

United States of America }
SOUTHERN DISTRICT OF IOWA } ss.

I, James R. Rosenbaum, Clerk of the United States District Court
for the Southern District of Iowa, do hereby certify that the annexed

and foregoing is a true and full copy of the original Complaint, fld. 2/3/88; Answer, fld. 3/3/88; Answer, Counterclaim and Cross-Claim fld. 4/19/88; Proof of Service (2) received 4/21/88; Defendant Madison County's Answer to Complaint, fld. 5/9/88; Madison County's Answer to Defendant Union State Bank's Counterclaim and Cross-Claim, fld. 5/9/88; Notices (3) and Acknowledgment of Receipt of Summons and Cross Claim by Mail, fld. 5/16/88; Joint Motion to Dismiss George W. and Bette F. Patten, fld. 6/22/88; Decree of Foreclosure, fld. 7/29/88; Approvals (3) of Decree of Foreclosure, fld. 7/12/88; Writ of Special Execution, fld. 11/1/88 in the cause entitled United States of America, Plaintiff, v. James D. McDonald, et al., Civil No. 88-79-B, Central Division

now remaining among the records of the said Court in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and
affixed the seal of the aforesaid Court at Des Moines, Iowa
this 4th day of January, A.D. 1989

JAMES R. ROSENBAUM

Clerk.

By

S. Conger

Deputy Clerk.

FILED
REC.
PAGE

FILED NO. 1402
BOOK 39 PAGE 147

1989 JAN 10 PM 2:37

MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee \$460.00

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

1978 FEB -3 11:14:33

U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

JAMES D. McDONALD, BEVERLY McDONALD,
FEDERAL LAND BANK OF OMAHA, GEORGE
W. AND BETTE F. PATTEN, UNION STATE
BANK, CHEVRON U.S.A. INC., AND
MADISON COUNTY

Defendants.

CIVIL ACTION NO. 88-0794

COMPLAINT

COMES NOW the plaintiff and for its cause of action against the defendants states that:

1. This is a civil action brought by the United States of America on behalf of the Small Business Administration, an Agency of the United States, under the provision of Title 28, U.S.C., Section 1345.

2. Defendants James and Beverly McDonald reside at Rural Route 3, Winterset, Iowa and were at all relevant times residents of the Southern District of Iowa.

3. On or about April 3, 1978, Defendants McDonalds, executed and delivered their promissory note in the principal amount of \$36,000 to plaintiff. A true and correct copy of said note is attached hereto and incorporated herein by this reference as Exhibit "A".

4. To secure payment of the note and as a part of the same transaction, executed their mortgage on certain real estate. The subject real estate is located in Madison County, Iowa, and more particularly described as follows:

	<u>SEC.</u>	<u>TWP.</u>	<u>RG.</u>
S1/2 SE1/4 and SE1/4 SW1/4 -----	2		
E1/2 NW1/4 -----	11		
All in -----		75N	28 W 5th P.M.
SW1/4 -----	16		
East 7 acres S1/2 NE1/4 SE1/4 -----	17		
North 25 acres NW1/4 NW1/4 -----	21		
All in -----		76N	28 W 5th P.M.

5. This mortgage was duly filed in the Madison Recorder's Office on April 10, 1978 at Book 128, Page 549, a true and correct copy of which is attached hereto and incorporated herein by this reference as Exhibit "B".

6. By release dated March 21, 1985 plaintiff executed a partial release of mortgage granting a perpetual easement for a well and waterline. A true and correct copy of said release is attached hereto as Exhibit "C".

7. By release dated September 11, 1986, Plaintiff executed a partial release of Real Estate Mortgage on real estate described as follows:

East Half of the Northwest Quarter (E1/2 NW1/4) of Section 11, Township 75 North, Range 28 West of the 5th P.M. in Madison County, Iowa, less five (5) acres commencing at the N1/4 corner of Section 11, and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly hwy. right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning.

8. Defendants McDonalds are the owners and holders of said real estate.

9. Defendants McDonalds are now delinquent in their payments on said note and mortgage.

10. Plaintiff has made just demand upon the McDonalds but they have failed, refused and neglected to comply with the provisions of the note and mortgage, and are now in default under the terms of said obligations.

11. There is now due and owing on the debt the sum of \$8,886.88, as of December 7, 1987, plus interest accruing therefrom at the rate of three percent per annum, as evidenced by the copy of the certified statement of account attached hereto and by this reference incorporated herein as Exhibit "E".

10. Plaintiff has incurred costs of \$359.00 for continuing the abstract of title to said mortgaged premises for the purpose of preparing for the foreclosure of said mortgage in this suit; and under the terms of said mortgage, said sum is considered as a part of the indebtedness secured by the mortgage.

11. Federal Land Bank of Omaha may have or claim an interest in the subject real estate by virtue of real estate mortgage.

12. George W. and Bette F. Patten may have or claim an interest in the subject real estate. The nature of the Patten's interest is unknown.

13. Union State Bank, may have or claim an interest in the subject real estate by virtue of Real Estate Mortgage, but that such claim, lien or interest, if any, is subsequent, junior and inferior to that of plaintiff.

14. Chevron U.S.A. Inc., may have or claim an interest in the subject real estate by virtue of oil and gas base, but that such claim, lien or interest, if any, is subsequent, junior and inferior to that of plaintiff.

15. Madison County may have or claim an interest in the subject real estate by virtue of real estate taxes due and owing on subject real estate.

WHEREFORE, Plaintiff prays for judgment against Defendants McDonalds and for judgment in rem against the above described real estate for \$8,886.88, together with interest thereon at the rate of three percent per annum from December 7, 1987, plus \$359.00 for abstracting expense and the costs of the action.

PLAINTIFF FURTHER PRAYS that plaintiff's mortgage is a first and superior lien upon the mortgaged property and prior to the liens, titles or other interest of the defendants, other than as to past-due real estate taxes, or prior liens, as determined by the Court; that said mortgage be foreclosed against all defendants for the full amount of the judgment, and that such judgment be decreed a lien on the mortgaged property; that special execution issue directing and sale of said mortgaged property, and the net proceeds of said sale be applied to judgment and costs herein; that by such sale all rights, title, interest or claim by the defendants in or to such mortgaged property be foreclosed and forever barred; that as provided by said mortgage and allowed by applicable law, all rights of redemption be waived, barred, and foreclosed; that the Court order the United States Marshal issue a

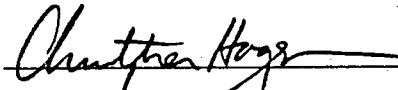
12

- 5 -

Marshal's Deed immediately upon sale of the property and eliminate any redemption period; for entry of a personal judgment against the McDonalds for any deficiency remaining after sale of mortgaged property; and for such other and further relief as may be just proper.

UNITED STATES OF AMERICA

CHRISTOPHER D. HAGEN
UNITED STATES ATTORNEY



U.S. Attorney
115 U.S. Courthouse
Des Moines, Iowa 50309

Telephone: (515) 284-6257



U.S. Small Business Administration

SBA LOAN NUMBER
(F)DL(3) 982624 10 06 DES

NOTE

Winterset, Iowa 50273
(City and State)

\$36,000.00

(Date) 1-3 19 88

For value received, the undersigned promises to pay to the order of SMALL BUSINESS ADMINISTRATION
P. O. BOX 360, DENVER, COLORADO 80201
(Payee)

at its office in the city of P. O. BOX 360, DENVER, State of COLORADO 80201

or at holder's option, at such other place as may be designated from time to time by the holder

THIRTY SIX THOUSAND AND NO/100 dollars.
(Write out amount)

with interest on unpaid principal computed from the date of each advance to the undersigned at the rate of three (3) percent per annum, payment to be made in installments as follows:

Installments of \$4,220.00, including principal and interest, payable annually, beginning ONE (1) YEAR from date of this Note and on even date of each year thereafter, and the balance of principal and interest payable IN FULL TEN (10) years from date of this Note; PROVIDED, each said installment shall be applied first to interest accrued to the date of receipt of said installment, and the balance, if any, to principal.

This note is secured by a Real Estate Mortgage, etc.

Payment of any installment of principal or interest owing on this Note may be made prior to the maturity date thereof without penalty.

The term "Indebtedness" as used herein shall mean the indebtedness evidenced by this Note, including principal, interest, and expenses, whether contingent, now due or hereafter to become due and whether heretofore or contemporaneously herewith or hereafter contracted. The term "Collateral" as used in this Note shall mean any funds, guaranties, or other property or rights therein of any nature whatsoever or the proceeds thereof which may have been, are, or hereafter may be, hypothecated, directly or indirectly by the undersigned or others, in connection with, or as security for, the indebtedness or any part thereof. The Collateral, and each part thereof, shall secure the Indebtedness and each part thereof. The covenants and conditions set forth or referred to in any and all instruments of hypothecation constituting the Collateral are hereby incorporated in this Note as covenants and conditions of the undersigned with the same force and effect as though such covenants and conditions were fully set forth herein.

The Indebtedness shall immediately become due and payable, without notice or demand, upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the undersigned or for any of its property, or upon the filing of a petition by or against the undersigned under the provisions of any State insolvency law or under the provisions of the Bankruptcy Act of 1898, as amended, or upon the making by the undersigned of an assignment for the benefit of its creditors. Holder is authorized to declare all or any part of the Indebtedness immediately due and payable upon the happening of any of the following events: (1) Failure to pay any part of the Indebtedness when due; (2) nonperformance by the undersigned of any agreement with, or any condition imposed by, Holder or Small Business Administration (hereinafter called "SBA"), or either of them, with respect to the Indebtedness; (3) Holder's discovery of the undersigned's failure in any application of the undersigned to Holder or SBA to disclose any fact deemed by Holder to be material or of the making therein or in any of the said agreements, or in any affidavit or other documents submitted in connection with said application or the indebtedness, of any misrepresentation by, on behalf of, or for the benefit of the undersigned; (4) the reorganization (other than a reorganization pursuant to any of the provisions of the Bankruptcy Act of 1898, as amended) or merger or consolidation of the undersigned (or the making of any agreement therefor) without the prior written consent of Holder; (5) the undersigned's failure duly to account, to Holder's satisfaction, at such time or times as Holder may require, for any of the Collateral, or proceeds thereof, coming into the control of the undersigned; or (6) the institution of any suit affecting the undersigned deemed by Holder to affect adversely its interest hereunder in the Collateral or otherwise. Holder's failure to exercise its rights under this paragraph shall not constitute a waiver thereof.

