

AFFIDAVIT

STATE OF IOWA :
 : ss
MADISON COUNTY:

I, Jerrold B. Oliver, being first duly sworn on oath, state that I am the attorney for Farmers & Merchants State Bank of Winterset, Iowa. Farmers & Merchants State Bank and Richard C. Wallace and Sandra L. Wallace entered into an Agreement, a copy of which is marked Exhibit "A" and attached hereto. I further state that, pursuant to said Agreement, a document entitled "Disclosure and Notice of Cancellation" was given to Richard C. Wallace and Sandra L. Wallace on December 22, 1987. See copy of said Disclosure and Notice of Cancellation attached hereto and marked Exhibit "B". Richard C. Wallace and Sandra L. Wallace did not exercise their right to cancel. Also attached hereto and marked Exhibit "C" is a copy of a Notice to all persons holding, or claiming to hold, a lien upon the real estate described in said Agreement and Notice. Said Notice was mailed to Reed Motors, Inc., Richard Dillinger, Otoe National Bank and First Interstate Bank of Urbandale by certified mail as shown by the Return Receipts attached hereto and marked Exhibit "D". Reed Motors, Inc., Richard Dillinger, Otoe National Bank and First Interstate Bank of Urbandale did not exercise their right to redeem said real estate within the time provided by law.

Jerrold B. Oliver
Jerrold B. Oliver

Subscribed and sworn to before me by the said Jerrold B. Oliver on this 24 day of February, 1988.

Julia A. Snyder
Notary Public in and for the State of Iowa



Compass

FILED NO: 1450
BOOK 124 PAGE 74
1988 FEB 25 AM 8:17
MARY E. WELTY
RECORDER
MADISON COUNTY IOWA
Fee \$40.00

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AGREEMENT

THIS AGREEMENT, MADE AND ENTERED INTO BY AND BETWEEN Richard C. Wallace and Sandra L. Wallace, hereinafter called "Wallaces", and Farmers & Merchants State Bank, Winterset, Iowa, hereinafter called the "Bank".

WHEREAS, Wallaces made, executed and delivered to the Bank a certain Promissory Note dated September 10, 1985, in the principal amount of \$133,825.00;

WHEREAS, as of November 17, 1987, there was due, owing and unpaid on said Promissory Note the sum of \$130,560.62, plus accrued interest in the amount of \$10,841.90;

WHEREAS, Wallaces are in default pursuant to the terms of said Promissory Note;

WHEREAS, said Promissory Note is secured by mortgages upon real estate as follows:

a. Mortgage recorded in Book 143, Page 725 of the Recorder's Office of Madison County, Iowa, on September 16, 1985, upon the following-described real estate:

The Fractional East Half (1/2) of the Northwest Quarter (1/4), and the North Three-fourths (3/4) of the Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section One (1) in Township Seventy-five (75) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa.

b. Mortgage recorded in Book 95, Page 593 of the Recorder's Office of Clarke County, Iowa, on October 18, 1985, upon the following-described real estate:

The Southeast Quarter of the Southeast Quarter (SE 1/4 SE 1/4) of Section Two (2) and the Northeast Quarter of the Northeast Quarter (NE 1/4 NE 1/4) of Section Eleven (11), all in Township Seventy-three (73) North, Range Twenty-seven (27) West of the 5th P.M., Clarke County, Iowa.

c. Mortgage recorded in Book 143, Page 765 of the Recorder's Office

EXHIBIT "A"

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of Madison County, Iowa, on September 19, 1985, upon the following-described real estate:

The West Half (1/2) of the Northeast Quarter of the Southwest Fractional Quarter (NE 1/4 SW Fr. 1/4) of Section Thirty (30) and all that part of the Northwest Fractional Quarter (1/4) of the Southwest Quarter (1/4) of said Section Thirty (30) which lies East of Primary Road Project #36, State of Iowa, now known as Federal Highway #169, as now established and located across said 40-acre tract, in Township Seventy-seven (77) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa.

WHEREAS, Wallaces desire to transfer and convey said real property to the Bank in full satisfaction of all indebtedness owing by them to the Bank upon said Promissory Note.

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. Wallaces and the Bank hereby elect to follow the Alternative Nonjudicial Voluntary Foreclosure Procedure pursuant to this Code section.

