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DELAWARE COUNTY IOWA
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BOOK 8 PAGE 86
DEBORAH L PRON
DELAWARE CO RECORDER
43.00

(K) William D. Werger 401 East Main Manchester (319) 927-5920
Preparer Information

ALTERNATIVE NON-JUDICIAL VOLUNTARY FORECLOSURE AGREEMENT

This Agreement is made this 10th day of August, 1998, by and between Ronald R. Gearhart and Linda L. Gearhart, Grantors, and Roger L. McDowell and Frieda J. McDowell, hereinafter referred to as Grantees;

WHEREAS, Grantors executed the following promissory notes to United States of America, acting through the Farmers Home Administration, United States Department of Agriculture:

Note No. 41-01 dated 01-31 -79 in the principal amount of $65,000.00
Note No. 41-03 dated 11-22-82 in the principal amount of $4,000
Note No. 41-05 dated 09-17-85 in the principal amount of $70,947.05
Note No. 41-07 dated 11-15-90 in the principal amount of $4575.94
Note No. 41-09 dated 11-15-90 in the principal amount of $75,659.21

with Note No. 41-09 and Note No. 41-07 being the operative notes as the rescheduled notes of the prior three. Both notes have an interest rate of 5% per annum;

WHEREAS, Grantors executed and delivered to United States of America, acting through the Farmers Home Administration, United States Department of Agriculture the following Mortgages to secure the Notes described in the previous paragraph:

1. Mortgage given by Ronald R. Gearhart and Linda L. Gearhart, husband and wife, dated and recorded January 31, 1979, in Book 84, Page 149 of the Delaware County records.

2. Mortgage given by Ronald R. Gearhart and Linda L. Gearhart, husband and wife, dated and recorded January 24, 1980, in Book 86, Page 276 of the Delaware County records.

3. Mortgage given by Ronald R. Gearhart and Linda L. Gearhart, husband and wife, dated November 22, 1982, and recorded November 23, 1982, in Book 92, Page 171 of the Delaware County records.

Said Mortgages cover certain real property in Delaware County, Iowa, more particularly described as follows:

DATE 8-11-98 BOOK 8 PAGE 86

The Southwest Quarter (SW ¼) of the Southwest Quarter (SW ¼), and the West one-half (W ½) of the Southeast Quarter (SE ¼) of the Southwest Quarter (SW ¼) of Section Twenty Four (24); and the Northwest Quarter (NW ¼) of the Northwest Quarter (NW ¼), and the West one-half (W ½) of the Northeast Quarter (NE ¼) of the Northwest Quarter (NW ¼) of Section Twenty Five (25), all in Township Eighty Nine (89) North, Range Six (6), West of the Fifth P.M., except that portion of said property described as Parcel A, part of the West half of the SE ¼ of the SW ¼, Section 24, Township 89 North, Range (6) West of the Fifth P.M., as shown on Plat of Survey recorded in Book 8 Plats, Page 134 of the Delaware County records;

WHEREAS, Grantors have defaulted in the payments due on said Notes and Mortgages and are currently substantially in arrears on the following notes as follows:

Note No. 41-07:

Principal: $2,243.94
Accrued Interest To August 11, 1998: $274.49
Daily Accrual After August 11, 1998: .3074
Miscellaneous Charges: $208.45
Total as of August 11, 1998: $2726.88

Note No. 41-09:

Principal: $69,400.34
Accrued interest To August 11, 1998: $23,625.03
Daily Accrual After August 11, 1998: 9.5069
Miscellaneous Charges: 4101.07
Total as of August 11, 1998: $97,126.44

The total of both notes as of August 11, 1998 is $99,853.32. Grantors hereby state that they are unable to meet the obligations of said Note according to the terms set forth therein.

WHEREAS, Grantors and Grantees desire to foreclose the above described Mortgages pursuant to the Iowa Alternative Non-Judicial Voluntary Foreclosure procedures, Iowa Code Section 654.18, Code of Iowa 1997, and therefore execute this Agreement.

Now, therefore, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Grantors and Grantees hereby elect to follow the Alternative Non-Judicial Foreclosure procedure set forth in Iowa Code Section 654.18.