Duplicate SBA

U.S. Small Business Administration

Upon the nonpayment of the Indebtedness, or any part thereof, when due, whether by acceleration or otherwise, Holder is empowered to sell, assign, and deliver the whole or any part of the Collateral at public or private sale, without demand, advertisement or notice of the time or place of sale or of any adjournment thereof, which are hereby expressly waived. After deducting all expenses incidental to or arising from such sale or sales, Holder may apply the residue of the proceeds thereof to the payment of the Indebtedness, as it shall deem proper, returning the excess, if any, to the undersigned. The undersigned hereby waives all right of redemption or appraisal whether before or after sale.

Holder is further empowered, to collect or cause to be collected or otherwise to be converted into money all or any part of the Collateral, by suit or otherwise, and to surrender, compromise, release, renew, extend, exchange, or substitute any item of the Collateral in transactions with the undersigned or any third party, irrespective of any assignment thereof by the undersigned, and without prior notice to or consent of the undersigned or any assignee. Whenever any item of the Collateral shall not be paid when due, or otherwise shall be in default, whether or not the indebtedness, or any part thereof, has become due, Holder shall have the same rights and powers with respect to such item of the Collateral as are granted in respect thereof in this paragraph in case of nonpayment of the indebtedness, or any part thereof, when due. None of the rights, remedies, privileges, or powers of Holder expressly provided for herein shall be exclusive, but each of them shall be cumulative with and in addition to every other right, remedy, privilege, and power now or hereafter existing in favor of Holder, whether at law or in equity, by statute or otherwise.

The undersigned agrees to take all necessary steps to administer, supervise, preserve, and protect the Collateral; and regardless of any action taken by Holder, there shall be no duty upon Holder in this respect. The undersigned shall pay all expenses of any nature, whether incurred in or out of court, and whether incurred before or after this Note shall become due at its maturity date or otherwise, including but not limited to reasonable attorney's fees and costs, which Holder may deem necessary or proper in connection with the satisfaction of the Indebtedness or the administration, supervision, preservation, protection of (including, but not limited to, the maintenance of adequate insurance) or the realization upon the Collateral. Holder is authorized to pay at any time and from time to time any or all of such expenses, add the amount of such payment to the amount of the Indebtedness, and charge interest thereon at the rate specified herein with respect to the principal amount of this Note.

The security rights of Holder and its assigns hereunder shall not be impaired by Holder's sale, hypothecation or rehypothecation of any note of the undersigned or any item of the Collateral, or by any indulgence, including but not limited to (a) any renewal, extension, or modification which Holder may grant with respect to the Indebtedness or any part thereof, or (b) any surrender, compromise, release, renewal, extension, exchange, or substitution which Holder may grant in respect of the Collateral, or (c) any indulgence granted in respect of any endorser, guarantor, or surety. The purchaser, assignee, transferee, or pledgee of this Note, the Collateral, any guaranty, and any other document (or any of them), sold, assigned, transferred, pledged, or repledged, shall forthwith become vested with and entitled to exercise all the powers and rights given by this Note and all applications of the undersigned to Holder or SBA, as if said purchaser, assignee, transferee, or pledgee were originally named as Payee in this Note and in said application or applications.

This promissory note is given to secure a loan which SBA is making or in which it is participating and, pursuant to Part 101 of the Rules and Regulations of SBA (13 C.F.R. 101.1(d)), this instrument is to be construed and (when SBA is the Holder or a party) in interest enforced in accordance with applicable Federal law.

The undersigned understands and agrees that it is mandatory that all receipts, records, and such other evidence as is necessary and satisfactory to Small Business Administration be retained for three years from the date of the final disbursement on said note, which evidence shall indicate that the funds received have been used as directed by the authorization. Failure to furnish such evidence when requested shall raise a presumption that the proceeds of the loan have been wrongfully misapplied.

The undersigned understands and agrees that in the event he wrongfully misapplies the proceeds of the loan obtained, he shall be civilly liable to the Administration in an amount equal to one and one half (1 1/2) times the original principal amount of the loan. It is understood that the term "indebtedness" as defined above shall include this amount, if imposed by the Administration.

NOTICE OF RIGHT OF RESCISSION

You have a legal right under Federal Law to cancel this transaction, if you desire to do so, without any penalty or obligation within three (3) business days from date of this note.

No finance charge has been made for this transaction.

James D. McDonald
James D. McDonald

Beverly J. McDonald
Beverly J. McDonald



STATE OF IOWA }
COUNTY OF Madison } ss

On this 3 day of April, 1978
before me, a Notary Public, personally appeared the above
named person (s), and they did sign the above at that time.

Helen L. Powers
NOTARY PUBLIC

Note.—Corporate applicants must execute Note, in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnership applicants must execute Note in firm name, together with signature of a general partner.

MORTGAGE

(Direct)

(F)DL(B) 982624 10 06 DWS

This mortgage made and entered into this 4th day of April 19 78, by and between James D. McDonald and Beverly McDonald, husband and wife, also known as Beverly J. McDonald (hereinafter referred to as mortgagor) and the Administrator of the Small Business Administration, an agency of the Government of the United States of America (hereinafter referred to as mortgagee), who maintains an office and place of business at 210 Walnut, Des Moines, Iowa 50309.

WITNESSETH, that for the consideration hereinafter stated, receipt of which is hereby acknowledged, the mortgagor does hereby mortgage, sell, grant, assign, and convey unto the mortgagee, his successors and assigns, all of the following described property situated and being in the County of Madison State of Iowa.

	SEC.	TWP.	RG.
SE 1/4 SW 1/4	2		
SW 1/4	11		
All in		75N	29 W 5th P.M.
SW 1/4	16		
West 7 acres SW 1/4 SW 1/4	17		
North 25 acres NW 1/4 SW 1/4	21		
All in		76N	28 W 5th P.M.

SUBJECT TO EXISTING ENCUMBRANCES OF RECORD.

FILED NO. 2129
 BOOK 128 PAGE 549
 1978 APR 10 AM 10:11
 DEWE, WALTER
 RECORDER
 DES MOINES COUNTY, IOWA 850

Together with and including all buildings, all fixtures including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the mortgagor hereby declaring that it is intended that the items herein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon; the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, all rights of redemption, and the rents, issues, and profits of the above described property (provided, however, that the mortgagor shall be entitled to the possession of said property and to collect and retain the rents, issues, and profits until default hereunder). To have and to hold the same unto the mortgagee and the successors in interest of the mortgagee forever in fee simple or such other estate, if any, as is stated herein.

The mortgagor covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except as hereinabove recited; and that he hereby binds himself and his successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the claims of all persons whomsoever.

This instrument is given to secure the payment of a promissory note dated of even date herewith in the principal sum of \$ 36,000.00, signed by James D. McDonald and Beverly J. McDonald in behalf of themselves.

SBA Form 927 (5-73) Previous Editions are Obsolete.

th

Duplicate SBA

10

1. The mortgagor covenants and agrees as follows:

a. He will promptly pay the indebtedness evidenced by said promissory note at the times and in the manner therein provided

b. He will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the said mortgagee.

c. He will pay such expenses and fees as may be incurred in the protection and maintenance of said property, including the fees of any attorney employed by the mortgagee for the collection of any or all of the indebtedness hereby secured, or for foreclosure by mortgagee's sale, or court proceedings, or in any other litigation or proceeding affecting said premises. Attorneys' fees reasonably incurred in any other way shall be paid by the mortgagor.

d. For better security of the indebtedness hereby secured, upon the request of the mortgagee, its successors or assigns, he shall execute and deliver a supplemental mortgage or mortgages covering any additions, improvements, or betterments made to the property hereinabove described and all property acquired by it after the date hereof (all in form satisfactory to mortgagee). Furthermore, should mortgagor fail to cure any default in the payment of a prior or inferior encumbrance on the property described by this instrument, mortgagor hereby agrees to permit mortgagee to cure such default, but mortgagee is not obligated to do so; and such advances shall become part of the indebtedness secured by this instrument, subject to the same terms and conditions.

e. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of payment of the indebtedness evidenced by said promissory note or any part thereof secured hereby.

f. He will continuously maintain hazard insurance, of such type or types and in such amounts as the mortgagee may from time to time require on the improvements now or hereafter on said property, and will pay promptly when due any premiums therefor. All insurance shall be carried in companies acceptable to mortgagee and the policies and renewals thereof shall be held by mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the mortgagee. In event of loss, mortgagor will give immediate notice in writing to mortgagee, and mortgagee may make proof of loss if not made promptly by mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to mortgagee instead of to mortgagor and mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged or destroyed. In event of foreclosure of this mortgage, or other transfer of title to said property in extinguishment of the indebtedness secured hereby, all right, title, and interest of the mortgagor in and to any insurance policies then in force shall pass to the purchaser or mortgagee or, at the option of the mortgagee, may be surrendered for a refund.

g. He will keep all buildings and other improvements on said property in good repair and condition; will permit, commit, or suffer no waste, impairment, deterioration of said property or any part thereof; in the event of failure of the mortgagor to keep the buildings on said premises and those erected on said premises, or improvements thereon, in good repair, the mortgagee may make such repairs as in its discretion it may deem necessary for the proper preservation thereof; and the full amount of each and every such payment shall be immediately due and payable and shall be secured by the lien of this mortgage.

h. He will not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage without the written consent of the mortgagee; and further, he will keep and maintain the same free from the claim of all persons supplying labor or materials for construction of any and all buildings or improvements now being erected or to be erected on said premises.

i. He will not rent or assign any part of the rent of said mortgaged property or demolish, or remove, or substantially alter any building without the written consent of the mortgagee.

j. All awards of damages in connection with any condemnation for public use or injury to any of the property subject to this mortgage are hereby assigned and shall be paid to mortgagee, who may apply the same to payment of the installments last due under said note, and mortgagee is hereby authorized, in the name of the mortgagor, to execute and deliver valid acquittances thereof and to appeal from any such award.

k. The mortgagee shall have the right to inspect the mortgaged premises at any reasonable time.