2. Wallaces agree to convey said real estate to the Bank. Said conveyance shall be an absolute conveyance to the Bank in full satisfaction of all indebtedness owing by Wallaces to the Bank upon said Promissory Note. The Bank waives any right to a deficiency or other claim against Wallaces arising from said Promissory Note and from said mortgages.

3. Wallaces agree to deliver possession of said real estate to the Bank immediately.

4. Wallaces hereby waive the following rights:

a. Right to receive notice of right to cure default given to them pursuant to the provisions of Iowa Code Sections 654.2(A)-2(C).

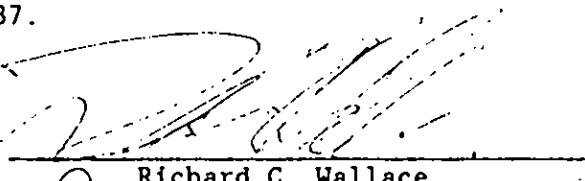
b. Right to mediation given to them pursuant to Chapter 654A of the Code of Iowa.

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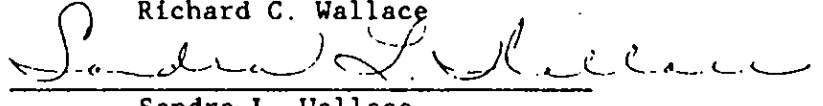
c. Right to repurchase the property given to them pursuant to Iowa Code Section 524.910. Under said Code section, Wallaces understand that they have the right to repurchase said real estate from the Bank on the terms that the Bank proposes to sell or dispose of said real estate to a third person. Wallaces hereby waive said right to repurchase given to them by said Code section.

d. Any other right given to Wallaces to repurchase said property or lease said property given to them by any other provision of Iowa law.

Dated: 12/22, 1987.



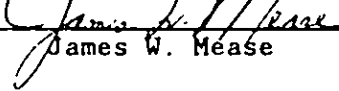
Richard C. Wallace



Sandra L. Wallace



FARMERS & MERCHANTS STATE BANK

By  James W. Mease

STATE OF IOWA :
 : ss
Madison COUNTY :

On this 22nd day of December, 1987, before me, the undersigned, a Notary Public in and for the 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 executing the within and fore-

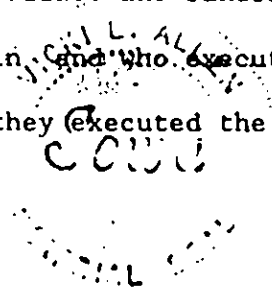
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going instrument; that the seal affixed thereto is the seal of said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said James W. Mease, as such officer, acknowledged the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

Richard C. Wallace
Notary Public in and for the State of Iowa.

STATE OF IOWA :
 : ss
MADISON COUNTY :

On this 22nd day of December, 1987, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Richard C. Wallace and Sandra L. Wallace, to me known to be the identical persons named in, and who executed the within and foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.



Richard C. Wallace
Notary Public in and for the State of Iowa.

DISCLOSURE AND NOTICE OF CANCELLATION

DATE Dec. 22, 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.

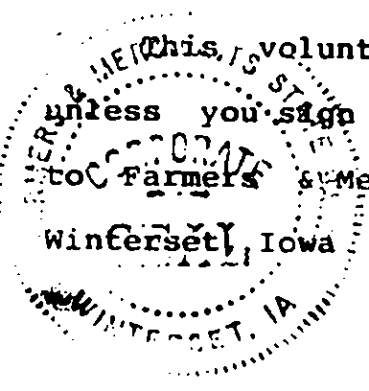
Under a forced foreclosure, if your mortgage lender does not receive enough money to cover what you owe when the property is sold, you will still be required to pay the difference. If your mortgage lender receives more money than you owe, the difference must be paid to you. If you agree to a voluntary 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, Winiferset, Iowa 50273 before midnight of January 4, 1988.



FARMERS & MERCHANTS STATE BANK
By James H. [Signature]

I HEREBY CANCEL THIS TRANSACTION.

DATE _____

Signature _____

Richard C. Wallace and Sandra L. Wallace hereby acknowledge receipt of the above Disclosure and Notice of Cancellation on this 22 day of ~~November~~ December, 1987.

