

AGREEMENT

THIS AGREEMENT, made and entered into by and between Farmers and Merchants State Bank, hereinafter called "the Bank", and Steven R. Niblo and Linda E. Niblo, hereinafter called "Niblos".

WHEREAS, Niblos are indebted to the Bank upon certain promissory notes in the total principal amount of \$209,877.44, plus accrued interest of \$44,774.67 as of January 12, 1996;

WHEREAS, said indebtedness is secured by real estate mortgages upon the following-described real estate:

The Southeast Quarter (SE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Eleven (11), and the East Half (E $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section Fourteen (14), and all that part of the West Half (W $\frac{1}{2}$) of the East Half (E $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Fourteen (14) lying on the North side of the Middle River, and the following-described tract of land, to-wit: Commencing at the Northeast Corner of the West Half (W $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Fourteen (14), running thence South 20 $\frac{1}{2}$ rods, thence West 15 rods and 11 feet, thence North 20 $\frac{1}{2}$ rods, thence East to the place of beginning; all in Township Seventy-five (75) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa.

WHEREAS, said indebtedness is also secured by a Security Agreement upon certain personal property owned by Niblos;

WHEREAS, Niblos desire to transfer and convey said real estate to the Bank, and certain real property and personal property, in full satisfaction of all indebtedness owing by Niblos to the Bank.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. This Agreement is entered into pursuant to the Alternative Nonjudicial Voluntary Foreclosure Procedure set forth in Iowa Code Section 654.18. Niblos and the Bank have elected to follow the Alternative Nonjudicial Voluntary Foreclosure Procedure pursuant to this Code section.

2. Niblos agree to convey said real estate to the Bank. In addition, Niblos agree to sign all of their right, title and interest in and to a claim for insurance proceeds with IGF Insurance Company for which Mease Insurance Agency of Winterset, Iowa, is the agent. In addition, Niblos agree to convey and transfer to the Bank their one-half (1/2) interest in a planter which is owned jointly by Niblos and Charles B. Smith. The conveyance of said real estate and said personal property shall be an absolute conveyance to the Bank in full satisfaction of all indebtedness owing by Niblos to the Bank. The Bank waives any rights to deficiency or other claim against Niblos.

3. The parties agree that the Bank shall have immediate possession of said real estate and said personal property.

4. Niblos agree to execute and deliver to the Bank all necessary deeds, assignments and other documents necessary to make such conveyances and transfers effective in compliance with this Agreement.

5. The Bank shall proceed to give all junior lienholders notice as provided in Iowa Code Section 654.18.

6. Niblos waive any and all rights they may have to reacquire said real estate and any and all rights of first refusal they may have to purchase said property.

Dated: Jan 22, 1996.

Farmers and Merchants State Bank

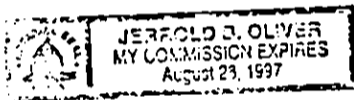
By Tim J. Rethmeier, V.P.

Steven R. Niblo
Steven R. Niblo

Linda E. Niblo
Linda E. Niblo

STATE OF IOWA :
:SS
MADISON COUNTY:

On this 22 day of Jan, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Timothy J. Rethmeier, to me personally known, who being by me duly sworn, did say that he is the Vice President of said corporation executing the within and foregoing instrument; that the corporation has and that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors; and that the said Timothy J. Rethmeier, as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him personally executed.



Jerrold J. Oliver
Notary Public in and for the State of Iowa

STATE OF IOWA :
:SS
MADISON COUNTY :

On this 19 day of April, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Steven R. Niblo and Linda E. Niblo, to me personally known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



Brent J. Aldrich
Notary Public in and for the State of Iowa

DISCLOSURE AND NOTICE OF CANCELLATION

DATE OF TRANSACTION: April 19, 1996.

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, 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 Farmers and Merchants State Bank before midnight of April 26, 1996.

I HEREBY CANCEL THIS TRANSACTION.

Date: _____, 1996. _____
(Signature)

Date: _____, 1996. _____
(Signature)

NOTICE

TO: All persons holding or claiming a lien upon the following-described real estate:

The Southeast Quarter (SE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Eleven (11), and the East Half (E $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section Fourteen (14), and all that part of the West Half (W $\frac{1}{2}$) of the East Half (E $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Fourteen (14) lying on the North side of the Middle River, and the following-described tract of land, to-wit: Commencing at the Northeast Corner of the West Half (W $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section Fourteen (14), running thence South 20 $\frac{1}{2}$ rods, thence West 15 rods and 11 feet, thence North 20 $\frac{1}{2}$ rods, thence East to the place of beginning; all in Township Seventy-five (75) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa.

YOU ARE HEREBY NOTIFIED that Steven R. Niblo and Linda E. Niblo have entered into an Agreement with Farmers and Merchants State Bank. See copy of Agreement attached hereto.

YOU ARE FURTHER NOTIFIED that you have thirty (30) days from the date of mailing of this notice to you to exercise any rights of redemption that you may have concerning said real estate. In order to exercise your right of redemption, it will be necessary for you to pay Farmers and Merchants State Bank the sum of \$254,607.79, plus \$55.68 per day accruing interest after May 1, 1996.

YOU ARE FURTHER NOTIFIED that in the event you fail to redeem said real estate, your lien will be removed from this real estate.

This notice is given to you in accordance with the provisions of Iowa Code Section 654.18.

Dated this 2 day of May, 1996.

FARMERS AND MERCHANTS STATE BANK

By Jerrold B. Oliver
 Jerrold B. Oliver
 Jordan, Oliver & Walters, P.C.
 Farmers & Merchants Bank Bldg.
 P.O. Box 230
 Winterset, Iowa 50273
 Telephone: 515-462-3731

Is your RETURN ADDRESS completed on the reverse side?

SENDER: KN - Wight & Short

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Wight & Short Service Inc.
N. Jct 169 & 92
Winterset, IA 50273

4a. Article Number
Z 148 557 267

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

5. Signature (Addressee)
Wight & Short

6. Signature (Agent)

7. Date of Delivery
5/3/96

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER: KN - Watts

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Mr. Larry Watts
DBA Allied Recovery Services
224 S. 8th Ave.
Winterset, IA 50273

4a. Article Number
Z 148 557 268

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

5. Signature (Addressee)
Laura Watts

6. Signature (Agent)
Laura Watts

7. Date of Delivery
5-4-96

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.