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BOOK 42 PAGE 234

94 MAY -2 PM 3:35

MICHELLE UTSLER  
RECORDER  
MADISON COUNTY, IOWA

**AFFIDAVIT**

STATE OF IOWA :  
                  : ss  
MADISON COUNTY:

I, William L. Davis, being first duly sworn on oath, state that I am an officer of Farmers and Merchants State Bank, and this Affidavit concerns the chain of title to the following-described real estate:

Lots One (1) and Two (2) in Block Two (2) and the North Half (N½) of Lots One (1), Two (2) and Three (3) in Block Three (3) and the East 198 feet of vacated Arnold Street between Blocks Two (2) and Three (3), of W. A Jenkins Addition to the Town of Winterset, Madison County, Iowa.

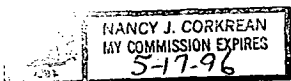
I further state that on May 3, 1989, an Agreement was entered into by and between James A. Adams, Mary June Adams, Jerry P. Adams and Helen M. Adam, and Farmers and Merchants State Bank, a copy of which Agreement is attached hereto and marked Exhibit "A". I further state that the deed conveying said real estate to Farmers and Merchants State Bank was an absolute conveyance, and not given as additional security, and that the consideration was the release of the Grantors from a portion of personal liability owing upon indebtedness to the bank.

William L. Davis  
William L. Davis

Subscribed and sworn to before me by William L. Davis on this 2nd day of

May, 1994.

Nancy J. Corkrean  
Notary Public in and for the State of Iowa



AGREEMENT

This Agreement made and entered into this 3<sup>rd</sup> day of May, 1989 by and between James A. Adams, Mary June Adams, Jerry P. Adams and Helen M. Adams (hereafter Adams) of Martensdale, Iowa, and the Farmers and Merchants State Bank of Winterset, Iowa (hereafter Bank), WITNESSES:

WHEREAS, Adams are indebted to Bank under the terms of certain promissory notes, being Note #126, dated August 26, 1988, in the original principal amount of \$61,270.00; Note #225, dated February 1, 1988 in the original principal amount of \$5,000.00, and Note #100, dated November 15, 1988 in the original principal amount of \$3,550.00, which notes represent the line of credit extended by Bank to Adams doing business as J & J Sweet Shop; and,

WHEREAS, James P. Adams is individually indebted to Bank under the terms of a note, being Note #10047015-7, dated October 31, 1988 in the original principal amount of \$4,000.00; and,

WHEREAS, as of April 27, 1989 the amounts due under all such notes, including principal and interest which has not been waived, is \$73,045.37; and,

WHEREAS, Adams is presently delinquent in payment of the amounts due under all of the said notes and has advised Bank that he is unable to pay the amounts due; and

WHEREAS, Notes #126, 225 and 100 are secured by a mortgage on the premises legally described as:

Lots One (1) and Two (2) in Block Two (2) and the North Half (1/2) of Lots One (1), Two (2), and Three (3) in Block Three (3) and the East 198 Feet of vacated Arnold Street between Blocks Two (2) and Three (3), of W. A. Jenkins Addition to the Town of Winterset, Madison County, Iowa

and a lien on the assets of the business known as the J & J Sweet Shop; and,

WHEREAS, the parties wish to settle the indebtedness due and the liability of Adams to Bank on Notes #126, #225, #100 and #10047015-7.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter recited Adams and Bank agree as follows:

**"EXHIBIT" A**

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1. Adams agrees to surrender the premises legally described

as:

Lots One (1) and Two (2) in Block Two (2) and the North Half (1/2) of Lots One (1), Two (2), and Three (3) in Block Three (3) and the East 198 Feet of vacated Arnold Street between Blocks Two (2) and Three (3), of W. A. Jenkins Addition to the Town of Winterset, Madison County, Iowa

and all the assets of the business known as J & J Sweet Shop to Bank. Adams shall execute and deliver a warranty deed conveying the premises and a Bill of Sale or other document transferring ownership of the assets of the business known as J & J Sweet Shop to Bank. These conveyances shall be subject only to the existing mortgage in favor of Bank, which mortgage shall be released by Bank as herein provided, and easements and restrictions of record.

2. James P. Adams and Mary June Adams shall execute a note in an amount equal to the difference between the amount due under the notes herein referred to, plus any advances made by Bank to pay costs associated with this Agreement and the transactions hereunder, and properly chargeable to Adams under this Agreement, and \$40,000.00, which note shall provide for monthly principal and interest payments of \$362.00 per month, an interest rate not to exceed 11.00% per annum and for a term of not more than twenty (20) years.

