

THIS AGREEMENT, made and entered into this 11th day of August, 1961 by and between OZRO J. BARNARD, also known as O. J. Barnard, a single man, of Washougal, Washington, herein known as "first party", and FRANK P. TRACY and EVELYNNE H. TRACY, husband and wife, of Portland, Oregon, herein known as "second parties".

WITNESSETH: Whereas, on or about the 23rd day of February, 1960, the second parties made a loan to the first party in the amount of \$5500.00 and, in order to provide for re-payment of said loan and to give the second parties security for such re-payment, the first party made, executed and delivered to the second parties his written promissory note dated February 23rd, 1960 providing that he would pay said sum in yearly installments of not less than \$1375.00 each plus the accrued interest on deferred installments at the rate of 8 per cent per annum, and at the same, he made, executed and delivered to the second parties a mortgage upon certain real property particularly mentioned herein and described as follows:

A certain portion of the North Half of the Northeast Quarter (N $\frac{1}{2}$ NE) and the East Half of the Northwest Quarter (E $\frac{1}{2}$ NW $\frac{1}{2}$), of Section Six (6), Township 1 North, Range 5 East, W. M., in the County of Skamania and State of Washington;

which mortgage was, on the 24th day of February, 1960, recorded in the Record of Mortgages for said county and state in Book 37, at page 234, and reference to said recorded mortgage is hereby made for the purpose of showing the exact description of said real property; and, Whereas, the first party has paid a certain amount upon said note and thereby reducing the unpaid principal thereof to \$4125.00 and he has paid the interest thereon to February 23, 1961; and

WHEREAS, the first party is desirous of obtaining from the second parties, at this time, a loan in the amount of \$1500.00 to be added to the aforementioned unpaid principal of \$4125.00 and the second parties will extend such loan to him.

NOW, in consideration of said loan of Fifteen Hundred Dollars (\$1500.00) by the second parties to the first party at this time, it is agreed by and between said parties as follows:

(1) That said written promissory note and mortgage shall be altered and modified so as to provide for an unpaid principal thereof in the amount of \$5625.00 in lieu of the principal balance of \$4125.00