

MODIFICATION OF NOTE AND MORTGAGE

MORTGAGE Modification Agreement made February 20, 19 95, by and between  
Charles I. Noonan and Mary L. Noonan (herein "Borrower") and Homeland Bank, Indianola, Iowa (herein "Lender").

RECITALS:

1. Borrower is the mortgagor or an Obligor and Lender is the Mortgagee of a mortgage dated July 25, 19 94, which mortgage originally secured payment of a loan in the amount of \$ 75,000.00 plus interest at the rate of 8.75 % per annum as evidenced by a Note dated July 25, 19 94 executed by Borrower.

2. The mortgage is recorded in the office of the Recorder of Madison County, Iowa in Book 173 of Mortgages at Page 350 and is on real estate situated in Madison County, described as follows:

A tract commencing at the Southeast corner of Lot 6 of Depot Addition to the City of Winterset, Madison County, Iowa, and running thence North 148 1/2 feet, thence West 90 feet, thence South 148 1/2 feet, thence East 90 feet to the place of beginning.

3. Borrower and Lender desire that the Mortgage and Note be modified as herein provided but that all terms not so modified remain unchanged and in full force and effect.

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is agreed:

1. AMOUNT DUE: Borrower acknowledges there is as of this date due and owing on the aforesaid Mortgage and Note the principal balance of \$ 75,000.00 plus accrued interest.

2. PAYMENT SCHEDULE: The payment schedule provided in said Note is hereby modified so that payments of principal and interest shall be made as follows:

240 monthly payments of \$ 663.27 beginning April 1, 19 95 and a like amount on the 1st day of each month thereafter until this note is paid in full. Any amount which remains unpaid on March 1, 20 15 shall become due and payable. An unpaid balance of approximately \$ \_\_\_\_\_ will be due at that time. Option to pay additional amount at any time without penalty.

3. RATE: The interest rate provided in the Note is hereby modified to be 8.75 % per annum. Interest is paid to February 20, 19 95.

DISCLOSURE STATEMENT

Amount Extended \$ \_\_\_\_\_  
**FINANCE CHARGE** \$ \_\_\_\_\_  
Total of Payments \$ \_\_\_\_\_  
**ANNUAL PERCENTAGE RATE** \_\_\_\_\_%

This shall now be an adjustable rate note. See attached rider for adjustable rate provisions.

4. OTHER MODIFICATIONS: The final maturity date of said mortgage shall now be March 1, 2015.

5. WARRANTY: Borrower covenants and warrants that the said mortgage is a first lien upon the real estate described above.

6. NO OTHER MODIFICATION: Except as provided above, the said Mortgage and note and all provisions thereof shall remain unaffected and unchanged by this agreement and all terms, conditions, and provisions of said Note and mortgage not modified are hereby satisfied and confirmed in all respects, and Borrower promises to pay the aforesaid sum with interest and in the manner stated above.

IN WITNESS WHEREOF, the parties have executed this instrument, and acknowledge receipt of the Disclosure Statement.

Date February 20, 1995

Charles I. Noonan  
Charles I. Noonan  
Mary L. Noonan  
Mary L. Noonan

HOMELAND BANK

by: Nancy K. Onstot  
Nancy K. Onstot, Vice President  
by: Keith L. Wright  
Keith L. Wright, Vice President

STATE OF IOWA:  
COUNTY OF WARREN: SS:

On this 20th day of February, 19 95, before me, a Notary Public in and for the Sate of Iowa personally appeared Charles I. Noonan and Mary L. Noonan known to be the identical person(s) named in and who executed the foregoing instrument and acknowledged that he/she/they executed the same as (his/her/their) voluntary act and deed.

Nancy K. Onstot  
Notary Public in and for said County & State  
Nancy K. Onstot

ACKNOWLEDGEMENT

STATE OF IOWA:  
COUNTY OF WARREN: SS:

On this 20th day of February, 19 95, before me, a Notary Public, personally appeared Nancy K. Onstot and Keith L. Wright to me personally known, who being duly sworn did say that they are Vice President and Vice President respectively of said corporation, that the seal affixed to said instrument is the seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and the said Nancy K. Onstot and Keith L. Wright acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

Becky Young  
Becky Young, Notary Public in the State of Iowa

ADJUSTABLE RATE RIDER

ORIGINAL

THIS ADJUSTABLE RATE RIDER is made this 20TH day of FEBRUARY, 1995 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to HOMELAND BANK, ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF IOWA (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

317+319 EAST NORTH, WINTERSET, IA 50273

627 Mm

[Property Address]

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND SCHEDULED PAYMENT CHANGES

The Note provides for an initial interest rate of 8.750%. The Note provides for changes in the interest rate and the payments, as follows:

3. PAYMENTS

(A) Scheduled Payments

All references in the Security Instrument to "monthly payments" are changed to "scheduled payments."

I will pay principal and interest by making payments when scheduled: (mark one):

[X] I will make my scheduled payments on the first day of each month beginning on APRIL 1, 1995

[ ] I will make my scheduled payments as follows:

[ ] In addition to the payments described above, I will pay a "balloon payment" of \$ on The Note Holder will deliver or mail to me notice prior to maturity that the balloon payment is due. This notice will state the balloon payment amount and the date that it is due.

(B) Maturity Date and Place of Payments

I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described in the Note.

My scheduled payments will be applied to interest before principal. If, on MARCH 1, 2015, I still owe amounts under the Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my scheduled payments at 114 NORTH HOWARD, PO BOX 279, INDIANOLA, IA 50125 or at a different place if required by the Note Holder.

(C) Amount of My Initial Scheduled Payments

Each of my initial scheduled payments will be in the amount of U.S. \$ 663.27 This amount may change.

