasurer for H & S
Construction, Inc., who acknowledged to me that they executed the
foregoing instrument.

Shari Crouch

Notary Public


 SHARI CROUCH
Notary Public - State of Nevada
Appointment Recorded in Douglas County
No: 92-4429-5 - Expires June 3, 2000

STATE OF NEVADA)
 Douglas : ss
County of ~~Washoe~~)

On the 17th day of December, 1998,
personally appeared before me, a notary public, Ken Achurra, Senior
Vice President of Colonial Bank, formerly InterWest Bank, who
acknowledged to me that they executed the foregoing instrument.

Shari Crouch

Notary Public

 SHARI CROUCH
Notary Public - State of Nevada
Appointment Recorded in Douglas County
No: 92-4429-5 - Expires June 3, 2000

RECORDED BY
STEWART TITLE OF DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'98 DEC 18 P3:03

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LINDA SLATER
RECORDER
\$9.00 PAID *KJ* DEPUTY