2. Default in any of the covenants or conditions of this instrument or of the note or loan agreement secured hereby shall terminate the mortgagor's right to possession, use, and enjoyment of the property, at the option of the mortgagee or his assigns (it being agreed that the mortgagor shall have such right until default). Upon any such default, the mortgagee shall become the owner of all of the rents and profits accruing after default as security for the indebtedness secured hereby, with the right to enter upon said property for the purpose of collecting such rents and profits. This instrument shall operate as an assignment of any rentals on said property to that extent.

3. The mortgagor covenants and agrees that if he shall fail to pay said indebtedness or any part thereof when due, or shall fail to perform any covenant or agreement of this instrument or the promissory note secured hereby, the entire indebtedness hereby secured shall immediately become due, payable, and collectible without notice, at the option of the mortgagee or assigns, regardless of maturity, and the mortgagee or his assigns may before or after entry sell said property without appraisal (the mortgagor having waived and assigned to the mortgagee all rights of appraisal):

(i) at judicial sale pursuant to the provisions of 28 U.S.C. 2001(a); or

(ii) at the option of the mortgagee, either by auction or by solicitation of sealed bids, for the highest and best bid complying with the terms of sale and manner of payment specified in the published notice of sale, first giving four weeks' notice of the time, terms, and place of such sale, by advertisement not less than once during each of said four weeks in a newspaper published or distributed in the county in which said property is situated, all other notice being hereby waived by the mortgagor (and said mortgagee, or any person on behalf of said mortgagee, may bid with the unpaid indebtedness evidenced by said note). Said sale shall be held at or on the property to be sold or at the Federal, county, or city courthouse for the county in which the property is located. The mortgagee is hereby authorized to execute for and on behalf of the mortgagor and to deliver to the purchaser at such sale a sufficient conveyance of said property, which conveyance shall contain recitals as to the happening of the default upon which the execution of the power of sale herein granted depends; and the said mortgagor hereby constitutes and appoints the mortgagee or any agent or attorney of the mortgagee, the agent and attorney in fact of said mortgagor to make such recitals and to execute said conveyance and hereby covenants and agrees that the recitals so made shall be effectual to bar all equity or right of redemption, homestead, dower, and all other exemptions of the mortgagor, all of which are hereby expressly waived and conveyed to the mortgagee; or

(iii) take any other appropriate action pursuant to state or Federal statute either in state or Federal court or otherwise for the disposition of the property.

In the event of a sale as hereinabove provided, the mortgagor or any person in possession under the mortgagor shall then become and be tenants holding over and shall forthwith deliver possession to the purchaser at such sale or be summarily dispossessed, in accordance with the provisions of law applicable to tenants holding over. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

4. The proceeds of any sale of said property in accordance with the preceding paragraphs shall be applied first to pay the costs and expenses of said sale, the expenses incurred by the mortgagee for the purpose of protecting or maintaining said property, and reasonable attorneys' fees; secondly, to pay the indebtedness secured hereby; and thirdly, to pay any surplus or excess to the person or persons legally entitled thereto.

5. In the event said property is sold at a judicial foreclosure sale or pursuant to the power of sale hereinabove granted, and the proceeds are not sufficient to pay the total indebtedness secured by this instrument and evidenced by said promissory note, the mortgagee will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisal.

6. In the event the mortgagor fails to pay any Federal, state, or local tax assessment, income tax or other tax lien, charge, fee, or other expense charged against the property, the mortgagee is hereby authorized at his option to pay the same. Any sums so paid by the mortgagee shall be added to and become a part of the principal amount of the indebtedness evidenced by said note, subject to the same terms and conditions. If the mortgagor shall pay and discharge the indebtedness evidenced by said promissory note, and shall pay such sums and shall discharge all taxes and liens and the costs, fees, and expenses of making, enforcing, and executing this mortgage, then this mortgage shall be canceled and surrendered.

7. The covenants herein contained shall bind and the benefits and advantages shall inure to the respective successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

8. No waiver of any covenant herein or of the obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the note secured hereby.

9. In compliance with section 101.1(d) of the Rules and Regulations of the Small Business Administration [13 C.F.R. 101.1(d)], this instrument is to be construed and enforced in accordance with applicable Federal law.

10. A judicial decree, order, or judgment holding any provision or portion of this instrument invalid or unenforceable shall not in any way impair or preclude the enforcement of the remaining provisions or portions of this instrument.

12

11. Any written notice to be issued to the mortgagor pursuant to the provisions of this instrument shall be addressed to the mortgagor at **R. R. 3, Winterset, Iowa 50273** and any written notice to be issued to the mortgagee shall be addressed to the mortgagee at **210 Walnut, Des Moines, Iowa 50309**

IN WITNESS WHEREOF, the mortgagor has executed this instrument and the mortgagee has accepted delivery of this instrument as of the day and year aforesaid.

James D. McDonald
James D. McDonald
Beverly J. McDonald
Beverly McDonald aka Beverly J. McDonald

~~Notary Public in and For the Aforesaid County and State~~

STATE OF Iowa (Add Appropriate Acknowledgment)
COUNTY OF Madison ss.

On this 3 day of April, A.D., 19 78, before me, a Notary Public, personally appeared James D. McDonald and Beverly McDonald aka Beverly J. McDonald

to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that he/they executed the same, as his/their voluntary act and deed.



Helen L. Powers
NOTARY PUBLIC In and For the Aforesaid County and State
MY COMMISSION EXPIRES: 9-30-79

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, A.D., 19____, before me, a Notary Public in and for the aforesaid County and State, personally appeared _____ and _____, to me personally known, who being by me duly sworn did state that they are the _____ and _____ respectively of said corporation, (that the seal affixed to said instrument is the seal of same) (that no seal has been procured by the said) corporation and that said instrument was signed and sealed on behalf of the said corporation by authority of its board of directors and the said _____ and _____ acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

NOTARY PUBLIC In and For the Aforesaid County and State
MY COMMISSION EXPIRES: _____

MORTGAGE

TO

RECORDING DATA

RETURN TO:
Name LEGAL DEPARTMENT
SBA DISASTER OFFICE
Address 310 S. Reg. Way
DES MOINES, IOWA 50309

PARTIAL RELEASE OF MORTGAGE

Small Business Administration, an agency of the Government of the United States of America, hereby releases the following-described Easement from the lien of the Mortgage from James D. McDonald and Beverly McDonald to it, dated April 4, 1978, and recorded April 10, 1978, in Mortgage Record 128 on page 549 in the office of the Madison County, Iowa, Recorder:

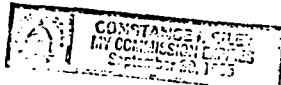
A perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline:- Commencing at a point on the Section line which is 190 feet West of the South Quarter ($\frac{1}{4}$) Corner of Section Two (2), in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, thence North 145 feet.

SMALL BUSINESS ADMINISTRATION, an Agency of the United States of America

By Harold E. Brokaw
Harold E. Brokaw, Chief
Portfolio Management Division

STATE OF IOWA
COUNTY OF POLK

On this 21st day of March, A.D., 1985, before me, a Notary Public, personally appeared Harold E. Brokaw, Chief, Portfolio Management Division to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.



Constance S. Coley
NOTARY PUBLIC

MOD09

SMALL BUSINESS ADMINISTRATION
LOAN STATUS INFORMATION

DATE: 12/07/87

AS OF: 12/07/87 SBA-STATUS: LIQUIDATION

NAME: JAMES D AND BEVERLY J MCDONALD
ADDRESS: RR 3 BOX 65
CITY: WINTERSET
STATE: IA ZIP CODE: 50273

1175-STATUS:
LOAN NO: 98262410-06 OFF NO: 0761
DATE APPROVED: 03/21/78
TOTAL DISBURSEMENT: 36000.00
UNDISBURSED: 0.00

PARTICIPATION BREAKDOWN		INTEREST RATE
SBA (%)	1.00000	.03000
BANK (%)	0.00000	.00000

INSTALLMENT AMOUNT: 4220.00
INSTALLMENT FREQUENCY: A
MATURITY DATE: 04/03/88
MATURITY MONTH: 120
MONTHS DEFERRED: 0
DATE OF LAST PAYMENT: 04/11/86
AMOUNT OF LAST PAYMENT: 4220.00
AMOUNT PAID TOWARD NEXT
INSTALLMENT: 0.00
NEXT INSTALLMENT DUE DATE: 04/03/87

COBANK NAME:
ADDRESS:
CITY:
STATE: ZIP CODE: 00000
DATE OF LAST DISB 04/12/78
SERV GROUP CODE 1

PRINCIPAL BALANCE:	8482.01	
ACCRUED INTEREST: (THRU 120787)	404.87	DAILY INTEREST AMT 0.70
TOTAL DUE SBA:	8886.88	

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

1988 MAR -3 PM 1:30
FEDERAL DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

14
UNITED STATES OF AMERICA,)
)
Plaintiff,)

CIVIL ACTION NO. 88-079-B

vs.)

JAMES D. McDONALD, BEVERLY)
McDONALD, FEDERAL LAND BANK)
OF OMAHA, GEORGE W. and BETTE)
F. PATTEN, UNION STATE BANK,)
CHEVRON U.S.A. INC., and)
MADISON COUNTY,)
)
Defendants.)

ANSWER

The Answer of Defendants, James D. McDonald and Beverly McDonald, is set out below in paragraphs numbered to correspond with the paragraphs of Plaintiff's Petition. The single word "admit" means the material allegations of the corresponding paragraph in Plaintiff's Petition are admitted. The single word "deny" means all or some of the material allegations in the corresponding paragraph of Plaintiff's Petition are denied.

1. Admit.
2. Admit.
3. Admit.
4. Admit.
5. Admit.
6. Admit.
7. Admit.
8. Admit.
9. Admit.


10. Admit.
11. Deny - lack of information and knowledge.
10. Deny - lack of information and knowledge.
11. Admit.
12. Admit.
13. Admit.
14. Admit.
15. Admit.

WHEREFORE, Defendants, James D. McDonald and Beverly McDonald, pray that in the event a judgment, in personam or in rem is entered against them in this action, Plaintiff be required to establish the unpaid balance owing on the obligation.

