AGREEMENT

This agreement is made between Jeffrey L. Smock and June Klosterman Smock (borrowers) and the United States of America, acting through Farmers Home Administration (FmHA) pursuant to I.C.A. § 654.16.

WHEREAS, FmHA made a loan to the borrowers on January 23, 1978 for $ 25,700.00 evidenced by a promissory note and secured by a mortgage dated January 23, 1978 filed on January 25, 1978 in the office of the Recorder of Delaware County, Iowa in Book 11 at Page 296 covering the following real estate, to wit:

The North seventy six (76) feet of the West sixty (60) feet of the East two-thirds (E 2/3) of Lot Three of Burrington's Addition to Manchester, Iowa

WHEREAS, the borrowers' loan is in default and they voluntarily elect to convey all interest in the above property to FmHA;

NOW THEREFORE, FmHA hereby accepts this conveyance and waives any rights to a deficiency or other claim against the borrowers arising from the note or notes secured by the real estate described above. The borrowers agree FmHA shall have immediate access to the real property for the purpose of maintaining and protecting the property.

This agreement shall be executed by the borrowers and FmHA and filed in the office of the Recorder in the county where the real estate is located.

The borrowers acknowledge that a form entitled "Disclosure and Notice of Cancellation" is attached to this Agreement and that they have received the completed Disclosure Statement, in duplicate, from FmHA.

Borrowers, by the Warranty Deed executed in conjunction with this agreement, hereby convey to the FmHA all interest in the above-described real estate and the borrowers and the FmHA hereby state they have voluntarily elected to use this alternative voluntary foreclosure procedure.

A review of title records indicates the real estate which is the subject of this Agreement is subject to the following liens:

(1) American Federal Savings and Loan Association of Central Iowa. Home improvement security agreement shown in Book 16 T.L.M. page 26.

(2) HUD Assignment shown in Book 24 T.L.M. page 302 assigning the home improvement security agreement shown in Book 16 T.L.M. page 26.

(3) State of Iowa Case No. CR 1486. Shown in Book 68 C.D. page 319. Court costs $25.00.

(4) State of Iowa Case No. CE 2192. Shown in Book 69 A.D. page 160 for Court costs.

(5) Zehr's Plumbing and Heating shown as Small Claim No. 4355 in Small Claims Docket 15 page 93 - $873.88 plus interest at 10% from May 12, 1989 plus Court costs in the amount of $22.50.

(6) Mortgage of United States of America, acting through the Farmers Home Administration, United States Department of Agriculture shown in Book 11 T.L.M. page 296 Delaware County.

(7) Real estate taxes for 1987-1988 payable in 1988-1989 $316.00 plus penalty. Real estate taxes for 1988-1989 payable in 1989-1990 $320.00 plus penalty.

FILE No. 310-1877
RECORDING FEE $ 35.00
TRANSFER FEE $
FILED FOR RECORD THE 23 DAY OF February, 1990 AT 11:06 O'CLOCK A. M. BOOK 1 PAGE 206
STATE OF IOWA, DELAWARE COUNTY
Joan Sheppard, Recorder
Misc.

(6)

(7)

Dated this 2nd day of January, 19 90.

UNITED STATES OF AMERICA,
Farmers Home Administration

By Ronald I. Snitker
RONALD I. SNITKER
County Supervisor
Title

Address:
909 West Main Street
Manchester, IA 50257

Borrowers

X Jeffrey L. Smock 405 8th St. SW Apt 1 Altoona, IA 50009

June Klosterman Smock,

Address:
121 E. Acres Street
Manchester, IA 52057

STATE OF IOWA)
) ss.
COUNTY OF Delaware)

On this 2nd day of January, A.D. 1990, before me, a Notary Public in and for said county, personally appeared Ronald I. Snitker, an employee of Farmers Home Administration, United States Department of Agriculture duly authorized to execute the foregoing agreement, to me personally known, who being by me duly sworn did say that the foregoing agreement was executed on behalf of the United States of America as the voluntary act and deed thereof.

SHARON M. MORONEY
MY COMMISSION EXPIRES
11-20-92

Sharon M. Moroney
Notary Public Sharon M. Moroney

STATE OF IOWA)
) ss.
COUNTY OF POLK)

On this 22nd day of December, A.D. 1989 before me, a Notary Public in and for said county, personally appeared Jeffrey L. Smock and _____, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Lori K. Morgan
Lori K. Morgan, Notary Public

2

08-86

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

DIANNE K. FOUST
Iowa

STATE OF IOWA, DELAWARE COUNTY, ss:

On this 27 day of December, A.D. 1989, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared June Klosterman Smock, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that (he) (she) executed the same as (his) (her) voluntary act and deed.

Dianne K. Foust
Dianne K. Foust, Notary Public in and for said State.

IOWA STATE BAR ASSOCIATION

DISCLOSURE AND NOTICE OF CANCELLATION

12-8-89
Date of Transaction

Under a forced foreclosure Iowa law requires that you have the right to reclaim your property within one year of the date of the foreclosure and that you may continue to occupy your property during that time. If you agree to a voluntary foreclosure under this procedure you will be giving up your right to reclaim or occupy your property. (The form of this Notice is as prescribed by I.C.A. §654.1. You are advised that you have no rights of redemption under the terms of your FmHA mortgage.)