(D) Scheduled Payment Changes

Changes in my scheduled payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my scheduled payment in accordance with Section 4 of the Note.

MULTISTATE ADJUSTABLE RATE RIDER -

Form ARLR 10/4/90 (page 1 of 3)

BANKERS SYSTEMS, INC., ST. CLOUD, MN 56301 (1-800-397-2341)

COMPUTER [checked]
RECORDED [checked]
COMPARED [checked]

STATE OF IOWA, ss. MADISON COUNTY,

Inst. No. 2112 Filed for Record this 23 day of Feb. 19 95 at 10:15 AM
Book 175 Page 524 Recording Fee \$ 21.00 Michelle Utsler, Recorder, By Shirley H. Henry Deputy

4. INTEREST RATE AND SCHEDULED PAYMENT CHANGES

(A) Change Dates

Each date on which my interest rate could change is called a "Change Date." (Mark one)

The interest rate I will pay may change on the first day of ..... MARCH, 2000 ..... and on that day every ..... 60TH ..... month thereafter.

The interest rate I will pay may change ..... and on every ..... thereafter.

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is: ..... NATL. AVERAGE MORT. CONTRACT RATE FOR MAJOR LENDERS ON THE PURCHASE OF PREVIOUSLY OCCUPIED HOMES ROUNDED TO THE NEAR 1/4% .....

The most recent Index figure available as of the date  45 days  30 DAYS ..... before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by ... ADDING ONE AND 500/1000 ..... percentage points ( ..... 1.500 ..... %) to the Current Index. The result of this calculation:

- will not be rounded off.
- will be rounded off by the Note Holder to the nearest \_\_\_\_\_ %.
- will be rounded off by the Note Holder up to the nearest \_\_\_\_\_ %.
- will be rounded off by the Note Holder down to the nearest \_\_\_\_\_ %.

Subject to the limitations stated in Section 4(D) below, this amount will be my new interest rate until the next change date.

The Note Holder will then determine the amount of the scheduled payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my scheduled payment.

(D) Limits on Interest Rate Changes \* FOUR AND NO/1000

My interest rate will never be increased or decreased on any single change date by more than .....\* ..... percentage points from the rate of interest I have been paying for the preceding period.

My interest rate will never be greater than ..... 14.750 ..... % or less than ..... 6.000 ..... %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new scheduled payment beginning on the first scheduled payment date after the Change Date until the amount of my scheduled payment changes again.

(F) Notice of Changes

At least 25 days, but no more than 120 days, before the effective date of any payment change, the Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my scheduled payment. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. FUNDS FOR TAXES AND INSURANCE

[Mark one]

- Uniform Covenant 2 of the Security Instrument is waived by the Lender.
- Uniform Covenant 2 of the Security Instrument is amended to read as follows:

2. SCHEDULED PAYMENTS FOR TAXES AND INSURANCE

(A) Borrower's Obligations

I will pay to Lender all amounts necessary to pay for taxes, assessments, leasehold payments or ground rents (if any), and hazard insurance on the Property and mortgage insurance (if any). I will pay those amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make those payments on the same day that my scheduled payments of principal and interest are due under the Note.

Each of my payments under this Paragraph 2 will be the sum of the following:

- (i) The estimated yearly taxes and assessments on the Property which under the law may be superior to this Security Instrument, divided by the number of scheduled payments in a year; plus,
- (ii) The estimated yearly leasehold payments or ground rents on the Property, if any, divided by the number of scheduled payments in a year; plus

- (iii) The estimated yearly premium for hazard insurance covering the Property, divided by the number of scheduled payments in a year; plus
- (iv) The estimated yearly premium for mortgage insurance (if any), divided by the number of scheduled payments in a year.

Lender will estimate from time to time my yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the "escrow items." Lender will use existing assessments and bills and reasonable estimates of future assessments and bills. The amounts that I pay to Lender for escrow items under this Paragraph 2 will be called the "Funds."

**(B) Lender's Obligations**

Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Except as described in this Paragraph 2, Lender will use the Funds to pay the escrow items. Lender will give to me, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds, for using the Funds to pay escrow items, for analyzing my payments of Funds, or for receiving, verifying and totaling assessments and bills. However, Lender may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless either (i) Lender and I agree in writing, at the time I sign this Security Instrument, that Lender will pay interest on the Funds: or (ii) the law requires Lender to pay interest on the Funds.

**(C) Adjustments to the Funds**

If Lender's estimates are too high or if taxes and insurance rates go down, the amounts that I pay under this Paragraph 2 will be too large. If this happens at a time when I am keeping all of my promises and agreements made in this Security Instrument, I will have the right to have the excess amount either promptly repaid to me as a direct refund or credited to my future scheduled payments of Funds. There will be excess amounts if, at any time, the sum of (i) the amount of Funds which Lender is holding or keeping, plus (ii) the amount of the scheduled payments of Funds which I still must pay between that time and the due dates of escrow items is greater than the amount necessary to pay the escrow items when they are due.

If, when payments of escrow items are due, Lender has not received enough Funds to make those payments, I will pay to Lender whatever additional amount is necessary to pay the escrow items in full. I must pay that additional amount in one or more payments as Lender may require.

When I have paid all of the sums secured, Lender will promptly refund to me any Funds that are then being held by Lender. If, as a result of the exercise by Lender of any of its rights under this Security Instrument, either Lender acquires the Property or the Property is sold, then immediately before the acquisition or sale, Lender will use any Funds which Lender is holding at the time to reduce the sums secured.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

X *Charles I. Noonan* ..... (Seal)  
 CHARLES I. NOONAN ..... -Borrower

X *Mary L. Noonan* ..... (Seal)  
 MARY L. NOONAN ..... -Borrower