WHEREFORE, Defendants, James D. McDonald and Beverly McDonald, pray for such other and further relief as to the Court may seem just and/or necessary.

REYNOLDSON, VAN WERDEN, KIMES,
REYNOLDSON, LLOYD & WIECK

By




L. P. Van Werden
200 W. Jefferson
Osceola, Iowa 50213
Phone: (515) 342-2157

ATTORNEYS FOR DEFENDANTS

PROOF OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing instrument was served upon the following named person(s) at the address(es) listed by ordinary mail by depositing it in a U. S. Post Office depository in Osceola, Iowa, on March 2, 1988.

Mr. Chris D. Hagen
United States Attorney
115 U. S. Courthouse
Des Moines, Iowa 50309



IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

FILED
REC. ROOMS, IOWA
1988 APR 19 PM 1:29
CLERK U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,
Plaintiff

*
*
*
*
*
*

CIVIL NO. 88-079-B

vs

JAMES D. McDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A. INC., and
MADISON COUNTY,
Defendants

ANSWER,
COUNTERCLAIM AND
CROSS-CLAIM

DIVISION I

ANSWER

Comes now the Defendant, Union State Bank of Winterset, and for its Answer in this cause of action states:

1. The Defendant admits the allegations of paragraph 1 of the Complaint.
2. The Defendant admits the allegations of paragraph 2 of the Complaint.
3. The Defendant admits the allegations of paragraph 3 of the Complaint.
4. The Defendant admits the allegations of paragraph 4 of the Complaint.
5. The Defendant admits the allegations of paragraph 5 of the Complaint.
6. The Defendant admits the allegations of paragraph 6 of the Complaint.
7. The Defendant admits the allegations of paragraph 7 of the Complaint.

Note was sent to atty to provide certificate of Service.

8. The Defendant admits the allegations of paragraph 8 of the Complaint.

9. The Defendant admits the allegations of paragraph 9 of the Complaint.

10. The Defendant admits the allegations of paragraph 10 of the Complaint.

11. The Defendant denies the allegations of paragraph 11 of the Complaint for lack of information upon which to form a belief.

12. The Defendant admits the allegations of paragraph 12 of the Complaint.

13. The Defendant admits the allegations of paragraph 13 of the Complaint.

14. The Defendant admits the allegations of paragraph 14 of the Complaint.

15. The Defendant admits that the Defendant has a claim of interest in the real estate by virtue of a real estate mortgage, but denies that such interest is junior and inferior to the mortgage lien of the Plaintiff.

16. The Defendant admits the allegations of paragraph 16 of the Complaint.

17. The Defendant admits the allegations of paragraph 17 of the Complaint.

WHEREFORE, the Defendant, Union State Bank of Winterset, prays that the Plaintiff be required to prove every allegation of the Complaint denied by this Answer; that the mortgages, claims

and encumbrances be foreclosed as provided by law; that the priorities of these liens and encumbrances be determined and established by Order of this Court; that the real estate be sold for cash in order to satisfy the liens and encumbrances in their order of priority; that the Defendant Union State Bank of Winterset be authorized any overplus from the sale of the real estate in the amount established by its Cross-Claim herein; and, that the Union State Bank of Winterset be afforded its rights in the real estate as provided by law.

DIVISION II

COUNTERCLAIM

Comes now the counterclaimant, Union State Bank of Winterset, and for its Counterclaim states:

1. The counterclaimant, Union State Bank of Winterset, is a corporation organized under the laws of the State of Iowa with its principal place of business in Winterset, Madison County, Iowa.

2. The Plaintiff is the Government of the United States of America on behalf of the Small Business Administration, which is an agency of the United States under the provisions of Title 28 U.S.C. Section 1345.

3. On or about July 22, 1985, the Defendants, James D. McDonald and Beverly J. McDonald, made, executed and delivered to the counterclaimant their promissory note in the principal amount of \$373,700.00 payable according to the terms and conditions set

forth therein. A true copy of said promissory note is marked Exhibit "A" and attached to this Counterclaim as a part hereof.

4. On or about July 22, 1985, as part of the same transaction for the purposes of securing the said note with interest and other sums further described therein, the Defendant James D. McDonald and Beverly J. McDonald made, executed and delivered to the counterclaimant a mortgage upon the real estate legally described as:

The East Half (1/2) of the Northwest Quarter (1/4) of Section Eleven (11), except a tract of land commencing at the North Quarter (1/4) corner of said Section Eleven (11), running thence South 89'10" West 284 feet along the Section line, thence South 17' 35" West 672.71 feet, thence North 30' 04" East 406.51 feet, thence North 21' 10" East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: Commencing at a point on the Section line which is 190 feet West of the South Quarter (1/4) corner of Section Two (2), thence North 145 feet; and

the South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) of Section Two (2), except that part thereof heretofore conveyed to the State of Iowa for highway purposes, all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

The Southwest Quarter (1/4) of Section Sixteen (16) and the North 25 Acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21) and the East 7 Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, and

Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa

a true copy of which Mortgage is marked Exhibit "B" and attached to this Counterclaim as a part hereof. Exhibit "B" was duly recorded on July 22, 1985 in the Madison County Recorder's Office in Mortgage Record Book 143 at page 481.

5. The counterclaimant has released its mortgage lien upon the real estate legally described as:

The East Half (1/2) of the Northwest Quarter (1/4) of Section Eleven (11), except a tract of land commencing at the North Quarter (1/4) corner of said Section Eleven (11), running thence South 89'10" West 284 feet along the Section line, thence South 17' 35" West 672.71 feet, thence North 30' 04" East 406.51 feet, thence North 21' 10" East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: Commencing at a point on the Section line which is 190 feet West of the South Quarter (1/4) corner of Section Two (2), thence North 145 feet;

6. The counterclaimant is the owner and holder of said note and mortgage shown as Exhibits "A" and "B" to this Counterclaim.

24

-6-

6. The Defendants, James D. McDonald and Beverly J. McDonald, have failed and refused to make payment to the counterclaimant according to the terms of Exhibits "A", notwithstanding the counterclaimant's demands therefore, and Exhibit "A" and "B" by their terms are past due and in default.

7. The counterclaimant has accelerated, and does hereby accelerate, the majority of the unpaid balances under Exhibits "A" and "B".

8. The counterclaimant has caused to be served upon the Defendants, James D. McDonald and Beverly J. McDonald, a Notice of Right To Cure as provided by Iowa Code Section 654.2A and has received a Mediation Release under Iowa Code Section 654A.11.

9. After allowing full credit to the Defendants for payments made on Exhibit "A", the counterclaimant is owed as of March 23, 1988 the principal sum of \$326,823.44 plus interest accrued thereon to said date in the sum of \$36,833.27 plus interest accruing thereafter at the rate of \$45.39 per diem plus advances as provided by Exhibit "B".

10. The counterclaimant is willing and now offers upon payment of the amounts due the counterclaimant under the terms of Exhibits "A" and "B" and as set forth in this Counterclaim to cancel the said notes; discharge of record the mortgage securing the same; and, to do all things which equity may require.

11. The counterclaimant has retained John E. Casper of the law firm of Flander and Casper for its counsel in this cause of action and Exhibits "A" and "B" allow the counterclaimant to

recover the reasonable fees of its attorney in the event of suit on said Exhibits.

WHEREFORE, the counterclaimant, Union State Bank of Winterset, prays the Court for in rem judgment against the real estate described in paragraph 4 of this Counterclaim in the sum of \$363,656.71 plus interest accruing after March 23, 1988 at the rate of \$45.39 per diem and for such sums as have been or may hereafter be incurred or advanced for court costs, taxes, attorney fees, abstracting and other purposes authorized by said note and mortgage and by Iowa law.

THE COUNTERCLAIMANT further prays the Court to declare its judgment a lien upon the mortgaged premises from and after the date of execution of Exhibit "B" and upon the rents, issues and profits which may be derived from the premises and declare this lien to be prior and paramount to the lien and interest of the Defendants upon the real estate described in paragraph 4 above.

THE COUNTERCLAIMANT further prays that the Court Order the counterclaimant's mortgage as to the real estate described in paragraph 4 above foreclosed and the equities of redemption of the Plaintiff as to said real estate and of every person or legal entity claiming by, through or under them, be forever barred and foreclosed, except as otherwise provided by law; and, the Court should Order a special execution issued for the sale of said real estate described in said paragraph 4, or so much thereof as necessary to satisfy the counterclaimant's judgment with interest and costs as herein provided.

26

THE COUNTERCLAIMANT further prays that the Court appoint a Receiver to take immediate possession of the mortgage premises described in paragraph 4 above with power and authority to do all things as may be provided by law and to retain and dispose of the rents, issues and profits as the mortgage shown as Exhibit "B" provides and as the Court may determine and direct.

THE COUNTERCLAIMANT further prays that the Court in the event the mortgaged premises do not sell for an amount sufficient to satisfy fully the counterclaimant's judgment order the net proceeds and the rents, issues and profits hereafter derived from the premises be applied upon the judgment until the judgment is fully satisfied.

THE COUNTERCLAIMANT further prays the Court to authorize any overplus remaining from the proceeds of the Plaintiff's sale of the real estate described above to be applied upon the counterclaimant's judgment established by this Counterclaim and by its Cross-Claim in this cause of action.

THE COUNTERCLAIMANT further prays the Court to Order jurisdiction retained in this matter until expiration of the rights of redemption and the issuance of a Marshall's Deed to the grantee and the grantee's possession of the mortgaged premises pursuant to said deed.

THE COUNTERCLAIMANT further prays the Court should Order the counterclaimant such other and further relief including the costs of this action as may be equitable in the premises.

DIVISION III

CROSS-CLAIM

Comes now the Cross-claimant, Union State Bank of Winterset, and for its Cross-claim against the Cross-Defendants states:

1. The Cross-Claimant is a corporation organized under the laws of the State of Iowa with its principal place of business in Winterset, Madison County, Iowa, which is within the Southern District of Iowa.

2. The Cross-Defendant, James D. McDonald and Beverly J. McDonald, reside in Madison County, Iowa and are at all times material hereto residents of the Southern District of Iowa.

3. The Cross-Defendant, Madison County, Iowa, is a political subdivision of the State of Iowa.

4. The Cross-Defendant, Federal Land Bank of Omaha, is a corporation organized under the laws of the United States of America and doing business in Madison County, Iowa.