Under a forced foreclosure, if your mortgage lender does not receive enough money to cover what you owe when the proeprty is sold, you will still be required to pay the difference. If your mortgage lender receives more money than you owe, the difference must be paid to you. If you agree to voluntary foreclosure under this procedure you will not have to pay the amount of your debt not covered by the sale of your property but you also will not be paid any extra money, if any, over the amount you owe. NOTE: There may be other advantages and disadvantages, including an effect on your income tax liability, to you depending on whether you agree or do not agree to a voluntary foreclosure. If you have any questions or doubts, you are advised to discuss them with your mortage lender or an attorney.

You may cancel this transaction, without penalty or obligation, within five business days from the above date.

This transaction is entirely voluntary. You cannot be required to sign the attached foreclosure agreement.

This voluntary foreclosure agreement will become final unless you sign and deliver or mail this notice of cancellation to the United States of America, acting through the Farmers Home Administration, at 909 West Main St., Manchester, IA 52057, before midnight of 12-13-89.

I HEREBY CANCEL THIS TRANSACTION.

_____

_____
Date

_____

(Borrowers)

AFFIDAVIT OF MAILING

STATE OF IOWA, DELAWARE COUNTY, ss:

The undersigned being first duly sworn states that on the 12 day of January, 1990 she personally mailed a Notice, a true copy of which is attached hereto and made a part hereof by certified mail in a sealed envelope with proper postage thereon to the following junior lienholders at their last known Post Office address by depositing the same on said date in a United States Post Office mail receptacle, to-wit:

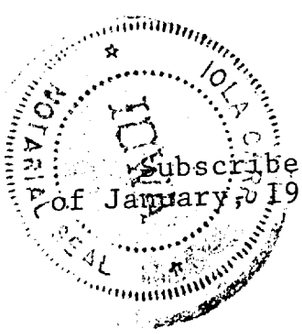
Iowa Attorney General
Hoover Bldg.
Des Moines, IA 50300

Delaware County Clerk of Court
Delaware County Court House
Manchester, IA 52057

Delaware County Auditor
Delaware County Court House
Manchester, IA 52057

Zehr's Plumbing & Heating
410 E. Main St.
Manchester, IA 52057

United States of America
Department of Housing & Urban Development
210 Walnut St. Room 239
Des Moines, IA 50309



Dianne Foust
Dianne Foust

Subscribed and sworn to before me by Dianne Foust this 12 day of January, 1990.

Iola Carr
Notary Public in and for the State of Iowa.

Iola Carr

NOTICE

TO: Junior Lienholders under Alternative Non-Judicial Voluntary Foreclosure Procedure as set forth at I.C.A. § 654.18 et seq. (Senate File 577, § 44, Acts of 71st General Assembly of Iowa, 1985).

You are hereby notified that an Agreement has been executed between the United States of America, acting through the Farmers Home Administration (hereinafter "FmHA"), and Jeffrey L. Smock and June Klosterman Smock, husband and wife, (hereinafter "Borrowers"), by the terms of which Borrowers have elected to convey to FmHA in satisfaction of indebtedness, pursuant to I.C.A. § 654.18 et seq., the following described real estate:

The North seventy six (76.0) feet of the West sixty (60.0) feet of the East two-thirds (E 2/3) of Lot Three (3), Burrington's Addition to Manchester, Delaware County, Iowa

This notice is provided to you as junior lienholder, as of the date of said conveyance, by certified mail, pursuant to I.C.A. § 628.29, to inform you of your right to redeem the above described real property within 30 days of the date of mailing of this notice.

You are further notified that unless you exercise the right of redemption as set forth at I.C.A. § 628.29 within 30 days of the date of mailing of this notice, your lien upon the above described real property will be terminated and foreclosed as provided at I.C.A. § 654.18(2).

Ronald I Snitker
COUNTY SUPERVISOR/STATE DIRECTOR
Farmers Home Administration
(Address)
909 West Main Street
Manchester, IA 52057

Ronald I. Snitker

08-86

RECEIVED
HOUSING & URBAN DEVELOPMENT
JAN 16 1990
DES MOINES OFFICE

NOTICE

TO: Junior Lienholders under Alternative Non-Judicial Voluntary Foreclosure Procedure as set forth at I.C.A. § 654.18 et seq. (Senate File 577, § 44, Acts of 71st General Assembly of Iowa, 1985).

You are hereby notified that an Agreement has been executed between the United States of America, acting through the Farmers Home Administration (hereinafter "FmHA"), and Jeffrey L. Smock and June Klosterman Smock, ~~husband and wife~~, (hereinafter "Borrowers"), by the terms of which Borrowers have elected to convey to FmHA in satisfaction of indebtedness, pursuant to I.C.A. § 654.18 et seq., the following described real estate:

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Donald I. Smither
~~STATE DIRECTOR~~ COUNTY SUPERVISOR
Farmers Home Administration
(Address)
909 West Main Street
Manchester, IA 52057

08-86

AFFIDAVIT OF MAILING

STATE OF IOWA, DELAWARE COUNTY, ss:

The undersigned being first duly sworn states that on the 23 day of Janury, 1990 she personally mailed a Notice, a true copy of which is attached hereto and made a part hereof by certified mail in a sealed envelope with proper postage thereon to the following junior lienholder at its last known Post Office address by depositing the same on said date in a United States Post Office mail receptacle, to-wit:

United States of America
Department of Housing & Urban Development
Chicago Regional Office
626 West Jackson Boulevard
Chicago, IL 60606-5601

Iola Carr

Iola Carr

DIANNE K. FOUST NOTARIAL SEAL

Subscribed and sworn to before me by Iola Carr this 23 day of January, 1990.

Dianne K. Foust

Notary Public in and for the State of Iowa.
Dianne K. Foust