[Signature]
Richard C. Wallace
[Signature]
Sandra L. Wallace

DEED RECORD 124
NOTICE

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TO ALL PERSONS HOLDING OR CLAIMING A LIEN UPON THE FOLLOWING-DESCRIBED REAL ESTATE:

The Fractional East Half (1/2) of the Northwest Quarter (1/4), and the North Three-fourths (3/4) of the Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section One (1) in Township Seventy-five (75) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa,

AND

The Southeast Quarter of the Southeast Quarter (SE 1/4 SE 1/4) of Section Two (2) and the Northeast Quarter of the Northeast Quarter (NE 1/4 NE 1/4) of Section Eleven (11), all in Township Seventy-three (73) North, Range Twenty-seven (27) West of the 5th P.M., Clarke County, Iowa,

AND

The West Half (1/2) of the Northeast Quarter of the Southwest Fractional Quarter (NE 1/4 SW Fr. 1/4) of Section Thirty (30) and all that part of the Northwest Fractional Quarter (1/4) of the Southwest Quarter (1/4) of said Section Thirty (30) which lies East of Primary Road Project #36, State of Iowa, now known as Federal Highway #169, as now established and located across said 40-acre tract, in Township Seventy-seven (77) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa.

YOU ARE HEREBY NOTIFIED that Richard C. Wallace and Sandra L. Wallace have entered into an Agreement with Farmers & Merchants State Bank of Winterset, Iowa. 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.

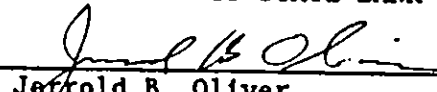
YOU ARE FURTHER NOTIFIED that in the event you fail to redeem said real property, your lien will be removed from this real estate.

THIS NOTICE is given to you in accordance with the provisions of Iowa Code Section 654.18

DATED this 9 day of January, 1988.

FARMERS & MERCHANTS STATE BANK

By


Jettrold B. Oliver

Farmers & Merchants Bank Bldg.
WEBSTER, JORDAN, OLIVER & WALTERS
P.O. Box 230
Winterset, Iowa 50273
Tel. (515) 462-3731

ATTORNEYS FOR FARMERS & MERCHANTS STATE BANK

EXHIBIT "C"

FARMERS & MERCHANTS V. WALLACE

PS Form 3811, July 1983

PS Form 3811, July 1983

Wallace Notice is

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom delivered, date, and addressee's address. **(Extra charge)** 2. Restricted Delivery **(Extra charge)**

3. Article Addressed to:
1st Interstate Bank of Urbandale
Attn: Ms. L. Woodburn
6200 Aurora
Des Moines, Iowa 50322

4. Article Number
P 295 914 726

Type of Service:
 Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
Mildred Cashby

6. Signature - Agent

7. Date of Delivery
JAN 21 1988

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

FARMERS & MERCHANTS V. WALLACE

PS Form 3811, July 1983

PS Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery. 2. Restricted Delivery.

3. Article Addressed to:
Otoe Co. National Bank
P.O. Box 820
Bellevue, Nebraska 68005

4. Type of Service: Article Number
 Registered Insured
 Certified COD
 Express Mail P 295 914 729

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
W. J. Lawrence

6. Signature - Agent

7. Date of Delivery
1-18-88

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

FARMERS & MERCHANTS V. WALLACE

PS Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery. 2. Restricted Delivery.

3. Article Addressed to:
Richard Dillinghoff
R.R. 2
Lorimor, Iowa 50149

4. Type of Service: Article Number
 Registered Insured
 Certified COD
 Express Mail P 295 914 727

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
Richard Dillinghoff

6. Signature - Agent

7. Date of Delivery
1-13-88

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

PS Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery. 2. Restricted Delivery.

3. Article Addressed to:
Reed Motors, Inc.
209 E. Madison
Winterset, Iowa 50273

4. Type of Service: Article Number
 Registered Insured
 Certified COD
 Express Mail P 295 914 728

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
Edward H. Hart

6. Signature - Agent

7. Date of Delivery
1-11-88

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

EXHIBIT "D"

PS Form 3811, Mar. 1987

U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT