DELAWARE COUNTY IOWA
FILED
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BOOK 2000 PAGE 224
DEBORAH L. PLYTON
DELAWARE CO. RECORDER
11.00

(X) Cynthia L. Orr, P.O. Box 185, Delhi, Iowa 52223 319-922-2174
James Pugmire 20824 262nd St. Delhi, Ia 52223

December 28, 1999

PROMISSORY NOTE AND MORTGAGE EXTENSION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, it is hereby agreed that a certain Promissory Note dated December 28, 1993 with a due date of December 28, 1999 in the face amount of $35,000.00 and signed by James W. Pugmire and Jacqueline L. Newton ("Borrowers") which has a present principal balance of $26,238.10 and a Mortgage dated December 28, 1993 and recorded January 13, 1994 in Book 122, page 4, Real Estate Records of Delaware County, all be extended and revised as follows:

1. On December 28, 1999, Borrower shall pay Heritage Bank the sum of $344.76 to be applied to pay the accrued interest amount of $180.92 on the Promissory Note with the remainder to be applied on the principal balance of the Promissory Note.

2. Commencing December 28, 1999 the principal balance on the Promissory Note shall bear interest at the rate of 8.50% 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 January 28, 2000 and continuing on the same day of the month each month thereafter until December 28, 2002 when all accrued interest and unpaid principal shall become due and payable. The monthly payment shall be in an amount of $344.76.

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.

James W. Pugmire

Jacqueline L. Newton

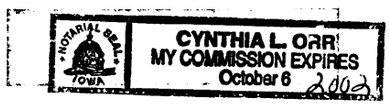
HERITAGE BANK

By: _____

STATE OF IOWA

COUNTY OF Delaware

On this 28th day of December 1999, before me, a Notary Public in the State of Iowa, personally appeared James W. Pugmire & Jacqueline L. Newton, 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.

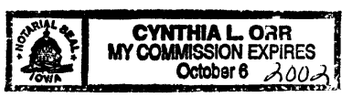


_____ - Notary Public
in and for the State of Iowa

STATE OF IOWA

COUNTY OF DELAWARE

This instrument was acknowledged before me on 1-18, ~~1999~~ 2000, by Jason P. Else, Executive Vice President of Heritage Bank.



_____ - Notary Public
in and for the State of Iowa