5. The Cross-Defendant, Chevron U.S.A., Inc., is a foreign corporation authorized to do business in the State of Iowa and doing business in Madison County, Iowa.

6. The Cross-Defendants, George W. Patten and Bette F. Patten are residents of Madison County, Iowa and are at all times material hereto residents of the Southern District of Iowa.

7. On or about July 22, 1985, the Cross-Defendants, James D. McDonald and Beverly J. McDonald, made, executed and delivered to the Cross-Claimant their promissory note in the principal amount of \$373,700.00 payable according to the terms and

conditions set forth therein. A true copy of said promissory note is marked Exhibit "A" and attached to this Cross-Claim as a part hereof.

8. On or about July 22, 1985, as part of the same transaction for the purposes of securing the said note with interest and other sums further described therein, the Cross-Defendants, James D. McDonald and Beverly J. McDonald, made, executed and delivered to the Cross-Claimant a mortgage upon the real estate legally described as:

The East Half (1/2) of the Northwest Quarter (1/4) of Section Eleven (11), except a tract of land commencing at the North Quarter (1/4) corner of said Section Eleven (11), running thence South 89'10" West 284 feet along the Section line, thence South 17' 35" West 672.71 feet, thence North 30' 04" East 406.51 feet, thence North 21' 10" East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: Commencing at a point on the Section line which is 190 feet West of the South Quarter (1/4) corner of Section Two (2), thence North 145 feet; and

the South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) of Section Two (2), except that part thereof heretofore conveyed to the State of Iowa for highway purposes, all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

The Southwest Quarter (1/4) of Section Sixteen (16) and the North 25 Acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21) and the East 7 Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, and

Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa

a true copy of which mortgage is marked Exhibit "B" and attached to this Cross-Claim as a part hereof. Exhibit "B" was duly recorded on July 22, 1985 in the Madison County Recorder's Office in Mortgage Record Book 143 at page 481.

9. The Cross-claimant has released its mortgage as a lien upon the real estate legally described as:

The East Half (1/2) of the Northwest Quarter (1/4) of Section Eleven (11), except a tract of land commencing at the North Quarter (1/4) corner of said Section Eleven (11), running thence South 89'10" West 284 feet along the Section line, thence South 17' 35" West 672.71 feet, thence North 30' 04" East 406.51 feet, thence North 21' 10" East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: Commencing at a point on the Section line which is 190 feet West of the South Quarter (1/4) corner of Section Two (2), thence North 145 feet

10. The Cross-claimant is the owner and holder of said note

11. Exhibits "A" and "B", among other things, expressly provides for the appointment of a receiver upon the filing of this Cross-Claim or at any time thereafter.

12. The Cross-Defendants, James D. McDonald and Beverly J. McDonald, have failed and refused to make payment to the Cross-claimant according to the terms of Exhibits "A" notwithstanding the Cross-Claimant's demands therefore and Exhibits "A" and "B" by their terms are past due and in default.

13. The Cross-Claimant has accelerated, and does hereby accelerate, the maturity of the unpaid balances under Exhibit "A".

14. The Cross-Claimant has caused to be served upon the Cross-Defendants, James D. McDonald and Beverly J. McDonald, a notice of the right to cure as provided by Iowa Code Section 654.2A and has received a Mediation Release under Iowa Code Section 654A.11.

15. After allowing full credit to the Cross-Defendant's, James D. McDonald and Beverly J. McDonald, for payments made on Exhibit "A", the Cross-Claimant is owed as of March 23, 1988 the principal sum of \$326,823.44 plus interest accrued thereon to said date in the sum of \$36,833.27 plus interest accruing thereafter at the rate of \$45.39 per diem plus advances as provided by Exhibit "B".

16. The Cross-Claimant is willing and now offers upon payment of the amounts due Cross-Claimant under the terms of Exhibits "A" and "B" and as set forth in this Counter-claim to

cancel the said notes; discharge of record the mortgages securing the same; and, to do all things which equity may require.

17. The Cross-Defendant, Federal Land Bank, may claim an interest in the property described above by reason of mortgages. Said interest is junior and subordinate to the right, title and interest of the Cross-Claimant.

18. The Cross-Defendant, Madison County, Iowa, may claim an interest in the property described above by reason of property taxes, which interest is junior and subordinate to the right, title and interest of this Cross-Claimant.

19. The Cross-Defendant Chevron U.S.A., Inc. may claim an interest in the property described above by reason of a lease, which interest is junior and subordinate to the right, title and interest of this Cross-Claimant.

20. The Cross-Defendants, George W. Patten and Bette F. Patten, may claim an interest in the property described above, which interest is junior and subordinate to the right, title and interest of this Cross-Claimant.

21. The Cross-Claimant has retained John E. Casper of the law firm of Flander and Casper for its counsel in this cause of action and Exhibits "A" and "B" allow the Cross-Claimant to recover the reasonable fees of its attorney in the event of suit on said exhibits.

WHEREFORE, the Cross-Claimant prays the Court for personal judgment against the Cross-Defendants, James D. McDonald and Beverly J. McDonald and for in rem judgment against the real

estate described in paragraph 8 of this Cross-Claim in the sum of \$363,656.71 plus interest accruing after March 23, 1988 at the rate of \$45.39 per diem and for such sums as have been or may hereafter be incurred or advanced for court costs, taxes, attorney fees, abstracting and other purposes authorized by said note and mortgage and by law.

THE CROSS-CLAIMANT further prays the Court to declare its judgment a lien upon the mortgaged premises from and after the date of execution of Exhibit "B" and upon the rents, issues and profits which may be derived from the premises and declare this lien to be prior and paramount to the lien and interest of the Cross-Defendants upon the real estate described in paragraph 8 above.

THE CROSS-CLAIMANT further prays that the Court should Order the Cross-Claimant's mortgage as to the real estate described in paragraph 8 above foreclosed and the equities of redemption of the Cross-Defendants as to said real estate and of every person or legal entity claimed by, through or under them, be forever barred and foreclosed, except as otherwise provided by law; and, should Order a special execution issued for the sale of said real estate described in paragraph 8 above, or so much thereof as necessary to satisfy the Cross-Claimant's judgment with interest and costs as herein provided.

THE CROSS-CLAIMANT further prays that the Court should appoint a receiver to take immediate possession of the mortgaged premises described in paragraph 8 above with power and authority

as provided by law and authority to retain and dispose of the rents, issues and profits as the mortgage shown as Exhibit "B" provides and as the Court may determine and direct.

THE CROSS-CLAIMANT further prays that the Court in the event the mortgaged premises do not sell for an amount sufficient to satisfy fully the Cross-Claimant's judgment order the net proceeds from the rents, issues and profits hereafter derived from the premises be applied upon the judgment until the judgment is fully satisfied.

THE CROSS-CLAIMANT further prays that the Court in the event any part of the mortgaged premises be sold under execution and not be redeemed as provided by law order a writ of possession issue directed to the Marshall commanding the Marshall to put the grantee under Marshalls Deed in possession of the premises and remove any Cross-Defendant's, or any persons claiming by, through or under any of them, or any persons in possession of the premises, out of possession of the premises.

THE CROSS-CLAIMANT further prays the Court to order jurisdiction retained in this matter until expiration of the rights of redemption and the issuance of a Marshalls Deed to the grantee and the grantee's possession of the mortgaged premises pursuant to said Deed.

THE CROSS-CLAIMANT further prays that the Court should order the Cross-Claimant such other and further relief including the costs of this action as may be equitable in the premises.

34

-16-

FLANDER AND CASPER

By *John E. Casper*
 John E. Casper
 223 East Court Avenue
 P. O. Box 67
 Winterset, Iowa 50273-0067
 Tele: (515) 462-4912

ATTORNEY FOR DEFENDANT,
 UNION STATE BANK OF WINTERSET
 AND AS COUNTERCLAIMANT AND
 CROSS-CLAIMANT

STATE OF IOWA)
) SS
 MADISON COUNTY)

I, James F. Herrick, being first duly sworn on oath, do hereby depose and state: That I am President of the Union State Bank of Winterset, Defendant, Counterclaimant and Cross-Claimant, in the above entitled cause; that the Bank has in its possession the written instruments upon which this cause is based; that I am familiar with the facts constituting this cause of action in my capacity as Executive Vice President; that I have read the foregoing Petition and I am familiar with the allegations therein contained and the same are true as I verily believe.

James F. Herrick
 James F. Herrick

Subscribed and sworn to before me this 15th day of April, 1988.

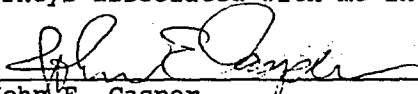
John E. Casper
 John E. Casper Notary Public

Sept. 7, 1989

ATTORNEY'S FEE AFFIDAVIT

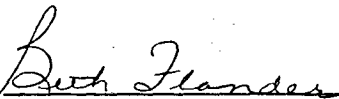
STATE OF IOWA)
) SS
MADISON COUNTY)

I, John E. Casper, being first duly sworn, states on oath: I am a regular practicing attorney of the Courts of Iowa; that the attorney fees prayed for in the above entitled cause of action is for compensation for services actually rendered and to be rendered in said cause; that no agreement, express or implied, has been made between me and my client or any other person for any sharing or division of the attorney fee prayed for in the Petition, except with other members of the affiant's law firm who are regular practicing attorneys associated with me in this cause.



John E. Casper

Subscribed and sworn to before me this 15th day of April, 1988.



