

78233-SLG

WHEN RECORDED, RETURN TO:

Nevada State Bank
Real Estate Loan Department
1 West Liberty, 2nd Floor
Reno, Nevada 89501
Attention: Richard C. Deglman

LOAN MODIFICATION AGREEMENT

NOTICE: This Loan Modification Agreement amends various instruments related to the Loan which is referred to below, including, without limitation, that certain Construction And Term Loan Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing dated May 24, 1999 executed by Rajan II, LLC, a Nevada limited liability company, as "Trustor," for the benefit of Nevada State Bank, a Nevada banking corporation, as "Beneficiary," and which was recorded in the office of the County Recorder of Douglas County, State of Nevada on May 25, 1999, as Instrument No. 468787, in Book 0599, at Page 5127.

This Loan Modification Agreement (the "Agreement") is made and entered into this 30th day of November, 2000 (the "Effective Date"), by and between Rajan II, LLC, a Nevada limited liability company, whose address is 2245 Meridian Boulevard, Suite A, Minden, Nevada 89423 ("Borrower"), and Nevada State Bank, a Nevada banking corporation, whose address is 1 West Liberty, 2nd Floor, Reno, Nevada 89501 ("Lender").

RECITALS

A. Lender and Borrower entered into a Construction And Term Loan Agreement dated May 24, 1999 (the "Loan Agreement"), whereby Lender agreed to make a construction and term loan to Borrower in the original principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) (the "Loan"), which Loan is further evidenced by a Promissory Note dated May 24, 1999 executed by Borrower for the benefit of Lender, and which Promissory Note is in the original principal amount of \$3,500,000.00 (the "Original Note").

B. Borrower's obligations under the Original Note are secured by the collateral described in the following documents:

(1) A Construction And Term Loan Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing dated May 24, 1999 executed by Borrower, as "Trustor," to Western Title Company, Inc., as "Trustee", for the benefit of Lender, as "Beneficiary," and which was recorded in the office of the County Recorder of Douglas County, State of Nevada, on May 25, 1999, as Instrument No. 468787, in Book 0599, at Page 5127 (the "Trust Deed"). The Trust Deed

encumbers real property located in Douglas County, State of Nevada, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"); and

(2) An Assignment of Leases dated May 24, 1999 entered into between Borrower, as "Assignor" and Lender, as "Assignee", and which was recorded in the office of the County Recorder of Douglas County, State of Nevada, on May 25, 1999, as Instrument No. 468787, in Book 0599, at Page 5156 (the "Assignment of Leases"), and which encumbers the Property.

The Loan Agreement, Original Note, Trust Deed, Assignment of Leases, and all other documents defined as Loan Documents in the Loan Agreement, are hereinafter collectively referred to as the "Loan Documents".

C. Lender and Borrower now desire to modify the Loan Documents on the terms set forth below.

AGREEMENT

In exchange for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Borrower and Lender agree as follows:

1. **Reaffirmation of the Trust Deed.** Borrower and Lender agree and acknowledge that it was their intention at the time of the execution of the Trust Deed, that the Trust Deed encumber the Property, and it continues to be their intention that the Trust Deed, as amended, supplemented and extended, continue, without interruption, to encumber the Property.

2. **Increase of Principal Amount and Renewal Note.** Effective on the Effective Date, the Loan Documents shall be amended to increase the Principal Amount of the Loan from \$3,500,000.00 to \$4,000,000.00. In connection with such modification and this Agreement, Borrower agrees to execute and deliver to Lender a Renewal and Substitute Promissory Note in a form and substance acceptable to Lender dated the Effective Date, in the original principal amount of Four Million Dollars (\$4,000,000.00) (the "Renewal Note"), which Renewal Note replaces the Original Note.

3. **Amendment to Loan Agreement.** The Loan Agreement is hereby amended as follows:

a. Section 1.1.42 of the Loan Agreement shall be deleted in its entirety and replaced with the following:

1.1.42 "Note" means the Renewal and Substitute Promissory Note dated November 30, 2000 and executed in connection with the Loan.

b. Section 1.1.46 of the Loan Agreement shall be deleted in its entirety and replaced with the following:

1.1.46 "Principal Amount" means Four Million Dollars (\$4,000,000.00).

c. Section 1.1.59 of the Loan Agreement shall be deleted in its entirety and replaced with the following:

1.1.59 "USDA Permanent Loan Guaranty" means the unconditional guarantee of the Loan by USDA in the amount of not less than \$2,350,000.00 commencing on the Conversion Date in a form and substance acceptable to Lender, in its sole discretion.

