

TO: Linda and Ken (2 Pages)

FROM: Sherrie Gibson

DATE: January 13, 1998

RE: NationsBank Line of Credit increased an additional \$1,000,000

The new promissory note will reflect a floating rate of the one month LIBOR rate (as published in the Wall Street Journal) plus .9 (instead of 1.0). The additional 10 basis points in savings will equate to an average daily LIBOR rate. The bank is not able to offer the daily LIBOR rate because it is not a published rate; therefore, they have compensated by lowering the amount over the rate.

Sally will be forwarding the documents for your signature. We plan to use the increase in the line of credit to pay your estimated taxes due Thursday, January 15th. Sally will draw on the line of credit on Monday, January 19th since the check will be mailed to Austin on Thursday.

Please call me if I can be of further assistance.

Sherrie -
A good piece
of work. After we
have paid our income
taxes, I need to
know what our
remaining borrowing
capacity is.

Ken

1/13/98

Sherrie

GOVERNMENT
EXHIBIT
1038
Crim No. H-04-25 (S-2)

LAY-G34 0693