DELAWARE COUNTY IOWA
FILED
1998 SEP 15 AM 10: 11
BOOK 142 PAGE 19
DEBORAH L. HYTON
DELAWARE CO. RECORDER
11.00

Jason P. Else, P.O. Box 185, Delhi, Iowa 52223 319-922-2174

August 14, 1998

PROMISSORY NOTE AND MORTGAGE EXTENSION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, it is hereby agreed that a certain Promissory Note dated July 10, 1992 with a due date of July 10, 1995 in the face amount of $66,500.00 and signed by James G. Graham and Sandra A. Graham ("Borrowers") which has a present principal balance of $51,061.94 and a Mortgage dated July 10, 1992 and recorded July 13, 1992, in Book 116, page 168, Real Estate Records of Delaware County, shall be extended and revised as follows:

1. On August 14, 1998, Borrower shall pay Heritage Bank the sum of $690.00 to be applied to pay the accrued interest amount of $480.40 on the Promissory Note with the remainder to be applied on the principal balance of the Promissory Note.

2. Commencing August 14, 1998 the principal balance on the Promissory Note shall bear interest at the rate of 8.25% per annum with interest computed on the outstanding principal balance on the basis of a 365 day year for the actual number of days elapsed. All payments received shall be applied first to interest accrued and due, and the remainder, if any, to reduction of principal. All prepayments of principal, at the option of the holder of the Promissory Note, shall be applied in inverse order of maturity.

3. Payments of principal and interest shall be paid monthly beginning September 10, 1998 and continuing on the same day of the month each month thereafter until July 10, 2002 when all accrued interest and unpaid principal shall become due and payable. The monthly payment shall be in an amount of $690.00

4. This agreement is an extension and revision only and is not a novation, and, except as provided in this Agreement, all the terms and conditions of the Promissory Note and the Mortgage shall remain in full force and effect.

5. The undersigned acknowledge receipt of a copy of this Agreement.

IMPORTANT: READ BEFORE SIGNING, THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY BE LEGALLY ENFORCED.

DATE 9-15-98 BOOK 142 PAGE 19

EITHER PARTY MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.

James G. Graham

Sandra A. Graham

HERITAGE BANK

By: _____

STATE OF IOWA

COUNTY OF Delaware

This instrument was acknowledged before me on 9/4 1998 by James G. Graham and Sandra A. Graham

JASON P. ELSE
MY COMMISSION EXPIRES
8/31/2001

- Notary Public in and for the State of Iowa

STATE OF IOWA

COUNTY OF DELAWARE

This instrument was acknowledged before me on 9/14, 1998, by Jason P. Else, Executive Vice President of Heritage Bank.

Cynthia L. Orr
EXPIRES
1999

CYNTHIA L. O
MY COMMISSION EX
October 6, 1999

- Notary Public in and for the State of Iowa