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REC.
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AGREEMENT

Fee \$20.00 MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

This Agreement made this 5th day of May, 1988, between Kathy N. Davis and Cleighton D. Davis, hereinafter referred to as Mortgagors and the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, hereinafter referred to as Mortgagee, WITNESSETH:

WHEREAS, Mortgagors did on May 29, 1980, execute and deliver one Promissory Note to Mortgagee its successors and/or assigns, said note being in the principle sum of \$ 36,480.00 with interest thereon at the rate set forth in said Note and said Note being secured by a Mortgage dated May 29, 1980 and recorded May 29, 1980 in Mortgage Record Book 133 on Page 183 of the records of the Madison County, Iowa, Recorder's office. Said Mortgage covered certain real property in Madison County, Iowa, more particularly described as follows:

Lot Four (4) in Block Eighteen (18) in Laughridge and Cassidy's Addition to the Town of Winterset, Madison County, Iowa,

Mortgagors are presently in default under the terms of the Mortgage and the obligation it secures, and Mortgagors and Mortgagee wish to utilize the alternative nonjudicial foreclosure procedure pursuant to Iowa Code Section 654.18 with respect to the Mortgage.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Mortgagors and Mortgagee hereby elect to follow the alternative nonjudicial foreclosure procedure pursuant to Iowa Code Section 654.18.
2. Mortgagors simultaneous with the execution of this Agreement shall convey to Mortgagee all their interest in the property described above, subject to the above-described Mortgage, by separate deed or instrument, pursuant to Iowa Code Section 654.18.
3. Mortgagee hereby accepts Mortgagors' conveyance of the above-described property as set out in the deed dated the same day as this Agreement and waives its right to a deficiency judgment or other claim against the Mortgagors arising from the Mortgage.
4. Mortgagors shall have immediate access to the property for the purpose of maintaining and protecting the property.
5. Mortgagors hereby acknowledge receipt, in duplicate, of a completed Disclosure and Notice of Cancellation Form, a copy of which is attached hereto and marked Exhibit "A".
6. Mortgagee shall hold title to the real estate subject to liens of record until completion of foreclosure proceedings, if any, pursuant to Section 654.18. However, the lien of the Mortgagee's 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 nonjudicial foreclosure procedure. Foreclosure proceedings shall be completed thirty (30) days from the date of mailing Notice of Election to Foreclose to junior lienholders or thirty (30) days from the completion of publication of a Notice of Election to Foreclose. Mortgagee shall record proof of service upon expiration of the applicable period of redemption, at which time the above-described Mortgage will be foreclosed, pursuant to Iowa Code Section 654.18.

7. That Mortgagors hereby acknowledge, agree and certify that the above-described deed, upon completion of the foreclosure, is an absolute conveyance of the Mortgagors' right, title and interest in and to said real estate, together with all buildings thereon and appurtenances thereunto belonging and appertaining, and constitutes a release of all liens, dower and homestead rights in and to said real estate. The deed also conveys, transfers and assigns the Mortgagors' right of possession, rentals and equity of redemption in and to said real estate.

8. Mortgagors further acknowledge that said Warranty Deed is given voluntarily by the Mortgagors to Mortgagee, in good faith on the part of the Mortgagors and the Mortgagee, without any fraud, misrepresentation, duress, or undue influence whatsoever or any misunderstanding on the part of Mortgagors, and is not given as a preference against any creditors of said Mortgagors. The conveyance by said Warranty Deed shall be and is hereby intended and understood to be an absolute conveyance and an unconditional sale. Mortgagors understand that the giving of the above-described deed may interfere with the obtaining of further insured mortgage loans.

9. Mortgagee shall not report to a credit bureau that the Mortgagors are delinquent upon the Mortgage nor that the Mortgagors have been subject to a non-judicial voluntary foreclosure by the Mortgagee.

10. Mortgagors do hereby immediately assign to the Mortgagee 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 Mortgagee, and Mortgagors further assign to the Mortgagee 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 Mortgagee in the aforesaid Warranty 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.

12. A review of title records indicates the real estate which is the subject of this Agreement is subject to the following liens:

- A. A small claims judgment against Craig Rudolf in favor of Winterset Medical Associates rendered November 23, 1982, for \$487 with interest at 10% from October 27, 1982 and costs. Said judgment may be found in Small Claims Docket 7 on Page 4193.
- B. A small claims judgment against Kathy Rudolf McDonald in favor of Flander and Casper Law Firm rendered June 3, 1985 for \$192 with interest at 10% from April 23, 1985 and costs. Said judgment was entered in Small Claims Docket 9 on Page 5129.

13. Mortgagee shall be responsible for all past due real estate taxes which include 1984 taxes due and payable 1985-1986 unpaid in the amount of \$666 plus penalty and costs; 1985 taxes payable 1986-1987 unpaid in the amount of \$728 plus penalty and costs; 1986 taxes payable 1987-1988 the first half unpaid in the amount of \$390 plus penalty and costs and the second half unpaid in the amount of \$390.

Dated this 5th day of May, 1988.

MORTGAGOR:

UNITED STATES OF AMERICA,
Farmers Home Administration

By: Anthony R. Putz
Anthony R. Putz
County Supervisor

MORTGAGEE:

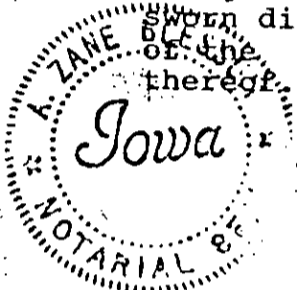
Kathy N. Davis
Kathy N. Davis
Cleighton D. Davis
Cleighton D. Davis

STATE OF IOWA :

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MADISON COUNTY:

On this 5th day of May, 1988, before me, a Notary Public in and for said County, personally appeared ANTHONY R. PUTZ, County Supervisor for Farmers Home Administration, United States Department of Agriculture 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 United States of America as the voluntary act and deed thereof.



[Signature]
NOTARY PUBLIC IN AND FOR THE STATE OF IOWA

STATE OF IOWA :

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MADISON COUNTY:

On this 5th day of May, 1988, before me, a Notary Public in and for said County, personally appeared KATHY N. DAVIS and CLEIGHTON D. DAVIS, to be 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.



[Signature]
NOTARY PUBLIC IN AND FOR THE STATE OF IOWA

DISCLOSURE AND NOTICE OF CANCELLATION

May 5, 1988
Date of Transaction

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 the United States of America, acting through the Farmers Home Administration, at 209 East Madison, Post Office Box 231, Winterset, Iowa 50273, before midnight of May 10, 1988.

I HEREBY CANCEL THIS TRANSACTION.

Date

Kathy N. Davis

Cleighton D. Davis

EXHIBIT "A"