DELAWARE COUNTY IOWA
FILED
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BOOK 2004 PAGE 1996
DEBORAH L. PETTON
DELAWARE CO. RECORDER
16.00

Cindy Orr, Heritage Bank, P.O. Box 185, Delhi, Iowa 52223 563-922-2174

May 17, 2004

PROMISSORY NOTE AND MORTGAGE EXTENSION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, it is hereby agreed that a certain Promissory Note dated May 4, 1998 with a due date of May 4, 2004 in the face amount of $27,000.00 and signed by Gloria M. Howe ("Borrower") which has a present principal balance of $18,309.60 and a Mortgage dated May 4, 1998 and recorded May 8, 1998 in Book 140, page 57, Real Estate Records of Delaware County, shall be extended and revised as follows:

1. On May 17, 2004 Borrower shall pay Heritage Bank the sum of $118.93to be applied to pay the accrued interest amount of $118.93 on the Promissory Note.

2. Commencing May 17, 2004 the principal balance on the Promissory Note shall bear interest at the rate of 6.50% 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 June 4, 2004 and continuing on the same day of the month each month thereafter until May 4, 2009 when all accrued interest and unpaid principal shall become due and payable. The monthly principal and interest payment shall be in an amount of $254.28.

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.

Gloria M. Howe
Gloria Howe

HERITAGE BANK
By: Cynthia L. Orr

STATE OF IOWA

COUNTY OF Delaware

On this 17th day of May, 2004, before me, a Notary Public in the State of Iowa, personally appeared Gloria Howe, 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.

Cynthia L. Orr
- Notary Public in and for the State of Iowa

CYNTHIA L. ORR
Commission Number 171430
MY COMMISSION EXPIRES
OCTOBER 6, 2005

STATE OF IOWA

COUNTY OF Delaware

On this 17 day of May, 2004, before me, a Notary Public in the State of Iowa, personally appeared Cynthia L. Orr, to me known to be the person(s) authorized by said corporation to execute the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Jean A. Kuehl
- Notary Public in and for the State of Iowa

JEAN A. KUEHL
Commission Number 177773
My Commission Expires
1/27/07