

AGREEMENT

Chester E. Conley, an unmarried person, and Farmers & Merchants State Bank, Winterset, Iowa, hereinafter called the "Bank", hereby agree as follows:

1. This agreement is entered into pursuant to the alternative nonjudicial voluntary foreclosure procedure set forth in Iowa Code Section 654.18. Chester E. Conley and the Bank hereby elect to follow this procedure.

2. At the same time as the execution of this agreement, Chester E. Conley has executed and delivered to Farmers & Merchants State Bank a Warranty Deed conveying to Farmers & Merchants State Bank all of his interest in the real property that is the subject of the mortgage from Chester E. Conley to Farmers & Merchants State Bank, Winterset, Iowa, dated May 12, 1989, and recorded May 17, 1989, in Mortgage Record 152 on page 746, which secures the repayment of an original principal amount of \$25,000, and covers the real property described on the attached and incorporated Exhibit A.

3. The Bank hereby accepts the above described Warranty Deed and conveyance, and waives any rights to deficiency or other claim against mortgagor, Chester E. Conley, arising from the above described Mortgage. The mortgagee Bank does not waive the rights that it has under the said mortgage against AVCO Financial Services, or other lienholders, if there are any, and specifically reserves the right to assert all claims or rights that it has against such junior lienholders.

4. The Bank is hereby granted immediate access to the real property described on the attached Exhibit A for purposes of maintaining and protecting the property.

5. Farmers & Merchants State Bank and Chester E. Conley hereby authorize and direct the filing or recording of this document with the Madison County, Iowa, Recorder.

*Handwritten initials*

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MARY E. WELTY  
RECORDER  
MADISON COUNTY, IOWA

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6. The Bank shall send by certified mail to all junior lienholders as of the date of the above conveyance a notice of the parties' election to follow the alternative nonjudicial voluntary foreclosure procedure, stating that the junior lienholders shall have thirty (30) days from the date of mailing to exercise any rights of redemption, pursuant to Iowa Code Section 654.18(e). In the alternative, if the notice is given in the manner prescribed by Iowa Code Section 656.3, the junior lienholders shall have thirty (30) days from the completion of publication to exercise the rights of redemption.

7. Mortgagee, Chester E. Conley, hereby acknowledges that the mortgagor, Bank, at the time he has signed this agreement, has furnished him with a completed form, in duplicate, captioned "Disclosure and Notice of Cancellation", in ten-point bold face type, a copy of which is marked Exhibit B, attached hereto, and incorporated herein by this reference.

8. Chester E. Conley hereby acknowledges that he understands, and knowingly waives, the following rights:

a. The right to receive and act upon a notice of default, or a notice of his right to cure a default, given and received pursuant to Iowa Code Sections 654.2A, 654.2B, and 654.2D.

b. The right to mediation pursuant to Iowa Code Chapter 654.A, and Iowa Code Section 654.2C.

c. The right to repurchase the property pursuant to Iowa Code Section 524.910, under which Chester E. Conley would have the right to repurchase the real estate from the Bank on the same terms that the Bank proposes to sell or dispose of the real estate to a third person.

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d. All homestead rights that Chester E. Conley might have in the real property described in the attached Exhibit A pursuant to Iowa Law. Marked Exhibit C, attached hereto, and incorporated herein by this reference, is a executed Homestead Exemption Waiver.

e. The right to lease the property or otherwise possess it.

f. All other rights in and to the real property described on the attached Exhibit A held by Chester E. Conley which might in any way interfere with the right of the Bank to lease, sell or otherwise deal with the said real property in the same manner as would someone holding absolute fee simple title to the said real property.

Dated May 19, 1990.

FARMERS & MERCHANTS STATE BANK

By William M. Dickey  
William M. Dickey, Vice President

Chester E. Conley  
Chester E. Conley

STATE OF IOWA )

ss

MADISON COUNTY )

On this 19th day of May, 1990, before me, the undersigned, a Notary Public in and for said State, personally appeared Chester E. Conley, 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.



Stephen Walters  
Notary Public in and for the State of Iowa

The North One-fourth (1/4) of the Southeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Six (6) in Township Seventy-four (74) North, Range Twenty-seven (27) West of the 5th P. M., Madison County, Iowa, EXCLUDING A parcel of land located in the Southeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Six (6), Township Seventy-four (74) North, Range Twenty-seven (27) West of the 5th Principal Meridian, Madison County, Iowa, more particularly described as follows: Beginning at the Northwest corner of the Southeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Six (6), thence along the North line of said Southeast Quarter (1/4) of the Southeast Quarter (1/4), South 89 degrees 35' 49" East 391.72 feet; thence South 00 degrees 15' 52" West 329.90 feet; thence North 89 degrees 35' 49" West 390.20 feet to the West line of said Southeast Quarter (1/4) of the Southeast Quarter (1/4); thence along said West line North 00 degrees 00' 00" 329.91 feet to the Point of Beginning, containing 2.961 acres, BUT INCLUDING A parcel of land located in the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of said Section Six (6), more particularly described as follows: Beginning at the Southeast corner of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of said Section Six (6); thence along the South line of said Northeast Quarter (1/4) of the Southeast Quarter (1/4) North 89 degrees 35' 49" West 930.08 feet; thence North 00 degrees 15' 52" East 96.50 feet; thence North 88 degrees 02' 25" East 347.10 feet; thence North 90 degrees 00' 00" East 582.71 feet to the East line of said Northeast Quarter (1/4) of the Southeast Quarter (1/4); thence along said East line South 00 degrees 00' 00" 114.91 feet to the Point of Beginning, containing 2.336 acres.

EXHIBIT A

DISCLOSURE AND NOTICE OF CANCELLATION

DATE 5-19-1990

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 May 29, 1990.

FARMERS & MERCHANTS STATE BANK

By [Signature]  
Director

I HEREBY CANCEL THIS TRANSACTION.

DATE \_\_\_\_\_

Signature \_\_\_\_\_

Chester E. Conley hereby acknowledges receipt of the above Disclosure and Notice of Cancellation on this 19<sup>th</sup> day of May, 1990.

EXHIBIT B

[Signature]  
Chester E. Conley

## HOMESTEAD EXEMPTION WAIVER

I understand that homestead property is in many cases protected from the claims of creditors and exempt from judicial sale; and that by signing this contract or mortgage, I voluntarily give up my right to this protection for this property with respect to claims based upon this contract or mortgage.

This Homestead Exemption Waiver is signed and dated this 19<sup>th</sup> day of MAY, 19 90, at the same time as the execution of the attached contract or mortgage, and is a part thereof.


  
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Chester E. Conley

EXHIBIT C