

FILED NO. 3384

BOOK 172 PAGE 611

94 JUN -7 AM 11:11

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

COMPUTER
RECORDED
COMPARED

REC \$ 20.00
AUD \$ _____
R.M.F. \$ 1.00

EXTENSION AND MODIFICATION AGREEMENT

Whereas, Brenton State Bank of Dallas Center, Mortgagee, is the owner and holder of a certain promissory note for \$67,650.00 made with EUGENE A. FORRETT and CYNTHIA L. FORRETT, Husband and Wife, Mortgagor, dated May 3rd, 1994, payable to the order of the Mortgagee, said note secured by a mortgage was filed for record in the Office of the Madison County Recorder on May 4th, 1994, in book 172, page 243. and upon which note the present principal balance is \$20,327.00 with interest paid to June 3rd, 1994 shall be extended and revised as follows:

Whereas, at the special instance and request of Mortgagor, Mortgagee is willing to extend the time and payment of said note and mortgage under the following terms,

Now, Therefore, in consideration of said extension and further in consideration of the forbearance and agreement to forbear by Mortgagee, Mortgagor does hereby agree with Mortgagee to the following terms and conditions of said note and mortgage as of this date, to wit:

1. INTEREST

The interest rate shall be 6.90%. The interest rate that I will pay will change in accordance with Section 3 of this agreement.

2. PAYMENTS

I will make monthly payments on the 1st day of each month beginning August 1st, 1994. I will make these payments every month until said indebtedness is paid in full. My monthly payments will be applied to interest before principal. If on the 1st day of July 2014, I still owe amounts under said note, I will pay those amounts in full on that date which is called the maturity date.

My initial monthly Principal and Interest Payment will be in the amount of \$156.38. This amount may change to reflect changes in the interest rate I must pay. The Note Holder will determine my monthly payment in accordance with Section 3 of this Note. My initial escrow payment for estimated taxes and insurance on said property, which estimate may be revised, will be in the amount of \$ 74.60. The total amount of my initial monthly payment will be \$230.98.

3. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the 1st day of July, 1997 and on that day of the month every 36 months thereafter. Each date on which my interest rate should change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an "Index". The Index is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of THREE years, as made available by the Federal Reserve Board. The most recent Index figure available as of 45 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 its choice.

(C) Calculation of Changes

Before each Change Date, the note Holder will calculate my new interest rate by adding Two and three-fourths percentage points (2.750%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 3 (D) below, this rounded amount will be my new interest rate until the next Change Date. The Note Holder will then determine the amount of my monthly payment that would be sufficient to repay in full the principal I am expected to owe on the Change Date in Substantially equal payments by the maturity date at my new interest rate. The result of this calculation

will be the new amount of my monthly payment.

(PAGE 2) Extension and Modification Agreement

(D) Limit of Interest Rate Changes

The interest rate that I pay at the first Change Date will not be greater than 8.90 or less than 4.90 . Thereafter, my interest rate will never be increased or decreased on any Single Change Date by more that 2 (two) percent from the rate of interest I have been paying for the preceding 36 months. My interest rate will never be greater than 11.90 or less than 3.000% .

(E) Effective Date of Changes

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

(F) Notice of Changes

The Note Holder will mail or deliver to me a notice before each Change Date. The notice will advise me of : (i) the new interest rate on my loans as of the Change Date; (ii) the amount of my monthly payment following the Change date; (iii) any additional matters which the Note Holder is required to disclose; and (iv) the title and telephone number of a person who will answer any questions I may have regarding the notice.

4. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Instrument will be given by mailing it first class mail or by delivering it to me at the Property Address or at a different address if I give the Note Holder a notice of my different address.

Except as herein modified or amended, the terms and provisions of the original note and mortgage shall remain in force and effect. This extension and modification agreement by said Purchasers is joint and several and shall bind them, their heirs, personal representatives, successors and assigns.

In witness whereof, the parties have hereunto executed this instrument the 3rd day of June, 1994.

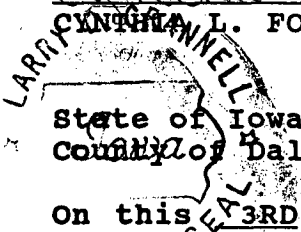
BRENTON STATE BANK

Eugene A. Forrett
EUGENE A. FORRETT

Bruce L. Seymour
Bruce L. Seymour, President

Cynthia L. Forrett
CYNTHIA L. FORRETT

Larry D. Crannell
Larry D. Crannell, Vice President



State of Iowa
County of Dallas ss.

On this 3RD day of JUNE, 1994, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared EUGENE A. FORRETT AND CYNTHIA L. FORRETT to me personally known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that he (they) executed the same as his (their) voluntary act and deed.

Larry D. Crannell
Notary Public in and for Dallas
LARRY D. CRANNELL County, Iowa

Expires 08-20-1996

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 3rd day of June, 1994 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 BRENTON STATE BANK OF DALLAS CENTER (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

RR 1, BOX 258, VAN METER, IOWA 50261

[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 6.900%. 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):

- I will make my scheduled payments on the first day of each month beginning on August 1, 1994.
- 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 July 1, 2014, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date".

I will make my scheduled payments at 1414 WALNUT, PO BOX 513, DALLAS CENTER, IA 50063 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. \$ 156.38. 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.

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 July 1997 and on that day every 36 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 THE WEEKLY AVERAGE YIELD OF U.S. TREASURY SECURITIES ADJUSTED TO A CONSTANT MATURITY OF THREE YEARS.

The most recent Index figure available as of the date 45 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 Two and 750/1000 percentage points (2.750%) 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 0.125 %.
- 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

- My interest rate will never be increased or decreased on any single change date by more than 2 percentage points from the rate of interest I have been paying for the preceding period.
- My interest rate will never be greater than 11.900 % or less than 3.000 %.

(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.

Eugene A. Forrett (Seal)
Borrower EUGENE A. FORRETT

Cynthia L. Forrett (Seal)
Borrower CYNTHIA L. FORRETT

Benton State Bk of DC
PO 313
Dallas Center 50063 1447

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