

65911

When recorded, please mail to:
Doane-Western Company
P.O. Box 1331
Reno, Nevada 89504

Vol. M84 Page 16528

'86 SEP 12 PM 3 59

K-37201
MODIFICATION AGREEMENT

INA LIFE INSURANCE COMPANY, as the owner and holder of the Note for \$600,000.00 secured by that certain Mortgage:

Dated : September 18, 1984
Amount : \$600,000.00
Mortgagor : SYCAN RIVER RANCH PARTNERSHIP
Trustee : Nevada Title Guaranty Company
Mortgagee : INA Life Insurance Company
Recorded : September 26, 1984 in Volume M84, Page 16690 as Document No. 41626, Official Records, Klamath County, Oregon; and re-recorded in Volume M85, Page 1304 as Document No. 45298, Klamath County, Oregon;

and the undersigned Mortgagor and the subordinate lienholder, hereby agree that the obligation of the Note be, and hereby is modified as follows:

1. The interest rate shall be changed to 10.50% per annum with penalty interest accruing at 16.50% per annum on default items and advances.
2. Principal payments of \$15,000.00 together with accrued interest shall be paid semi-annually on January 1 and July 1 each year beginning July 1, 1986 and semi-annually thereafter. The entire unpaid principal balance and accrued interest shall be due and payable on September 26, 1989, together with all other indebtedness which, by the terms of said Note and Mortgage, become due and payable on such date.

The provisions of the Note, except as modified herein, and the Mortgage, shall remain in force and effect.

Entered into this 8th day of August, 1986.

INA LIFE
INSURANCE COMPANY,
a California corporation
BY: CIGNA Investments, Inc.

SYCAN RIVER RANCH
PARTNERSHIP

BY: John R. Schumann
John R. Schumann, Vice President
Mortgagee

BY: William J. Pendola, Jr.
William J. Pendola, Jr.

GUARANTORS

BY: William J. Pendola, Jr.
William J. Pendola, Jr.

BY: Margaret R. Pendola
Margaret R. Pendola

BY: Margaret R. Pendola
Margaret R. Pendola

Mortgagor

FIRST INTERSTATE BANK OF CALIFORNIA, hereby consents to the foregoing modification and to the continued subordination of their Mortgage recorded July 1, 1985 in the amount of \$451,862.00 in Volume M85, Page 10131 Official Records as Document No. 50552, Klamath County, Oregon to the Mortgage securing the obligation as modified.

FIRST INTERSTATE BANK OF CALIFORNIA

BY: [Signature]

Subordinate Lienholder

16530

STATE OF CONNECTICUT:)
COUNTY OF HARTFORD:) ss.

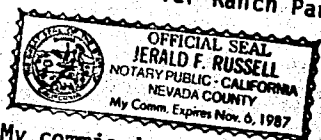
On August 8, 1986, before me, a Notary Public, personally appeared John R. Schumann, who acknowledged that he is the Vice President of CIGNA Investments, Inc., executing documents on behalf of INA Life Insurance Company, a California Corporation.

Mary E. Hanley
Mary E. Hanley, Notary Public

My commission expires: March 31, 1989

STATE OF California)
COUNTY OF Nevada) ss.

On August 21, 1986, before me, a Notary Public, personally appeared William J. Pendola, Jr., who acknowledged that he executed the above instrument on behalf of Sycan River Ranch Partnership.

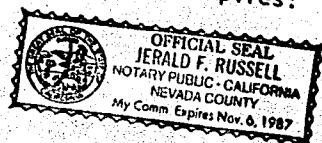


Jerald F. Russell
Notary Public

My commission expires: Nov. 6, 1987

STATE OF California)
COUNTY OF Nevada) ss.

On August 21, 1986, before me, a Notary Public, personally appeared Margaret R. Pendola, who acknowledged that she executed the above instrument on behalf of Sycan River Ranch Partnership.



Jerald F. Russell
Notary Public

My commission expires: Nov. 6, 1987

STATE OF CALIFORNIA

COUNTY OF NEVADA



This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either express or implied as to the legal validity of any provision or the suitability of these forms in any specific transaction.

Cowdery's Form No. 32 — Acknowledgement to Notary Public — Individuals — (C.C. Sec. 1189) — (Rev. 1/83)

On this 22ND day of AUGUST, in the year 1986

CAMILLA M. BURKE, before me,

duly commissioned and sworn, personally appeared

WILLIAM F. ASTLE

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name IS

subscribed to this instrument, and acknowledged that he executed it.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the CITY OF GRASS VALLEY County of

NEVADA

on the date set forth above in this certificate.

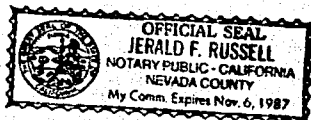
Camilla M. Burke
Notary Public, State of California
My commission expires 09-26-88

STATE OF California

COUNTY OF Nevada

On August 21, 1986

, 1986, before me, a Notary Public, personally appeared William J. Pendola Jr., who acknowledged that he executed the above instrument as a Guarantor.



Jerald F. Russell
Notary Public

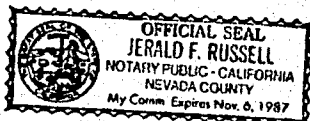
My commission expires: Nov. 6, 1987

STATE OF CALIFORNIA

COUNTY OF NEVADA

On August 26

, 1986, before me, a Notary Public, personally appeared Margaret R. Pendola, who acknowledged that she executed the above instrument as a Guarantor.



Jerald F. Russell
Notary Public

My commission expires: Nov. 6, 1987

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of September A.D., 19 86 at 3:59 o'clock P. M., and duly recorded in Vol. 186 day
of Mortgages on Page 16528

FEE \$17.00

Evelyn Biehn, County Clerk
By Phyllis Smith