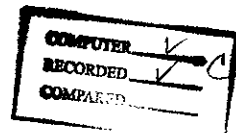


MICHELLE "MICKI" UTSLER, COUNTY RECORDER
 MADISON IOWA

✓ This document was prepared by: First American Bank - DEBRA MCCALLEY PO Box 71156 Clive, IA 50325 (515)226-9998



MODIFICATION AND EXTENSION OF MORTGAGE

BORROWER KAUSALIK INTEGRATED DAYCARE SERVICES, L.C. FIRST STEPS CHILD CARE CENTER, L.C.	MORTGAGOR KAUSALIK INTEGRATED DAYCARE SERVICES, L.C.
ADDRESS 95 LAUREL STREET WAUKEE, IA 50263	ADDRESS 95 LAUREL STREET WAUKEE, IA 50263
TELEPHONE NO. IDENTIFICATION NO.	TELEPHONE NO. IDENTIFICATION NO.
ADDRESS OF REAL PROPERTY: 1609 N. JOHN WAYNE DRIVE WINTERSET, IA 50273	

THIS MODIFICATION AND EXTENSION OF MORTGAGE, dated the 9th day of February, 2005, is executed by and between the parties identified above and **FIRST AMERICAN BANK, 12333 UNIVERSITY AVE, CLIVE, IA 50325**

(“Lender”).
 A. On November 16, 2004, Lender made a loan (“Loan”) to Borrower evidenced by Borrower’s promissory note or agreement (“Note”) payable to Lender in the original principal amount of Two Hundred Sixty Thousand Eight Hundred Eighty Three and no/100 Dollars (\$ 260,883.00), which Note is secured by a mortgage (“Mortgage”) dated November 16, 2004, executed by Mortgagor for the benefit of Lender and encumbering the real property described on Schedule A (“Property”), and recorded on November 23, 2004 as Instrument No. _____, or in Volume 2004 at Page 5534 of the records of the Recorder of Madison County, Iowa. The Note and Mortgage and any other related documents are hereafter cumulatively referred to as the “Loan Documents.”

B. The Note and Mortgage are hereby modified as follows:

1. **TERMS OF REPAYMENT.**

The maturity date of the Note is extended to February 15, 2020, at which time all outstanding sums due to Lender under the Note shall be paid in full, and the Mortgage is modified accordingly.

2. **ADDITIONAL MODIFICATIONS.**

The Note and Mortgage are further modified as follows:
INCREASE MORTGAGE AMOUNT TO \$266,883.00

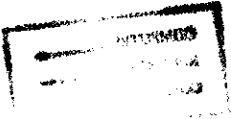
C. **Additional Representations, Warranties and Agreements.**

Mortgagor represents and warrants that Mortgagor owns the property free and clear of any liens or encumbrances other than the liens described on Schedule B below. Except as expressly modified herein, all terms and conditions of the Loan Documents shall remain in full force and effect. The parties hereby adopt, ratify and confirm these terms and conditions as modified. Borrower and Mortgagor agree to execute any additional documents which may be required by Lender to carry out the intention of this Agreement. As of the date of this Agreement, there are no claims, defenses, setoffs or counterclaims of any nature which may be asserted against Lender by any of the undersigned.

SCHEDULE A

The following described real property located in the County of Madison, State of Iowa:

PARCEL "J" IN LOT ONE (1) C & C ALLEN'S ADDITION, CITY OF WINTERSSET, MADISON COUNTY, IOWA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF LOT 1, C & C ALLEN'S ADDITION, CITY OF WINTERSSET, MADISON COUNTY, IOWA; THENCE SOUTH 89 DEGREES 20' 55" EAST 405.84 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 00 DEGREES 47' 43" EAST 119.85 FEET ALONG THE EAST LINE OF SAID LOT 1; THENCE SOUTH 89 DEGREES 57' 56" WEST 407.50 FEET TO A POINT ON THE WEST LINE OF SAID LOT 1; THENCE NORTH 00 DEGREES 00' 43" EAST 124.70 FEET TO THE POINT OF BEGINNING CONTAINING 1.141 ACRES.



SCHEDULE B

MORTGAGOR: KAUSALIK INTEGRATED DAYCARE SERVICES, L.C.

By: *Philip Kausalik*
PHILIP KAUSALIK
MEMBER
MORTGAGOR:

MORTGAGOR: KAUSALIK INTEGRATED DAYCARE SERVICES, L.C.

By: *Ruth M. Kausalik*
RUTH M. KAUSALIK
MEMBER
MORTGAGOR:

MORTGAGOR:

MORTGAGOR

MORTGAGOR:

MORTGAGOR:

LENDER: FIRST AMERICAN BANK

By: *Scott W. Gadelmann*
Scott W. Gadelmann
Vice President

ACKNOWLEDGMENTS

The following acknowledgments are given in reference to:

CORPORATE ACKNOWLEDGMENT

STATE OF IOWA)

COUNTY OF POLK) SS:

On this 11th day of February, 2005, before me, the undersigned, a Notary Public in and for said county and state, personally appeared Scott W. Geadelmann

to me personally known, who being by me duly sworn, did say that they are the Vice President

respectively, of said corporation executing the within and foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Scott W. Geadelmann

as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.



Marcia L. Pepper, Notary Public in and for said County and State

STATE OF)

COUNTY OF) SS:

On this day of , before me, the undersigned, a Notary Public in and for said county and state, personally appeared

to me personally known, who being by me duly sworn, did say that they are the

respectively, of said corporation executing the within and foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said

as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

, Notary Public in and for said County and State

STATE OF)

COUNTY OF) SS:

On this day of , before me, the undersigned, a Notary Public in and for said county and state, personally appeared

to me personally known, who being by me duly sworn, did say that they are the

respectively, of said corporation executing the within and foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said

as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by them voluntarily executed.

, Notary Public in and for said County and State

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF IOWA)

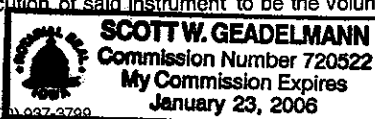
COUNTY OF POLK) SS:

On this 11th day of February, 2005, before me, the undersigned, a Notary Public in and for said county and state, personally appeared PHILIP KAUSALIK AND RUTH M. KAUSALIK

to me personally known, who being by me duly sworn, did say that they are/that person is MEMBERS

of said limited liability company executing the within and foregoing instrument; that said instrument was signed on behalf of said limited liability company by authority of its Managers; and that the said MEMBERS

acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.



Scott W. Geadelmann, Notary Public in and for said County and State