

AGREEMENT

THIS AGREEMENT, made and entered into by and between FARMERS & MERCHANTS STATE BANK, Winterset, Iowa, hereinafter called "Bank", and DELBERT MICHAEL McFARLAND and ANTONETTE McFARLAND, hereinafter called "McFarlands".

WHEREAS, McFarlands and the Bank, on September 29, 1986, entered into an Agreement pursuant to the alternative nonjudicial voluntary foreclosure procedure set forth in Iowa Code Section 654.18;

WHEREAS, said Agreement was recorded as Exhibit "A" of an Affidavit recorded in Book 37, Page 523 of the Recorder's Office of Madison County, Iowa; and

WHEREAS, there is some question as to the effectiveness of said Agreement and actions taken pursuant to said Agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. All parties hereby ratify and confirm said Agreement entered into by them on September 29, 1986. In said Agreement, the parties did and the parties do hereby elect to follow the alternative nonjudicial voluntary foreclosure procedure pursuant to Section 654.18 of the Code of Iowa.

2. McFarlands agree to convey the following-described real estate to the Bank:

The North 75 Feet of the West One-third (1/3) of Lot Four (4) in Block Twenty-five (25) of the Original Town of Winterset, Madison County, Iowa.

Said conveyance shall be an absolute conveyance to the Bank in satisfaction of all indebtedness owing by McFarlands to the Bank. The Bank waives any rights to a deficiency or other claim against McFarlands.

3. The conveyance by McFarlands shall be by quit claim deed.

Dated this 26th day of February, 1987.

Delbert Michael McFarland
Delbert Michael McFarland

FARMERS & MERCHANTS STATE BANK

Antonette McFarland
Antonette McFarland

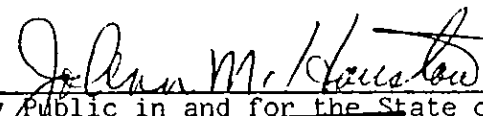
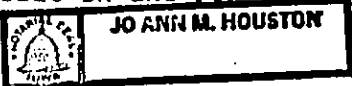
By James W. Mease
James W. Mease, President

FILED NO. 1802
BOOK 53 PAGE 448
1987 MAR 10 PM 4:15
MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee \$15.00

STATE OF IOWA :
:ss
MADISON COUNTY:

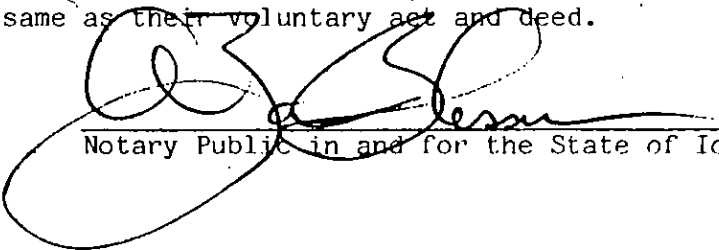
On this 26th day of February, 1987, before me, the undersigned, a notary public in and for said county and state, personally appeared James W. Mease, to me personally known, who, being by me duly sworn, did say

that he is the President of said corporation; that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said James W. Mease, as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.


Notary Public in and for the State of Iowa


STATE OF IOWA :
 :SS
MADISON COUNTY:

On this 26th day of February, 1987, before me, the undersigned, a notary public in and for said county and state, personally appeared Delbert Michael McFarland and Antonette McFarland, to me 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.


Notary Public in and for the State of Iowa



DISCLOSURE AND NOTICE OF CANCELLATION

DATE February 26, 1987

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 & Merchants State Bank, 101 West Jefferson Street, Winterset, Iowa 50273 before midnight of March 6, 1987.

FARMERS & MERCHANTS STATE BANK

By Allen S. Banks

I HEREBY CANCEL THIS TRANSACTION.

DATE _____

Signature _____

Receipt of a copy of the above Disclosure and Notice of Cancellation is hereby acknowledged.

Date: ~~March 5, 1987~~
Feb. 26, 1987

Delbert Michael McFarland
Delbert Michael McFarland
Antonette McFarland
Antonette McFarland