DELAWARE COUNTY IOWA
FILED
2004 OCT 25 AM 9:
BOOK 2004 PAGE 4005
DEBORAH L. HEYTON
DELAWARE CO RECORDER
13.00

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

October 18, 2004

PROMISSORY NOTE AND MORTGAGE EXTENSION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, it is hereby agreed that a certain Promissory Note dated October 15, 2001 with a due date of October 19, 2004 in the face amount of $42,700.00 and signed by David L. Hunter and Dawn S. Hunter ("Borrowers") which has a present principal balance of $41,431.62 and a Mortgage dated October 15, 2001 and recorded October 23, 2001 in Book 2001, page 3781, Real Estate Records of Delaware County, shall be extended and revised as follows:

1. On October 18, 2004 Borrower shall pay Heritage Bank the sum of $400.20 to be applied to pay the accrued interest amount of $262.67 on the Promissory Note, $63.38 to escrow and the remainder to be applied on the principal balance of the Promissory Note.

2. Commencing October 18, 2004 the principal balance on the Promissory Note shall bear interest at the rate of 8.25% 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, then to escrow portion of payment 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, interest and escrow shall be paid monthly beginning November 19, 2004 and continuing on the same day of the month each month thereafter until October 19, 2007 when all accrued interest and unpaid principal shall become due and payable. The monthly payment shall be in an amount of $392.98 of which $336.82 shall be for principal and interest and $56.16 will go into escrow for property taxes.

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.

David L. Hunter

Dawn Hunter
Dawn S. Hunter

HERITAGE BANK
By: Cynthia L. Orr

STATE OF IOWA

COUNTY OF Delaware

On this 18th day of October, 2004, before me, a Notary Public in the State of Iowa, personally appeared David L. Hunter and Dawn S. Hunter 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.

DIANE NORDMANN
Commission Number 725507
My Commission Expires
November 13, 2006

Diane Nordmann
- Notary Public in and for the State of Iowa

STATE OF IOWA
COUNTY OF DELAWARE

This instrument was acknowledged before me on October 20th, 2004, by Cynthia L. Orr, Vice President of Heritage Bank.

LINDA J JAY
Commission Number 129134
MY COMMISSION EXPIRES
February 18, 2005

Linda Jay
-Notary Public in and for the State of Iowa