4. **Inclusion of the Renewal Note in the Indebtedness Secured by the Trust Deed.** The Trust Deed is hereby amended to include in the indebtedness secured by the Trust Deed, and any other obligations of Borrower under and pursuant to the Loan Documents, the Renewal Note (which replaces the Original Note). Specifically, the second paragraph on Page 1 of the Trust Deed is hereby amended to read in its entirety as follows:

Beneficiary has made a loan to Trustor in the amount of Four Million Dollars (\$4,000,000.00) (the "Loan"). The Loan is evidenced by a Renewal and Substitute Promissory Note dated November 30, 2000, in the original principal amount of the Loan (the "Note"). The Loan will be advanced from time to time under a Construction And Term Loan Agreement between Trustor and Beneficiary dated the Closing Date (the "Loan Agreement").

5. **Amendment to Assignment of Leases.** Recital A of the Assignment of Leases is hereby deleted in its entirety and replaced by the following:

Pursuant to the Renewal and Substitute Promissory Note dated November 30, 2000, in which Assignor appears as "Borrower" and Assignee appears as "Lender" and which is in the original principal amount of Four Million Dollars (\$4,000,000.00) (the "Note"), and pursuant to the Construction And Term Loan Agreement dated the Closing Date wherein Assignor appears as "Borrower" and Assignee appears as "Lender" (the "Loan Agreement"), Assignee has loaned the proceeds of the Note to Assignor.

6. **Amendment to Loan Documents.** The Loan Documents are hereby amended as follows:

a. **Renewal Note.** To the extent not otherwise provided in this Agreement, the Loan Documents are hereby amended to include in the indebtedness secured by the Collateral for the Loan Documents, and any other obligations of Borrower under and pursuant to the Loan Documents,

the Renewal Note (which replaces the Original Note). Lender and Borrower agree and acknowledge that the Renewal Note is secured by the Trust Deed, as amended, supplemented and modified.

b. Amendment to Legal Description of the Property. Borrower and Lender agree and acknowledge that a new legal description of the Property has been obtained since the date of recordation of the Trust Deed and the Assignment of Leases. Therefore, in order to reflect the current and correct legal description of the Property, the Loan Documents, including, without limitation, the Loan Agreement, Trust Deed and Assignment of Leases, are hereby amended by deleting the legal description of the Property contained in the Loan Documents in its entirety and replacing it with the legal description of the Property set forth in Exhibit A attached hereto and incorporated herein by this reference.

c. Change of Lender's Address. The address for Lender contained in all of the notice provisions in the Loan Documents shall be deleted in its entirety and replaced with the following:

Lender: Nevada State Bank
Real Estate Loan Department
1 West Liberty, 2nd Floor
Reno, Nevada 89501
Attn: Richard C. Deglman

d. Amendments. To the extent not otherwise provided in this Agreement, the Loan Documents are hereby amended to be consistent with all of the terms and conditions of this Agreement.

7. Conditions to Loan Modification. This Agreement shall become effective from and after the satisfaction of each of the following conditions to Lender's satisfaction:

a. Prior to or concurrently with the execution of this Agreement, Borrower shall have paid to Lender an amount equal to all legal fees and expenses incurred by Lender in connection with this Agreement.

b. Borrower shall have provided Lender an endorsement to the Title Policy, which endorsement must be acceptable in form and content to Lender and Lender's counsel and must provide that (1) the Trust Deed continues to constitute a first lien against the Property subject only to the exceptions to title listed on Schedule B - Part I of the Title Policy; and (2) the Trust Deed, as amended, supplemented and extended, continues to secure the Renewal Note pursuant to this Agreement.

c. Borrower shall have executed and delivered to Lender this Agreement and the Renewal Note and this Agreement has been recorded in the office of the County Recorder of Douglas County, State of Nevada.

d. Guarantor shall have consented to the modification of the Loan and the execution of this Agreement by Borrower and Lender, by Guarantor executing the form of Consent Agreement attached hereto as Exhibit B and incorporated herein by this reference.