2. Grantors simultaneous with the execution of this Agreement, shall convey to Grantees all of their interest in the property described above, subject to the above described mortgage, by separate Warranty Deed pursuant to Iowa Code Section 654.18.

3. Grantees hereby accepts Grantors conveyance of the above described property as set out in the Warranty Deed dated the same day as this Agreement and waives its right to a deficiency judgment or other claim against the Grantors arising from the Mortgages.

4. Grantors hereby acknowledge receipt, in duplicate, of a completed Disclosure and Notice Of Cancellation form, a copy of which is attached hereto as Exhibit A.

5. Grantees shall have immediate access to the property upon execution of this Agreement for the purpose of maintaining and protecting the property.

6. Grantees shall hold title to the real estate subject to the liens of record until completion of foreclosure proceedings pursuant to Section 654.18, Code of Iowa (1997). However, the liens of the Grantees mortgage shall remain prior to any liens junior to the mortgage at the time of conveyance and execution of this Agreement and may be foreclosed as otherwise provided by law until completion of this Alternative Non-Judicial Foreclosure procedure. Foreclosure proceedings shall be completed thirty (30) days from the date of mailing notice of election to foreclosure to junior lienholders. Grantees shall record proof of service upon expiration of the applicable period of redemption, at which time the above described mortgages will be foreclosed, pursuant to Iowa Code Section 654.18.

7. Grantors acknowledge that the above described deed is an absolute conveyance of Grantors interest in and to said real estate and constitutes a release of all liens and homestead rights in and to said real estate. The deed also conveys the Grantors right of possession, rentals and equity of redemption in and to said real estate.

8. Grantors further acknowledge that said deed is given voluntarily by he Grantors to the Grantees in good faith on the part of the Grantors without any fraud, misrepresentation, duress or undue influence whatsoever, or any misunderstanding on the part of Grantors, and is not given as a preference against any creditors of said Grantors.

The conveyance of said deed shall be and is hereby intended and understood to be an absolute conveyance and an unconditional sale, with full extinguishment of Grantors equity of redemption, and with full release of all Grantors rights, title and interest of every character in and to said property except Grantors right to cancel this Agreement in accordance with the Disclosure and Notice Of Cancellation. Grantors understand that the giving of the above described deed may interfere with the obtaining of further insured mortgage loans.

9. Grantees shall not report to a credit bureau that the Grantors are delinquent upon the mortgage.

10. Grantors do hereby immediately assign to Grantees, all hazard insurance policies now in effect on the above described property and all escrow deposits for the payment of taxes, insurance and other loan purposes (if any) presently held by the Grantees, and Grantors further assign to the Grantees, the right to receive payment of any claim payable under the terms of any said insurance policies including any premium refund now or hereinafter payable.

11. This Agreement and Assignment have been made for the protection and benefit of the Grantees in the aforesaid deed, its successors and assigns, and all other parties hereafter dealing with or who may acquire an interest in the property described therein, and shall bind the representatives, heirs, executors, administrators and assigns of the undersigned.

Grantor

Ronald R. Gearhart

Ronald R. Gearhart

Grantor

Linda L. Gearhart

Linda L. Gearhart

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

On this 10th day of August, 1998, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Ronald R. Gearhart and Linda L. Gearhart, 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.

WILLIAM D. WERGER
MY COMMISSION EXPIRES
10-6-2001

William D. Werger

Notary Public In And For The
State Of Iowa

Grantee

Roger L. McDowell

Grantee

Frieda J. McDowell

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

On this 10th day of August, 1998, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Roger L. McDowell and Frieda J. McDowell, 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.



Notary Public In And For The
State Of Iowa

Exhibit A
DISCLOSURE AND NOTICE OF CANCELLATION

August 10, 1998

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.

Under a forced foreclosure, if your mortgage lender does not receive enough money to cover what you owe when the property is sold, you will still be required to pay the difference. If your mortgage lender received more money than you owe, the difference must be paid to you. If you agree to a 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 mortgage 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 Roger L. McDowell and Frieda J. McDowell before midnight of August 15th, 1998.

I HEREBY CANCEL THIS TRANSACTION.

_____ _____

DATE SIGNATURE

_____

SIGNATURE