F&M BK

DELAWARE COUNTY IOWA
FILED
2003 JA -7 PM 1:25
BOOK 3 2002 91
DEBORAH L. PEYTON
DELAWARE CO RECORDER
36.00

Carr & Carr Attorneys 117 S. Franklin St. PO Box 333 Manchester, IA 52047 (563) 927-4164

AGREEMENT

This agreement is made between Shawn D. Downs and Kara J. Downs (mortgagors) and Farmers & Merchants Savings Bank.

WHEREAS, Farmers & Merchants Savings Bank made a loan to the mortgagors on April 17, 1996 in the amount of $45,000.00 evidenced by a promissory note and secured by a mortgage dated April 17, 1996, filed on April 18, 1996 in the office of the Recorder of Delaware County, Iowa in Book 129, Page 127 on the following described real estate:

> The East one hundred nineteen (119.0) feet of Lot Nineteen (19) except the North sixty eight (68.0) feet thereof, of the Subdivision of part of the North one-half (N1/2) of the Southeast Quarter (SE1/4) and the South one-half (S1/2) of the Northeast Quarter (NE1/4) of Section Twenty Nine (29), Township Eighty Nine (89) North, Range Five (5), West of the Fifth P.M., according to plat recorded in Book A Plats, Page 6.

WHEREAS, the mortgagors' loan is in default and they voluntarily elect to convey all interest in the above property to Farmers & Merchants Savings Bank.

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

This agreement shall be executed by the mortgagors and Farmers & Merchants Savings Bank and filed in the office of the Recorder of Delaware County, Iowa.

The mortgagors 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 Farmers & Merchants Savings Bank.

Mortgagors by the Warranty Deed executed in conjunction with this agreement hereby convey to Farmers & Merchants Savings Bank all interest in the above described real estate and the mortgagors and Farmers & Merchants Savings Bank hereby state they have voluntarily elected to use the alternative voluntary foreclosure procedures pursuant to Iowa Code Section 654.18.

Shawn D. Downs, Mortgagor

Kara J. Downs, Mortgagor

Farmers & Merchants Savings Bank

By Eric C. Anderson EVP
Eric C. Anderson
Executive Vice-President

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

On this 19th day of December, 2002 before me, a Notary Public in and for the Delaware County, Iowa, personally appeared Shawn D. Downs, to me known to be the identical person named in and who executed the foregoing instrument and acknowledged that he executed the same as his voluntary act and deed.

Lisa Baumgartner
COMMISSION NUMBER 176510
My Commission Expires
10-19-03

Lisa Baumgartner
_____, Notary Public in and for
the State of Iowa

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

On this 3rd day of December, 2002 before me, a Notary Public in and for the Delaware County, Iowa, personally appeared Kara J. Downs, to me known to be the identical person named in and who executed the foregoing instrument and acknowledged that she executed the same as her voluntary act and deed.

Lisa Baumgartner
COMMISSION NUMBER 176510
My Commission Expires
10-19-03

Lisa Baumgartner
_____, Notary Public in and for
the State of Iowa

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

On this 19th day of December, 2002 before me, a Notary Public in and for the Delaware County, Iowa, personally appeared Eric C. Anderson, to me known to be the Executive Vice-President of Farmers & Merchants Savings Bank 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 Farmers & Merchants Savings Bank as the voluntary act and deed thereof.

Lisa Baumgartner
COMMISSION NUMBER 176510
My Commission Expires
10-19-03

Lisa Baumgartner
_____, Notary Public in and for
the State of Iowa

DISCLOSURE AND NOTICE OF CANCELLATION

December 3, 2002

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 receives 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 buy 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 Farmers & Merchants Savings Bank before midnight of December, 10, 2002.

I HEREBY CANCEL THIS TRANSACTION.

Date	Shawn D. Downs/Kara J. Downs

DISCLOSURE AND NOTICE OF CANCELLATION

December 19, 2002

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 receives 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 buy 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 Farmers & Merchants Savings Bank before midnight of December 27, 2002.

I HEREBY CANCEL THIS TRANSACTION.

_____ _____

Date Shawn D. Downs/Kara J. Downs