8. **Survival of Obligations; Continuation of Terms of Loan Documents.** Lender and Borrower agree that the Trust Deed, together with all of Borrower's obligations thereunder, shall, except to the extent expressly modified by this Agreement, remain in full force and effect and survive the execution of this Agreement. Except as expressly modified by this Agreement, all terms and conditions of the Loan Documents shall continue in full force and effect.

9. **Execution of Additional Documents.** Borrower hereby agrees to sign such further and additional documents and instruments as Lender may require to give full effect to this Agreement.

10. **Representations, Warranties, Covenants and Agreements.** Borrower represents, warrants, and agrees that the representations, warranties, covenants and agreements of Borrower contained in the Loan Documents (a) are true and accurate as of the date of this Agreement, (b) are hereby remade and reaffirmed by Borrower, and (c) are in full force and effect as of the date of this Agreement, enforceable in accordance with their terms. Borrower further represents and warrants that Borrower is not in default under any of the terms and conditions of the Loan Documents, and no conditions exist which, with the passage of time, the giving of notice, or both, would constitute a default under the Loan Documents.

11. **Defined Terms.** Unless otherwise defined in this Agreement, capitalized terms hereinafter used have the meaning given them in the Loan Agreement.

12. **Governing Law.** This Agreement and all matters relating to this Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Nevada.

13. **Integrated Agreement and Subsequent Amendment.** This Agreement, the Loan Documents, the Renewal Note, and the other agreements, documents, obligations, and transactions contemplated by the Loan Agreement and this Agreement constitute the entire agreement between Lender and Borrower with respect to the subject matter of the agreements, and may not be altered or amended except by written agreement signed by Lender and Borrower. BORROWER IS NOTIFIED THAT THESE AGREEMENTS ARE A FINAL EXPRESSION OF THE AGREEMENTS BETWEEN LENDER AND BORROWER AND THESE AGREEMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY ALLEGED ORAL AGREEMENT.

DATED: November 30, 2000.

BORROWER

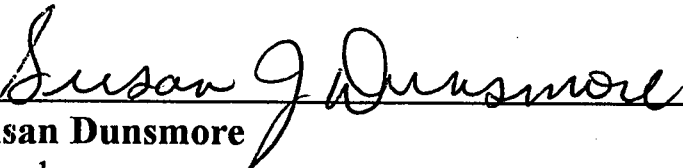
RAJAN II, LLC,
a Nevada limited liability company

By:



Douglas R. Gowland
Member


By:



Susan Dunsmore
Member

By: **Al Shankle Construction Company,**
a California corporation,
Member

By:



Albert R. Shankle
President

LENDER

NEVADA STATE BANK,
a Nevada banking corporation

By:


Richard C. Deglman
Senior Vice President

OHIO
 STATE OF ~~NEVADA~~)
)
 : SS.
 COUNTY OF ~~WASHOE~~)
 Medina

SEAL

The foregoing instrument was acknowledged before me this 30 day of November, 2000, by Douglas R. Gowland, Member of Rajan II, LLC, a Nevada limited liability company.

Valerie Mravec
 NOTARY PUBLIC

My Commission Expires:

Residing At:

~~VALERIE MRAVEC, Notary Public~~
 State of Ohio - Medina County
 My commission expires Feb. 7, 2004

7165 Bear Swamp Wads worth OH 44281

OHIO
 STATE OF ~~NEVADA~~)
)
 : SS.
 COUNTY OF ~~WASHOE~~)
 Medina

SEAL

The foregoing instrument was acknowledged before me this 30 day of November, 2000, by Susan Dunsmore, Member of Rajan II, LLC, a Nevada limited liability company.

Valerie Mravec
 NOTARY PUBLIC

My Commission Expires:

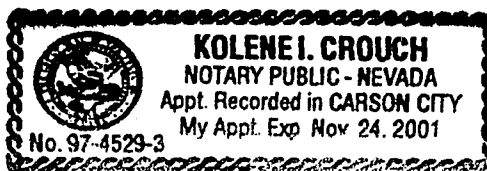
Residing At:

~~VALERIE MRAVEC, Notary Public~~
 State of Ohio - Medina County
 My commission expires Feb. 7, 2004

7165 Bear Swamp, Wads worth OH 44281

STATE OF NEVADA)
)
COUNTY OF WASHOE)

: SS.



The foregoing instrument was acknowledged before me this 30 day of November, 2000, by Albert R. Shankle, President of Al Shankle Construction Company, a California corporation, Member of Rajan II, LLC, a Nevada limited liability company.