Beth Flander, Notary Public

36

PERCENT OF TOTAL

FHA 4.5% TYPE 3 I
504 48763 63

FORM 638 (UNRECORDED)

FIRST MORTGAGE NOTE & DISCLOSURE

*1st payment due January 1, 1986 in the amount of \$16,562.98 July 22, 1985

MAKER(S) (MORTGAGOR(S)) NAME(S) & ADDRESS(S)	James D. McDonald Beverly J. McDonald R. R. 3 Box 65 Winterset, Iowa 50273	LENDER(S) (MORTGAGEE(S)) NAME(S) & ADDRESS(S)	Principal and Interest UNION STATE BANK WINTERSSET, IOWA 50273	AMOUNT \$373,700.00 PAYMENT \$ 28,393.73 DUE Annually OF EA. Y. LOAN NUMBER
--	---	---	--	---

NOTE & PAYMENT SCHEDULE: FOR VALUE RECEIVED, the undersigned Maker(s), jointly and severally, as principals, promise to pay to the order of the above named Lender(s) (at the Lender(s) address); the principal sum of Three Hundred Seventy Three Thousand Seven Hundred and no 100 DOLLARS \$ 373,700.00 with interest from July 22, 1985, the date of advance, at the rate of 5% percent per annum payable Annually on the balance remaining from time to time unpaid. Said principal and interest shall be payable in 7 Annual * installments of (28,393.73*) Twenty Eight Thousand Three Hundred Ninety Three and 73/100 DOLLARS \$ 28,393.73 commencing on the 1st day of January, 1986 and continuing on the 1st day of each January thereafter until the note is fully paid, except that the final payment of principal and interest if not sooner paid shall be due and payable on the 22nd day of July 1992. Delinquent interest and principals after maturity shall draw interest at the MAXIMUM LEGAL RATE PER ANNUM until fully paid.

The FINANCE CHARGE for this loan transaction, expressed as an ANNUAL PERCENTAGE RATE is 5.00 % PER ANNUM. Said FINANCE CHARGE will begin to accrue on July 22, 1985, the date of advance of the principal sum.

PREPAYMENT: The Maker(s) has (have) the option of making extra principal payments hereon on any regular installment date. Such additional payments are not to reduce the regular payments herein contracted to be made, but are to operate to discharge the note at an earlier date.

1. PROCEEDS	2. CLOSING COSTS*	3. CREDIT LIFE INS	4. A. & H. INS.	5.	6. AMOUNT FINANCED
\$ 373,700.00	\$ 4,088.45	\$ -0-	\$ -0-	\$ -0-	\$ 373,700.00

*CLOSING COSTS are not part of the FINANCE CHARGE. They are costs of the Maker(s) to cover preparation of Title Opinions, Continuations of Abstracts, Title Searches, Recording and other documents and/or procedures required to comply with State and/or Federal Regulations.

This note is secured by a security agreement dated of even date securing machinery & 24 steel. This note is secured by a real estate mortgage of even date herewith, which is a first lien on real estate in Madison County, State of Iowa.

In the event of conveyance thereof or vesting of title in persons other than the Maker(s), the entire balance owing hereunder at the option of the Lender(s) shall become immediately due and payable. It is hereby agreed that if default be made in the payment of this note or any part thereof, or any interest thereon, or if failure be made to perform any of the covenants or agreements contained in said mortgage securing this note, then, at the option of the holder of the same, the principal sum, with accrued interest, shall at once become due and collectable, without notice, time being of the essence of this contract. I, or we, also agree to pay attorney's fees in case of suit on this note. This contract is to be construed in all respects and enforced according to the laws of the State. All persons or corporations now or at any time liable, whether primarily or secondarily, for the payment of the indebtedness hereby evidenced, for themselves their heirs, legal representatives, successors and assigns respectively, expressly waive presentment for payment, notice of dishonor, protest, notice of protest, and diligence in collection, and consent that the time of such payment or any part thereof may be extended by the holder hereof, without in anywise modifying, altering releasing, affecting or limiting their respective liability of the lien of said mortgage.

Credit Life and Accident & Health Insurance are voluntary and not required for Credit. If the Maker(s) obtain this insurance through the Lender(s), the cost will be \$ 0.00.
() I DO (X) I DO NOT desire Insurance Coverage as indicated above.
X James D. McDonald 7-22-1985
James D. McDonald

By signing below, the Maker(s) sign(s) this note, and also acknowledge(s) receipt of a copy of this contract fully completed on its inception date.
JAN 2 1985
James D. McDonald
Beverly J. McDonald

EXHIBIT A

MORTGAGE

THIS MORTGAGE, made this 22nd day of July, 1985, Witnesseth that
 James D. McDonald and Beverly J. McDonald Husband and Wife
 R. R. 3 Box 65
 Winterset, Iowa 50273 of the County
 of Madison, and State of Iowa, party of the first part,
 (hereinafter designated "Mortgagor") in consideration of the sum of
 Three Hundred Seventy Three Thousand Seven Hundred Dollars and no/100 DOLLARS,
 in hand paid by the

UNION STATE BANK

an Iowa corporation having its principal place of business in the City of Winterset, Madison County, Iowa, party of the second part, (hereinafter designated "Mortgagee") does hereby sell and convey unto the said Union State Bank the following described premises, situated in the County of Madison and State of Iowa to-wit:

See attached legal description Exhibit "A"

FILED NO. 156
 BOOK 143 PAGE 481
 1905 JUL 22 PM 4:15
 MARY E. WELTY
 RECORDER
 MADISON COUNTY, IOWA
 Fee \$20.00

including, so far as they now are or may hereafter belong to or be used with said real estate or buildings thereon and whether attached or detached, all elevators, all gas, steam, electric or other heating, lighting, plumbing, ventilating, sprinkling, irrigating, water and power systems, appliances, fixtures and apparatus; all storm and screen windows and doors, and all other fixtures; TOGETHER with all and singular the buildings, improvements, ways, streets, alleys, passages, waters, water courses, rights, liberties, privileges, tenement, hereditaments and appurtenances of every kind and nature thereunto appertaining or belonging, and the reversions and remainders, rents, issues and profits thereof: TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns, to and for its and their only proper use, benefit and behoof forever. AND the Mortgagor for his heirs, executors and administrators, does covenant with the Mortgagee, its successors and assigns, that he is lawfully seized of said premises in fee simple and has good right to convey the same; that premises are free from all liens, charges, encumbrances, easements and restrictions whatsoever not herein specifically mentioned; that the Mortgagee, its successors and assigns, shall quietly enjoy and possess said premises and that, subject only to exception herein specifically mentioned, and that he will warrant and defend the title to the same unto the Mortgagee, its successors and assigns, against the lawful claim of all persons whomsoever;

PROVIDED, ALWAYS, and these presents are on the express condition that if the Mortgagor, his heirs, executors, administrators or assigns, shall pay or cause to be paid to the Mortgagee, its successors or assigns, the sum of Three Hundred Seventy Three Thousand Seven Hundred and no/100 (373,700.00) Dollars on or before the 22nd day of July, 2007 (hereinafter referred to as the "Debt"), in installments and with interest, according to the tenor and effect of the promissory note of Mortgagor, payable to the Mortgagee, and bearing even date herewith, and being secured as to payment hereby, and as well shall fully pay all other sums becoming due to the Mortgagee as provided herein, and shall as well fully and in all respects, perform and keep all the covenants, conditions, stipulations, and agreements to be performed and kept by the Mortgagor as provided herein, then these presents to be void; otherwise to remain in full force and effect.

EXHIBIT B

12. If at any time in the opinion of the Mortgagee a receivership may be necessary to protect the lien of this mortgage against said premises or its rents, issues and profits as herein provided, whether before or after maturity of said debt or other sums hereby secured or at the time of or after the institution of suit to collect said debt or other sums hereby secured or to enforce or foreclose this mortgage, the Mortgagee shall, regardless of the value of the premises as security for the amounts due hereunder or of the solvency or insolvency of any party bound for the payment of said debt or other sums hereby secured have the right to the apportionment, on ex-parte application and with or without notice, by any proper Court having jurisdiction, of a receiver who shall, under the direction of the Court of appointment, take possession of, and manage and control the mortgaged premises, as authorized and directed by the Court, and who shall collect the rents, issues and profits of said premises, and, after payment of the expenses of the receivership and management of the property, to apply the same toward payment of taxes, insurance premiums and other charges against the property or in reduction of said debt or other sums hereby secured. Said receivership shall at the option of the Mortgagee continue until full payment of all sums hereby secured or until title to said premises shall have passed on sale under this mortgage, including any period allowed for redemption.

13. The several rights, powers, options, elections, appointments and remedies in this mortgage contained, provided, declared or authorized shall be construed and deemed as cumulative, and no one or more of them as exclusive of the other or any of the others or of any rights or remedies which are now or may be hereafter given or allowed by law.

14. Every person, firm or corporation signatory hereto as Grantor, or Mortgagor, shall be jointly and severally bound as such; and the words used herein in the singular, or of masculine gender, shall be considered and construed as in the plural or of feminine or neuter gender, if necessary to give effect to the true intent and meaning of this indenture.

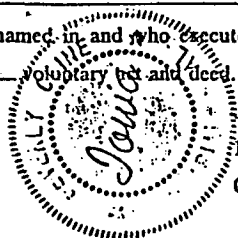
IN WITNESS WHEREOF, said Mortgagor s hereunto set their h and seal s the day and year first above written.

James D. McDonald (Seal)
James D. McDonald Mortgagor
Beverly J. McDonald (Seal)
Beverly J. McDonald Mortgagor

County Of Madison }
State Of Iowa } ss.

On this 22nd day of July, A.D. 19 85, before me Beverly Clinie,
a Notary Public in and for Madison County, Iowa State of Iowa
personally appeared James D. McDonald and Beverly J. McDonald Husband and Wife

to me known to be the person s named in and who executed the foregoing Mortgage, and acknowledged that they
executed the same as their voluntary act and deed.