Said note shall be secured by a mortgage containing a Waiver of Homestead Right under Section 561.22, Code of Iowa, properly executed by James A. Adams and Mary June Adams, on the real estate legally described as:

Lot One (1) and the East Half (1/2) of  
Lot Two (2), Block Two (2), Strable's  
Addition to Martensdale, Iowa.

Said mortgage shall be subject only to the existing mortgage on said premises in favor of the Farmers Home Administration which is recorded at Page 91 in Book 148 in the records of the Warren County, Iowa Recorder's Office and existing easements and restrictions of record.

EXHIBIT A

The initial original principal balance of the note to be executed may be adjusted to reflect interest accrued between April 27, 1989 and the date hereof or resulting from the selection of the date of the first payment on the note to be executed by James P. Adams.

The proceeds of the loan evidenced by the note to be executed shall be disbursed in accordance with the Disclosure Statement to be prepared by Bank and delivered by Bank to James P. Adams and Mary June Adams and accepted by James P. Adams and Mary June Adams.

3. Adams shall be responsible for the payment of the following costs associated with the transaction provided for in this Agreement: \$86.00 Abstract Continuation, \$180.00 Title Opinions, \$1,485.00 Taxes, \$43.45 Revenue Stamps, and \$15.00 Mortgage filing fee. Bank shall be responsible for abstract continuation costs of the premises to be subjected to the mortgage provided for in paragraph 2 and the costs of recording the Warranty Deed and Bill of Sale.

4. Adams agree to cooperate with the Bank by performing any act or executing any documents reasonably necessary to complete the transfer and surrender of property as herein provided for.

5. Adams hereby waive any rights of redemption or right to repurchase the real estate legally described as:

Lots One (1) and Two (2) in Block Two (2) and the North Half (1/2) of Lots One (1), Two (2), and Three (3) in Block Three (3) and the East 198 Feet of vacated Arnold Street between Blocks Two (2) and Three (3), of W. A. Jenkins Addition to the Town of Winterset, Madison County, Iowa

and/or the assets of the business known as the J & J Sweet Shop.

6. Bank upon receipt of the documents transferring the real estate legally described as:

Lots One (1) and Two (2) in Block Two (2) and the North Half (1/2) of Lots One (1), Two (2), and Three (3) in Block Three (3) and the East 198 Feet of vacated Arnold Street between Blocks Two (2) and Three (3), of W. A. Jenkins Addition to the Town of Winterset, Madison County, Iowa

EXHIBIT A

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and the assets of the business known as the J & J Sweet Shop, shall credit the sum of \$40,000.00 toward the amounts due on the business debt represented by Notes #126, Note #225 and Note #100.

7. Bank, upon receipt of the duly executed note, mortgage, warranty deed and Bill of Sale provided for in this Agreement and, shall mark Notes #126, #225 and #100 settled in full by the credits made as a result of the transfer of the property referred to in paragraph 1 hereof and the payment of the proceeds of the loan evidenced by the note to be executed under paragraph 2 hereof and shall mark Note #10047015-7 paid in full, return all of the said notes so marked to Adams, release the mortgage on the real estate legally described as:

Lots One (1) and Two (2) in Block Two (2) and the North Half (1/2) of Lots One (1), Two (2), and Three (3) in Block Three (3) and the East 198 Feet of vacated Arnold Street between Blocks Two (2) and Three (3), of W. A. Jenkins Addition to the Town of Winterset, Madison County, Iowa

release all other mortgage(s) or security agreement(s) securing the payments of any of said notes and acknowledge that James A. Adams, Mary June Adams, Jerry P. Adams and Helen M. Adams are released from and have no further liability for the amounts due under Notes #126, #225, #100 and #10047015-7.

8. Nothing herein shall be construed to effect the liability of James P. Adams under the terms of Note #10047013-0, dated July 15, 1988 which had an original principal balance of \$4,860.42. James P. Adams understands and agrees that he shall continue to be liable for the amounts due under the term of Note #10047013-0.

James A. Adams  
James A. Adams

Mary June Adams  
Mary June Adams

Jerry P. Adams  
Jerry P. Adams

Helen M. Adams  
Helen M. Adams

FARMERS AND MERCHANTS STATE BANK

By William L. Davis

EXHIBIT A