Kolene I. Crouch
NOTARY PUBLIC

My Commission Expires:

Nov. 24, 2001

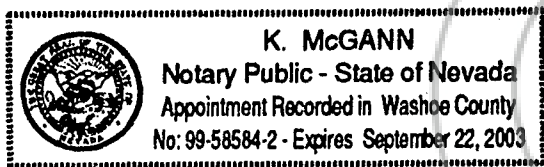
Residing At:

59 Conder Circle, Carson City, NV 89701

STATE OF NEVADA)
)
COUNTY OF WASHOE)

: SS.

The foregoing instrument was acknowledged before me this 12 day of ^{12th} ~~November~~ December, 2000, by Richard C. Deglman, Senior Vice President of Nevada State Bank, a Nevada banking corporation.



K. McGann
NOTARY PUBLIC

My Commission Expires:

9/22/03

Residing At:

Reno, NV

EXHIBIT A

REAL PROPERTY DESCRIPTION

The real property located in Douglas County, State of Nevada, and more particularly described as follows:

A parcel of land located within a portion of Section 8, Township 13 North, Range 20 East, M.D.M., more particularly described as follows:

Commencing at the Northwest corner of Tract 1 as shown on that Record of Survey No. 10 for Meridian Business Park, recorded in the Douglas County Recorder's Office in Book 1197, Page 3233 as Document No. 426476; thence North $89^{\circ}46'14''$ East, 555.05 feet; thence along the arc of a curve to the right having a radius of 60.00 feet, central angle of $90^{\circ}00'00''$ and arc length of 94.25 feet; thence South $00^{\circ}13'48''$ East, 45.86 feet; thence along the arc of a curve to the left having a radius of 17.07 feet, central angle of $45^{\circ}00'00''$ and arc length of 13.41 feet; thence along the arc of a reverse curve to the right having a radius of 17.07 feet, central angle of $45^{\circ}00'00''$ and arc length of 13.41 feet; thence along the arc of a compound curve to the right having a radius of 296.76 feet central angle of $18^{\circ}44'43''$ and arc length of 97.09 feet to the POINT OF BEGINNING; thence along said arc to the right having a radius of 296.76 feet, central angle of $15^{\circ}17'11''$ and arc length of 79.17 feet; thence South $33^{\circ}48'09''$ West, 108.48 feet; thence along the arc of a curve to the left having a radius of 705.00 feet, central angle of $11^{\circ}43'30''$ and arc length of 144.27 feet; thence South $89^{\circ}46'14''$ West, 448.03 feet; thence North $00^{\circ}03'04''$ East, 287.58 feet; thence South $89^{\circ}46'14''$ West, 610.41 feet to the POINT OF BEGINNING.

A.P.N. 1320-08-410-002

A-1

EXHIBIT B

CONSENT AGREEMENT

Albert R. Shankle, Susan J. Shankle, Douglas R. Gowland, Susan Dunsmore, and Al Shankle Construction Company, a California corporation (collectively "Guarantor"), pursuant to a Continuing Guaranty dated May 24, 1999 (the "Guaranty"), jointly and severally have guaranteed the obligations of Rajan II, LLC, a Nevada limited liability company ("Borrower") to Nevada State Bank, a Nevada banking corporation ("Lender"), under a Promissory Note dated May 24, 1999 from Borrower in favor of Lender (the "Original Note"), in the original principal amount of \$3,500,000.00 (the "Loan"), and a Construction And Term Loan Agreement dated May 24, 1999 entered into between Borrower and Lender (the "Loan Agreement"). The Loan Agreement, Original Note, and all other documents defined as Loan Documents in the Loan Agreement, are hereinafter collectively referred to as the "Loan Documents." Capitalized terms hereinafter used have the meaning given them in the Loan Documents.

Lender and Borrower now desire to modify the Loan Documents by Borrower and Lender executing a Loan Modification Agreement dated November 30, 2000 (the "Modification Agreement") and by Borrower executing the Renewal Note, as such term is defined in the Modification Agreement.

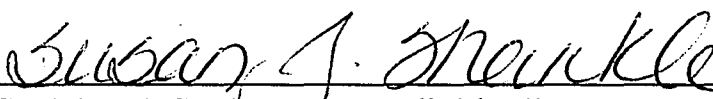
Guarantor has determined that it is in Guarantor's best interest to consent to the execution of the Modification Agreement and acknowledges that Lender is relying upon the consent of Guarantor to the Modification Agreement.