Beverly Clinie 4-17-88
Notary Public in and for Madison
County, Iowa State of Iowa

The East Half (4) of the Northwest Quarter (4) of Section Eleven (11), except a tract of land commencing at the North Quarter (4) corner of said Section Eleven (11), running thence South 89° 10' West 284 feet along the Section line, thence South 17° 35' West 672.71 feet, thence North 30° 04' East 406.51 feet, thence North 21° 11' East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: - Commencing at a point on the Section line which is 190 feet West of the South Quarter (4) corner of Section Two (2), thence North 145 feet; and

the South Half (4) of the Southeast Quarter (4) and the Southeast Quarter (4) of the Southwest Quarter (4) of Section Two (2), except that part thereof heretofore conveyed to the State of Iowa for highway purposes, all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

The Southwest Quarter (4) of Section Sixteen (16) and the North 25 Acres of the Northwest Quarter (4) of the Northwest Quarter (4) of Section Twenty-one (21) and the East 7 Acres of the South Half (4) of the Northeast Quarter (4) of the Southeast Quarter (4) of Section Seventeen (17) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

AND

The Northwest Quarter of the Southwest Quarter (NW $\frac{1}{4}$ SW $\frac{1}{4}$) except a tract conveyed for road purposes 17 $\frac{1}{2}$ feet wide and 2 rods long running in a diagonal direction across the Southwest corner thereof, and the Southwest Quarter of the Southwest Quarter (SW $\frac{1}{4}$ SW $\frac{1}{4}$) except the West 2 rods in width thereof, of Section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

James D. McDonald
James D. McDonald

Beverly J. McDonald
Beverly J. McDonald

Dated: 7-22 85

REC'D IN CLERK'S OFFICE
DATE APR 21 1988

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff

*

CIVIL NO. 88-079-B

*

vs

*

JAMES D. McDONALD, BEVERLY
McDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A. INC., and
MADISON COUNTY,
Defendants

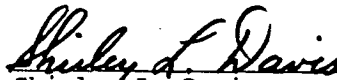
*

*

PROOF OF SERVICE

*

The undersigned certifies that the Answer, Counterclaim and Cross-Claim was served upon Christopher D. Hagen, United States Attorney, attorney for United States of America, party to the above cause, by depositing a copy thereof in the U. S. Mail postage prepaid, in envelopes addressed to the attorney of record at his respective address disclosed on the pleadings, on April 20, 1988.


Shirley L. Davis

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff

CIVIL NO. 88-079-B

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A. INC., and
MADISON COUNTY,
Defendants

PROOF OF SERVICE

The undersigned certifies that the Answer, Counterclaim and Cross-Claim was served upon Mr. Larry Van Werden, attorney for Defendants James D. McDonald and Beverly McDonald, party to the above cause, by depositing a copy thereof in the U. S. Mail postage prepaid, in envelopes addressed to the attorney of record at his respective address disclosed on the pleadings, on April 18, 1988.

Shirley L. Davis
Shirley L. Davis

42

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

FILED
SOUTHERN DISTRICT OF IOWA
1988 MAY -9 PM 2:14
U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,	*	CIVIL NO. 88-079-B
Plaintiff,	*	
vs.	*	
JAMES D. McDONALD, BEVERLY	*	
McDONALD, FEDERAL LAND BANK OF	*	
OMAHA, GEORGE W. and BETTE F.	*	DEFENDANT MADISON
PATTEN, UNION STATE BANK,	*	COUNTY'S ANSWER TO
CHEVRON U.S.A. INC., and	*	PLAINTIFF'S COMPLAINT
MADISON COUNTY, IOWA	*	
Defendants.	*	

COMES NOW, Defendant Madison County, Iowa, by Madison County Attorney A. Zane Blessum, and for its answer to Plaintiff's Complaint, states:

1. Defendant Madison County admits the allegations in paragraph 1 of Plaintiff's Complaint.
2. Defendant Madison County admits the allegations in paragraph 2 of Plaintiff's Complaint.
3. Defendant Madison County denies the allegations in paragraph 3 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.
4. Defendant Madison County denies the allegations in paragraph 4 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.
5. Defendant Madison County denies the allegations in

paragraph 5 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.

6. Defendant Madison County denies the allegations in paragraph 6 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.

7. Defendant Madison County denies the allegations in paragraph 7 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.

8. Defendant Madison County denies the allegations in paragraph 8 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.

9. Defendant Madison County denies the allegations in paragraph 9 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.

10. Defendant Madison County denies the allegations in paragraph 10 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.

11. Defendant Madison County admits the allegations in paragraph 11 of Plaintiff's Complaint.

12. Defendant Madison County admits the allegations in paragraph 12 of Plaintiff's Complaint.

13. Defendant Madison County admits the allegations in paragraph 13 of Plaintiff's Complaint.

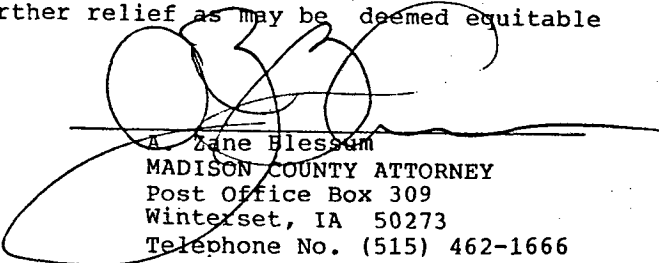
14. Defendant Madison County denies the allegations in paragraph 14 of Plaintiff's Complaint for lack of knowledge upon which to form a belief.

44

19

15. Defendant Madison County admits the allegations in paragraph 15 of Plaintiff's Complaint.

WHEREFORE, Defendant Madison County prays that Plaintiff's Complaint be dismissed with costs assessed against the Plaintiff and for such other and further relief as may be deemed equitable by the Court.



A. Zane Blessum
MADISON COUNTY ATTORNEY
Post Office Box 309
Winterset, IA 50273
Telephone No. (515) 462-1666

Copies to:

Christopher D. Hagen
United States Attorney
115 United States Courthouse
Des Moines, Iowa 50309

John Casper
223 East Court
Winterset, IA 50273

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

FILED
JES MONTELEONE
1988 MAY -9 PM 2:15
CLERK U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,	*	CIVIL NO. 88-079-B
Plaintiff,	*	
vs.	*	
JAMES D. McDONALD, BEVERLY	*	
McDONALD, FEDERAL LAND BANK OF	*	
OMAHA, GEORGE W. and BETTE F.	*	MADISON COUNTY'S
PATTEN, UNION STATE BANK,	*	ANSWER TO DEFENDANT
CHEVRON U.S.A. INC., and	*	UNION STATE BANK'S
MADISON COUNTY, IOWA	*	COUNTERCLAIM AND
	*	CROSS-CLAIM
Defendants.		

DIVISION I

COMES NOW, Defendant Madison County, Iowa, by Madison County Attorney A. Zane Blessum, and for its answer to Defendant Union State Bank's Counterclaim states:

1. Defendant Madison County admits the allegations in paragraph 1 of Union State Bank's Counterclaim.
2. Defendant Madison County admits the allegations in paragraph 2 of Union State Bank's Counterclaim.
3. Defendant Madison County denies the allegations in paragraph 3 of Union State Bank's Counterclaim for lack of knowledge upon which to form a belief.
4. Defendant Madison County denies the allegations in paragraph 4 of Union State Bank's Counterclaim for lack of knowledge upon which to form a belief.
5. Defendant Madison County denies the allegations in paragraph 5 of Union State Bank's Counterclaim for lack of

knowledge upon which to form a belief.

6. Defendant Madison County denies the allegations in paragraph 6 of Union State Bank's Counterclaim for lack of knowledge upon which to form a belief.

7. Defendant Madison County denies the allegations in paragraph 7 of Union State Bank's Counterclaim for lack of knowledge upon which to form a belief.

8. Defendant Madison County denies the allegations in paragraph 8 of Union State Bank's Counterclaim for lack of knowledge upon which to form a belief.

9. Defendant Madison County denies the allegations in paragraph 9 of Union State Bank's Counterclaim for lack of knowledge upon which to form a belief.

10. Defendant Madison County denies the allegations in paragraph 10 of Union State Bank's Counterclaim for lack of knowledge upon which to form a belief.

11. Defendant Madison County admits the allegations in paragraph 11 of Union State Bank's Counterclaim.

WHEREFORE, Defendant Madison County prays that Defendant Union State Bank's Counterclaim be dismissed with costs assessed against Union State Bank and for such other and further relief as may be deemed equitable by the Court.

DIVISION II

COMES NOW, Defendant Madison County, Iowa, by Madison County Attorney A. Zane Blessum, and for its answer to Defendant Union State Bank's Cross-Claim states:

1. Defendant Madison County admits the allegations in paragraph 1 of Union State Bank's Cross-Claim.
2. Defendant Madison County admits the allegations in paragraph 2 of Union State Bank's Cross-Claim.
3. Defendant Madison County admits the allegations in paragraph 3 of Union State Bank's Cross-Claim.
4. Defendant Madison County admits the allegations in paragraph 4 of Union State Bank's Cross-Claim.
5. Defendant Madison County admits the allegations in paragraph 5 of Union State Bank's Cross-Claim.
6. Defendant Madison County admits the allegations in paragraph 6 of Union State Bank's Cross-Claim.
7. Defendant Madison County denies the allegations in paragraph 7 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.
8. Defendant Madison County denies the allegations in paragraph 8 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.
9. Defendant Madison County denies the allegations in paragraph 9 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.
10. Defendant Madison County denies the allegations in paragraph 10 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.
11. Defendant Madison County denies the allegations in paragraph 11 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.
12. Defendant Madison County denies the allegations in

48

paragraph 12 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.

13. Defendant Madison County denies the allegations in paragraph 13 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.

14. Defendant Madison County denies the allegations in paragraph 14 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.

15. Defendant Madison County denies the allegations in paragraph 15 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.

16. Defendant Madison County denies the allegations in paragraph 16 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.

17. Defendant Madison County denies the allegations in paragraph 17 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.

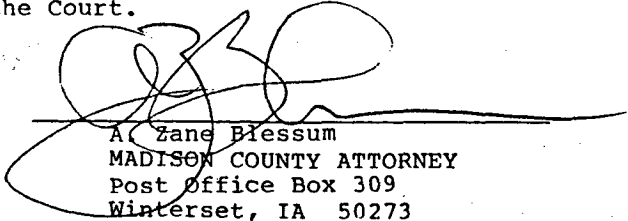
18. Defendant Madison County denies the allegations in paragraph 18 of Union State Bank's Cross-Claim. Defendant affirmatively states that Madison County does have an interest in the property described by reason of past due property taxes. This interest is superior and not subordinate to any other claim that is made by any Defendant, in particular, by Defendant Union State Bank.

19. Defendant Madison County denies the allegations in paragraph 19 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.

20. Defendant Madison County denies the allegations in paragraph 20 of Union State Bank's Cross-Claim for lack of knowledge upon which to form a belief.

21. Defendant Madison County admits the allegations in paragraph 21 of Union State Bank's Cross-Claim.

WHEREFORE, Defendant Madison County prays that Defendant Union State Bank's Cross-Claim be dismissed with costs assessed against Union State Bank and for such other and further relief as may be deemed equitable by the Court.



