

# CHANGE IN TERMS AGREEMENT

2-15-02

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
\$159,119.64	03-14-2001	01-18-2006	260470687	018	66	P0002790	FJG	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Brenda C. Price (SSN: 464-78-3153)  
PO Box 1885  
Taos, NM 87571

**Lender:** Peoples Bank  
Peoples Bank - Albuquerque  
2155 Louisiana NE Suite 1000  
Albuquerque, NM 87110

**Principal Amount:** \$159,119.64

**Interest Rate:** 9.500%

**Date of Agreement:** March 14, 2001

**DESCRIPTION OF EXISTING INDEBTEDNESS.** A Promissory Note dated January 12, 2001 in the amount of \$160,000.00 between Brenda C. Price whose address is PO Box 1885, Taos, NM 87571 AND Peoples Bank located at 1356 Paseo del Pueblo Sur, Taos, NM 87571.

**DESCRIPTION OF COLLATERAL.** A Line-of-Credit Mortgage dated August 18, 1999 and recorded August 25, 1999 in Book M-218, Pages 91-96, in Taos County, NM; a Modification of Mortgage dated September 14, 2000 and recorded September 15, 2000 in Book M-252, Pages 99-101, in Taos County, NM; and a Modification of Mortgage dated January 12, 2001 and recorded January 16, 2001 in Book M-262, Pages 967-969, in Taos County, NM.

**DESCRIPTION OF CHANGE IN TERMS.** To change the payment due date from the 12th day of each month to the 18th day of each month beginning April 18, 2001 and extend the maturity date from January 12, 2006 to January 18, 2006.

**PROMISE TO PAY.** Brenda C. Price ("Borrower") promises to pay to Peoples Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Fifty Nine Thousand One Hundred Nineteen & 64/100 Dollars (\$159,119.64), together with interest at the rate of 9.500% per annum on the unpaid principal balance from March 14, 2001, until paid in full.

**PAYMENT.** Borrower will pay this loan on demand. Payment in full is due immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in 57 regular payments of \$1,683.68 each and one irregular last payment estimated at \$131,333.34. Borrower's first payment is due April 18, 2001, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on January 18, 2006, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Interest on this Agreement is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**PREPAYMENT; MINIMUM INTEREST CHARGE.** In any event, even upon full prepayment of this Agreement, Borrower understands that Lender is entitled to a minimum interest charge of \$50.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples Bank, Peoples Bank - Albuquerque, 2155 Louisiana NE Suite 1000, Albuquerque, NM 87110.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the interest rate on this Agreement 5.000 percentage points. The interest rate will not exceed the maximum rate permitted by applicable law.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due under the Indebtedness.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.**

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance on this Agreement and all accrued unpaid interest