

045439

## CONTRACT MODIFICATION AGREEMENT

THIS AGREEMENT is made and entered into as of January 5, 1981, by and between JAMES R. LANCASTER and JANICE M. LANCASTER, husband and wife (LANCASTER), and THEODORE T. ANDERSON and LESTER B. JONES, co-partners dba A & J PROPERTIES (A & J).

RECITALS:

A. A & J as Assignor and LANCASTER as Assignee executed Supplemental Escrow Instructions and Contract for Assignment dated May 12, 1980, covering real property in Lake County, Oregon, described in Exhibit "A" attached hereto and made a part hereof as if fully written herein. The same shall be called Contract One.

B. Under Paragraph 2(c) of Contract One, LANCASTER agreed to pay A & J certain sums of money in two funds. FUND I thereof, hereinafter called FUND I, is in the principal amount of \$41,396.30 and is payable in monthly installments of at least \$392.00 each, which includes interest at 11% per annum, with the full balance due January 5, 1981. FUND I is now overdue and has not been paid in full.

C. As and for additional security for the payment of FUND I LANCASTER executed and delivered to A & J an Assignment for Collateral Security dated May 15, 1980, covering certain property in Klamath County, Oregon, hereinafter called Contract Two. Contract Two was recorded in the records of Klamath County, Oregon, in Volume M80, Page 10454, Recorder's No. 85289.

D. FUND I and FUND II of Contract One are collected for the parties by U. S. National Bank of Oregon, Roseburg, Oregon Branch, as their Escrow No. 028-1-05392-6. The remainder of the property, the subject matter of Contract One is collected in escrow by First National Bank of Oregon, Roseburg, Oregon Branch, Escrow No. 8164.

E. Payment of FUND I is overdue. The parties desire to extend and modify the amount of the principal balance and the terms of payment of FUND I. This extension and renewal is made exclusively for the business and agricultural purposes of LANCASTER.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. The recital paragraphs are true.

2. For good and valuable consideration as of January 5, 1981, the parties agree to the following changes as to FUND I:

(a) The balance owing thereunder is increased to \$50,100.00.

(b) The interest rate thereon is increased to 12% per annum.

(c) The installment payments thereunder are changed to \$501.00 each, due on the 15th day of each month, commencing February 15, 1981, and continuing until January 5, 1983, when the entire unpaid balance, both principal and interest, is due in full and will not be refinanced by A & J.

(d) The parties agree that the changes hereto apply to both Contract One and Contract Two, and that the security

granted by LANCASTER to A & J to secure the payment of the original balance of FUND I continues in FUND I as modified hereunder.

(e) Except as herein modified, all terms, conditions and provisions of Contract One and Contract Two remain in full force and effect.

Dated as of the date first hereinabove written.

A & J PROPERTIES

By Theodore T. Anderson  
Theodore T. Anderson

James R. Lancaster  
James R. Lancaster

By Lester B. Jones  
Lester B. Jones

Janice M. Lancaster  
Janice M. Lancaster

STATE OF OREGON )  
County of Douglas ) ss.

February 13, 1981

Personally appeared Theodore T. Anderson and Lester B. Jones, partners doing business as A & J Properties, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

Michael A. Welt  
Notary Public for Oregon  
My Commission Expires: 12-8-84

STATE OF OREGON )  
County of Douglas ) ss.

February 13, 1981

Personally appeared James R. Lancaster and Janice M. Lancaster, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

Michael A. Welt  
Notary Public for Oregon  
My Commission Expires: 12-8-84

Return Todd Key Properties  
1623 NW Estelle  
Roseburg, Or. 97470

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## EXHIBIT "A"

6305

## PARCEL NO. 1:

Township 27 South, Range 16 East of the Willamette Meridian, Section 32: E1/2SW1/4, SE1/4, County of Lake, State of Oregon.

Township 28 South, Range 16 East of the Willamette Meridian, Section 5: Government Lots 1, 2 and 3, S1/2NE1/4, N1/2SE1/4, SW1/4SE1/4, County of Lake, State of Oregon.

## PARCEL NO. 2:

Township 28 South, Range 16 East of the Willamette Meridian, Section 5: SE1/4NW1/4, SW1/4, County of Lake, State of Oregon.

## SUBJECT TO:

- (1) Location of power and telephone lines and public roads as the same may now exist.
- (2) Interest of United States of America, in and to all of the oil, gas, sodium and potash in, on or under the SE1/4NW1/4 and SW1/4 of Section 5, Twp. 28 S., R. 16 E., W. M., reserved under special patent reservations contained in the instrument recorded in Book 136 at Page 381 of the Record of Deeds.
- (3) Interest of United States of America, in and to all of the oil and gas on, in or under the E1/2SW1/4 and S1/2SE1/4 of Section 32, Twp. 27 S., R. 16 E. W. M., reserved under special patent reservations contained in that certain instrument, including the terms and provisions thereof, recorded in Book 124 at Page 373 of the Record of Deeds.
- (4) Rights of way for roads and highways over and across, and all of the coal, oil, gas and minerals on, in or under the S1/2SE1/4 of Section 32, Twp. 27 S., R. 16 E. W.M., and Gov't Lots 1, 2, S1/2NE1/4, N1/2SE1/4 and SW1/4SE1/4 of Section 5, Twp. 28 S., R. 16 E., W. M., reserved by Lake County, Oregon, a municipal corporation, under those certain deeds, including the terms and provisions thereof, recorded in Book 97 at Page 8 and Book 100 at Page 453 of the Record of Deeds.
- (5) Rights of way for roads and highways over and across the N1/2SE1/4 of Section 32, Twp. 27 S, R. 16 E., W. M., reserved by Lake County, Oregon, a municipal corporation, under that certain deed, including the terms and provisions thereof, recorded in Book 120 at Page 121, of the Record of Deeds.
- (6) An outstanding interest in May R. O'Keeffe, for one-half of the minerals on, in or under the S1/2NE1/4 of Section 5, Twp. 28 S., R. 16 E., W. M., reserved under that certain deed, including the terms and provisions thereof, recorded in Book 119 at Page 395 of the Record of Deeds.
- (7) The premises herein have been specially assessed for farm use. If the land becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and penalty, will

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LUOMA, KELLEY &amp; WOLKE

State of OREGON: COUNTY OF KLAMATH: ss.

I hereby certify that the within instrument was received and filed for record on the

8th day of April A.D., 1981 at 11:02 o'clock A.M., and duly recorded in

Vol M81 of Deeds on page 6303.

EVELYN DIEHN  
COUNTY CLERK

Fee \$ 10.50

By Debra A. Gwyn deputy