DELAWARE COUNTY IOWA
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BOOK 2002 PAGE 926
DEBORAH L. PEYTON
DELAWARE CO. RECORDER

11.00

Kenneth W. Harder, P.O. Box 185, Delhi, Iowa 52223 319-922-2174

March 14, 2002

PROMISSORY NOTE AND MORTGAGE EXTENSION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, it is hereby agreed that a certain Promissory Note dated May12, 1997 with a due date of May 12, 2002 in the face amount of $105,000.00 and signed by William E. Gearhart and Diane M Gearhart ("Borrowers") which has a present principal balance of $91,582.78 and a Mortgage dated May 12, 1997 and recorded May 21, 1997 in Book 134, page 201 , Real Estate Records of Delaware County, all be extended and revised as follows:

1. On March 14, 2002 Borrower paid Heritage Bank the sum of $46.41 to be applied to pay the accrued interest amount of $46.41 due on the Promissory Note.

2. Commencing March 14, 2002 the principal balance on the Promissory Note shall bear interest at the rate of 7.125% 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 12, 2002 and continue on the same day of the month each month thereafter until March 12, 2007 when all accrued interest and unpaid principal shall become due and payable. The monthly payment shall be in the amount of $961.28.

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.

William E. Gearhart

Diane M Gearhart

HERITAGE BANK

By: _____

STATE OF IOWA
COUNTY OF Delaware

On this _14TH__ day of _MARCH,_2002_, before me, a Notary Public in the State of Iowa, personally appeared William E. Gearhart and Diane M. Gearhart, 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.

KENNETH W. HARDER
Commission Number 711158
MY COMMISSION EXPIRES
JULY 6, 2004

Kenneth W. Harder - Notary Public
in and for the State of Iowa

STATE OF IOWA
COUNTY OF DELAWARE

This instrument was acknowledged before me on March 14, 2002, by Kenneth W. Harder, Vice President of Heritage Bank.

CYNTHIA L. ORR
Commission Number 171430
MY COMMISSION EXPIRES
OCTOBER 6, 2003

- Notary Public
in and for the State of Iowa