NOW, THEREFORE, for and in consideration of Lender agreeing to amend the Loan Documents in accordance with the terms of the Modification Agreement, Guarantor does hereby consent to the Modification Agreement and does hereby further reaffirm its joint and several guarantee of Borrower's obligations under the Loan Documents, as amended, including, without limitation, Borrower's obligations under the Note, pursuant to the Guaranty.

DATED: November 30, 2000.

GUARANTOR


ALBERT R. SHANKLE, Individually


SUSAN J. SHANKLE, Individually

B-1

Douglas R. Gowlan

DOUGLAS R. GOWLAND, Individually

Susan J. Dunsmore

SUSAN DUNSMORE, Individually

AL SHANKLE CONSTRUCTION COMPANY,
a California corporation

By:

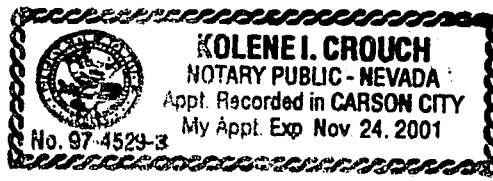
Albert R. Shankle

Albert R. Shankle
President

PRO

CO

STATE OF NEVADA)
)
) : SS.
)
COUNTY OF WASHOE)



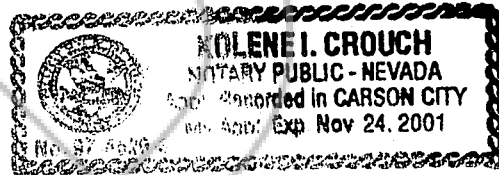
The foregoing instrument was acknowledged before me this 30 day of November, 2000,
by Albert R. Shankle.

Kolene I. Crouch
NOTARY PUBLIC

My Commission Expires:
Nov. 24, 2001

Residing At:
59 Conder Circle, Carson City, NV

STATE OF NEVADA)
)
) : SS.
)
COUNTY OF WASHOE)



The foregoing instrument was acknowledged before me this 30 day of November, 2000,
by Susan J. Shankle.

Kolene I. Crouch
NOTARY PUBLIC

My Commission Expires:
Nov. 24, 2001

Residing At:
59 Conder Circle, Carson City, NV

OHIO
STATE OF ~~NEVADA~~
COUNTY OF ~~WASHOE~~ ^{Medina}

)
: SS.
)

SEAL

The foregoing instrument was acknowledged before me this 30th day of November, 2000, by Douglas R. Gowland.

Valerie Mravec

NOTARY PUBLIC

My Commission Expires:

Residing At:

VALERIE MRAVEC, Notary Public
State of Ohio - Medina County
My commission expires Feb. 7, 2004

7165 Bear Swamp Wadsworth OH 44281

OHIO
STATE OF ~~NEVADA~~
COUNTY OF ~~WASHOE~~ ^{Medina}

)
: SS.
)

SEAL

The foregoing instrument was acknowledged before me this 30th day of November, 2000, by Susan Dunsmore.

Valerie Mravec

NOTARY PUBLIC

My Commission Expires:

Residing At:

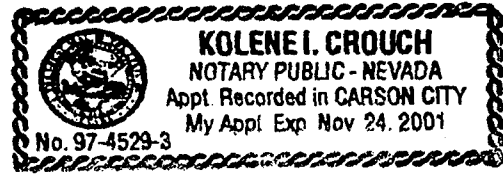
VALERIE MRAVEC, Notary Public
State of Ohio - Medina County
My commission expires Feb. 7, 2004

7165 Bear Swamp Wadsworth OH 44281

STATE OF NEVADA)

: SS.

COUNTY OF WASHOE)



The foregoing instrument was acknowledged before me this 30 day of November, 2000, by Albert R. Shankle, President of Al Shankle Construction Company, a California corporation.

Kolene I Crouch
NOTARY PUBLIC

My Commission Expires:

Residing At:

Nov. 24, 2001

59 Conder Circle, Carson City, NV

COPIES

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 DEC 15 PM 2:45

LINDA SLATER
RECORDER

\$ 20.00 PAID K2 DEPUTY

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BK 1200P63059