Prepared By: Jerry Burke, Peoples State Bank, Manchester, IA 52057 927-8019

RECORDATION REQUESTED BY:
Peoples State Bank
1218 West Main Street
Manchester, IA 52057

WHEN RECORDED MAIL TO:
Peoples State Bank
1218 West Main Street
Manchester, IA 52057

SEND TAX NOTICES TO:
Peoples State Bank
1218 West Main Street
Manchester, IA 52057

DELAWARE COUNTY IOWA
FILED
2001 FE -5 PM 2:41
BOOK 201 PAGE 36
DEBORAH L. FEYTON
DELAWARE CO. RECORDER
11.00

FOR RECORDER'S USE ONLY

MODIFICATION OF MORTGAGE

THIS MODIFICATION OF MORTGAGE dated January 1, 2001, is made and executed between Pete Hilton Smith and Judy E. Smith; Husband and Wife (referred to below as "Grantor") and Peoples State Bank, whose address is 1218 West Main Street, Manchester, IA 52057 (referred to below as "Lender").

MORTGAGE. Lender and Grantor have entered into a Mortgage dated December 30, 1997 (the "Mortgage") which has been recorded in Delaware County, State of Iowa, as follows:

Recorded December 31, 1997 Office of Delaware Couty Recorder in Book 46 Page174.

REAL PROPERTY DESCRIPTION. The Mortgage covers the following described real property located in Delaware County, State of Iowa:

Lot Two Hundred Eleven (211), Original Town of manchester, Iowa

The Real Property or its address is commonly known as 405 East Delaware, Manchester, IA 52057.

MODIFICATION. Lender and Grantor hereby modify the Mortgage as follows:

The mortgage Maturity Dated is extended to January 1, 2004.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Mortgage (the "Note"). It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Mortgage does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF MORTGAGE AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF MORTGAGE IS DATED JANUARY 1, 2001.

GRANTOR ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS MODIFICATION OF MORTGAGE AND ALL OTHER DOCUMENTS RELATING TO THIS DEBT.

This Notice is required by Iowa law. In this Notice the term "you" means the Grantor named above.

NOTICE TO CONSUMER: 1. Do not sign this paper before you read it. 2. You are entitled to a copy of this paper. 3. You may prepay the unpaid balance at any time without penalty and may be entitled to receive a refund of unearned charges in accordance with law.

GRANTOR:

X Pete H. Smith
Pete Hilton Smith, Individually

X Judy E. Smith
Judy E. Smith, Individually

LENDER:

X Jerry Burke
Authorized Signer

NOTICE OF WAIVER OF HOMESTEAD EXEMPTION

GRANTOR UNDERSTANDS THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE, AND THAT BY SIGNING THIS MODIFICATION, GRANTOR VOLUNTARILY GIVES UP GRANTOR'S RIGHT TO THIS PROTECTION FOR THIS MORTGAGED PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS MODIFICATION. DATED January 1, 2001.

GRANTOR:

X _____
Pete Hilton Smith, Individually

X _____
Judy E. Smith, Individually

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA)
) **SS**
COUNTY OF DELAWARE)

On this 1 day of February, A.D., 20 01, before me, a Notary Public in and for said County and State, personally appeared **Pete Hilton Smith; Judy E. Smith,** to me known to be the persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

_____
Notary Public in the State of
Iowa

LENDER ACKNOWLEDGMENT

STATE OF IOWA)
) **SS**
COUNTY OF DELAWARE)

On this 1st day of February, A.D., 20 01, before me, the undersigned Notary Public in said County and State, personally appeared Jerry Burke and known to me to be the Vice President, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Richard E. McMath **Residing at** Manchester, IA 52057

Notary Public in and for the State of IA **My commission expires** 12-15-02

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA)
) **SS**
COUNTY OF DELAWARE)

On this 1st day of February, A.D., 20 01, before me, a Notary Public in and for said County and State, personally appeared **Pete Hilton Smith; Judy E. Smith,** to me known to be the persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

_____
Notary Public in the State of
Iowa

[LASER PRO Lending, Reg. U.S. Pat. & T.M. OFF., Ver. 5.11.00.06 (c) 1997,2001 CFI ProServices, Inc. All Rights Reserved. - IA F:\WINLP\CFI\LPL\G201.FC TR-70907 PR-25]