DELAWARE COUNTY IOWA
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1999 MR 31 PM 2:37

BOOK 144 PAGE 1097
RECORDED
DELAWARE CO. RECORDER

Cynthia L. Orr, P.O. Box 185, Delhi, Iowa 52223 319-922-2174

March 1, 1999

PROMISSORY NOTE AND MORTGAGE EXTENSION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, it is hereby agreed that a certain Promissory Note dated February 24, 1994 with a due date of February 24, 1999 in the face amount of $43,500.00 and signed by Kenneth C. Schwarzhoff and Elaine A. Schwarzhoff ("Borrowers") which has a present principal balance of $26,512.58 and a Mortgage dated February 24th 1994 and recorded February 28, 1994 in Book 122, page 138, Real Estate Records of Delaware County, shall be extended and revised as follows:

1. On March 1, 1999, Borrower shall pay Heritage Bank the sum of $527.73 to be applied to pay the accrued interest amount of $164.93 on the Promissory Note with the remainder to be applied on the principal balance of the Promissory Note.

2. Commencing March 1, 1999 the principal balance on the Promissory Note shall bear interest at the rate of 8.00% 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 April 1, 1999 and continuing on the same day of the month each month thereafter until May 1, 2004 when all accrued interest and unpaid principal shall become due and payable. The monthly payment shall be in an amount of $527.73.

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.

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

Kenneth C. Schwarzhoff

Elaine A. Schwarzhoff

HERITAGE BANK

By: _____

STATE OF IOWA

COUNTY OF Delaware

On this 6th day of March, 1999, before me, a Notary Public in the State of Iowa, personally appeared Kenneth C. Schwarzhoff and Elaine A. Schwarzhoff, to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

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 3-6, 1999, by Jason P. Else, Executive Vice President of Heritage Bank.

[illegible] L. OLIN
[illegible] EXPIRES
[illegible] 1999

_____
- Notary Public
in and for the State of Iowa