A. Zane Biessum
MADISON COUNTY ATTORNEY
Post Office Box 309
Winterset, IA 50273
Telephone No. (515) 462-1666

Copies to:

Christopher D. Hagen
United States Attorney
115 United States Courthouse
Des Moines, IA 50309

John Casper
223 East Court
Winterset, IA 50273

60

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,
Plaintiff

* CIVIL ACTION NO. 88-079-B

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTY F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

*
MAY 16 PM 12:03
CLERK U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

* NOTICE AND ACKNOWLEDGMENT
OF RECEIPT OF SUMMONS AND
COMPLAINT BY MAIL
* Cross Claim

UNION STATE BANK OF WINTERSSET
Cross-Plaintiff

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTY F.
PATTEN, CHEVRON U.S.A., INC., and
MADISON COUNTY, IOWA
Cross-Defendants

TO: Chevron, U.S.A. Inc.
Registered Agent, C.T. Corporation System, 222 Grand Avenue,
Des Moines, Iowa 50312
The enclosed Summons and Complaint are served pursuant to Rule
4(c)(2)(c)(ii) of the Federal Rules of Civil Procedure.

You must complete the acknowledgment part of this form and return
one copy of the completed form to the sender within 20 days. An
envelope has been enclosed for this purpose.

YOU MUST SIGN AND DATE THE ACKNOWLEDGMENT. If you are served on
behalf of a corporation, unincorporated association (including a
partnership), or other entity, you just indicate under your
signature your relationship to that entity. If you are served on
behalf of another person and you are authorized to receive
process, you must indicate under your signature your authority.

If you do not complete and return the form to the sender within
20 days, you (or the party on whose behalf you are being served)
may be required to pay any expenses incurred in serving a summons
and complaint in any other manner permitted by law.

If you do not complete and return this form, you (or the party on
whose behalf you are being served) must answer the Complaint
within 20 days. If you fail to do so, judgment by default will
be taken against you for the relief demanded in the Complaint.

I declare, under penalty of perjury, that this Notice and
Acknowledgment of Receipt of Summons and Complaint was mailed on

April 20, 1988 By *[Signature]*

ACKNOWLEDGMENT OF RECEIPT OF SUMMONS AND COMPLAINT

I declare, under penalty of perjury, that I received a copy of
the Summons and Complaint in the above captioned matter at:

P.O. Box 509
Street No/Name or P. O. Box No.

Des Moines, IA 50301
City, State and Zip Code

[Signature] 4/20/88
Signature Date

Counsel - Chevron U.S.A. Inc.
Relationship to Entity/Authority to Receive Service

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,
Plaintiff

CIVIL ACTION NO. 88-079-B

1988 MAY 16 PM 12:07

vs

JAMES D. McDONALD, BEVERLY
McDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTY F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

CLERK U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
NOTICE AND ACKNOWLEDGMENT
OF RECEIPT OF SUMMONS AND
COMPLAINT BY MAIL

* Cross Claim

UNION STATE BANK OF WINTERSET
Cross-Plaintiff

vs

JAMES D. McDONALD, BEVERLY
McDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTY F.
PATTEN, CHEVRON U.S.A., INC., and
MADISON COUNTY, IOWA
Cross-Defendants

Federal Land Bank of Omaha, Creston Branch
TO: Hwy 34 & Airport Road, P. O. Box 326
Creston, Iowa 50801

The enclosed Summons and Complaint are served pursuant to Rule
4(c)(2)(c)(ii) of the Federal Rules of Civil Procedure.

You must complete the acknowledgment part of this form and return
one copy of the completed form to the sender within 20 days. An
envelope has been enclosed for this purpose.

YOU MUST SIGN AND DATE THE ACKNOWLEDGMENT. If you are served on
behalf of a corporation, unincorporated association (including a
partnership), or other entity, you just indicate under your
signature your relationship to that entity. If you are served on
behalf of another person and you are authorized to receive
process, you must indicate under your signature your authority.

If you do not complete and return the form to the sender within
20 days, you (or the party on whose behalf you are being served)
may be required to pay any expenses incurred in serving a summons
and complaint in any other manner permitted by law.

If you do not complete and return this form, you (or the party on
whose behalf you are being served) must answer the Complaint
within 20 days. If you fail to do so, judgment by default will
be taken against you for the relief demanded in the Complaint.

I declare, under penalty of perjury, that this Notice and
Acknowledgment of Receipt of Summons and Complaint was mailed on

April 20, 1988 By *James W. Shapley*

ACKNOWLEDGMENT OF RECEIPT OF SUMMONS AND COMPLAINT

I declare, under penalty of perjury, that I received a copy of
the Summons and Complaint in the above captioned matter at:

P.O. Box 520 Highway 141 & 12th Street
Street No/Name or P. O. Box No.

Perry, Iowa 50220

City, State and Zip Code

James W. Shapley May 4, 1988
Signature James W. Shapley Date
Assistant Vice President-Litigation
Relationship to Entity/Authority to Receive Service

52

19

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,
Plaintiff

* CIVIL ACTION NO. 88-079-B
1988 MAY 15 PM 12:07

vs

JAMES D. McDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTY F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

* NOTICE AND ACKNOWLEDGMENT
OF RECEIPT OF SUMMONS AND
COMPLAINT BY MAIL
* Cross Claim

UNION STATE BANK OF WINTERSET
Cross-Plaintiff

vs

JAMES D. McDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTY F.
PATTEN, CHEVRON U.S.A., INC., and
MADISON COUNTY, IOWA
Cross-Defendants
Madison County, Iowa

TO: A. Zane Blessum, Madison County Attorney
P. O. Box 309, Winterset, Iowa 50273

The enclosed Summons and Complaint are served pursuant to Rule
4(c)(2)(c)(ii) of the Federal Rules of Civil Procedure.

You must complete the acknowledgment part of this form and return
one copy of the completed form to the sender within 20 days. An
envelope has been enclosed for this purpose.

YOU MUST SIGN AND DATE THE ACKNOWLEDGMENT. If you are served on
behalf of a corporation, unincorporated association (including a
partnership), or other entity, you just indicate under your
signature your relationship to that entity. If you are served on
behalf of another person and you are authorized to receive
process, you must indicate under your signature your authority.

If you do not complete and return the form to the sender within
20 days, you (or the party on whose behalf you are being served)
may be required to pay any expenses incurred in serving a summons
and complaint in any other manner permitted by law.

If you do not complete and return this form, you (or the party on
whose behalf you are being served) must answer the Complaint
within 20 days. If you fail to do so, judgment by default will
be taken against you for the relief demanded in the Complaint.

I declare, under penalty of perjury, that this Notice and
Acknowledgment of Receipt of Summons and Complaint was mailed on

April 20, 1988 By *[Signature]*

ACKNOWLEDGMENT OF RECEIPT OF SUMMONS AND COMPLAINT

I declare, under penalty of perjury, that I received a copy of
the Summons and Complaint in the above captioned matter at:

PO Box 309
Street No/Name or P. O. Box No.
Winterset IA 50273
City, State and Zip Code
[Signature] 4/21/88
Signature Date
Madison County Attorney
Relationship to Entity/Authority to Receive Service

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

JUN 22 1988

UNITED STATES OF AMERICA, Plaintiff	*	CIVIL ACTION NO. 88-079-B
	*	
vs	*	
	*	
JAMES D. MCDONALD, BEVERLY MCDONALD, FEDERAL LAND BANK OF OMAHA, GEORGE W. AND BETTE F. PATTEN, UNION STATE BANK, CHEVRON U.S.A., INC., AND MADISON COUNTY, Defendants	* * * * *	

UNION STATE BANK OF WINTERSSET, Cross-Plaintiff	*	
	*	
vs	*	
	*	
JAMES D. MCDONALD, BEVERLY MCDONALD, FEDERAL LAND BANK OF OMAHA, GEORGE W. AND BETTE F. PATTEN, CHEVRON U.S.A., INC., AND MADISON COUNTY, IOWA, Cross-claimant	* * * *	JOINT MOTION TO DISMISS GEORGE W. AND BETTE F. PATTEN

Comes now the Crossclaimant, Union State Bank of Winterset, and Cross-defendants, George W. and Bette F. Patten, and move the Court to dismiss said Cross-defendants and in support thereof state:

1. Said Cross-defendants have no interest in the real estate which is the subject matter of this civil action.
2. Said Cross-defendants have an interest in a parcel of real estate previously released by the Crossclaimant and more particularly described as follows:

54

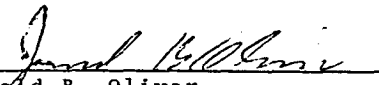
Joint Motion To Dismiss
Page -2-

East Half (1/2) of the Northwest Quarter (1/4) of Section 11, Township 75 North, Range 28 West of the 5th P.M. in Madison County, Iowa, less five (5) acres commencing at the N 1/4 corner of Section 11, and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' 672.71' thence N 80° 04' E 406.51', thence N 21° 10' E 00°00' 351.20' along the 1/2 section line to the point of beginning.

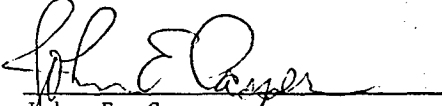
3. The Crossclaimant has no interest in the above referred real estate and said real estate is not a subject matter of this civil action.

WHEREFORE, the Crossclaimant, Union State Bank of Winterset, and the Cross-defendants, George W. and Bette F. Patten, move the Court to dismiss the Pattens as party Cross-defendants.

Attorney for Cross-defendants
George W. and Bette F. Patten


Jerrold B. Oliver
Webster, Jordan, Oliver & Walters
Farmers & Merchants Bank Bldg.
P. O. Box 230
Winterset, Iowa 50273-0230
Tele: (515) 462-3731

UNION STATE BANK OF WINTERSE


John E. Casper
Flander and Casper
223 East Court Avenue
P. O. Box 67
Winterset, Iowa 50273-0067
Tele: (515) 462-4912

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

C
FILED
DES MOINES, IOWA
1988 JUL 29 PM 1:51
CLERK U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CIVIL ACTION NO. 88-10793-B

UNITED STATES OF AMERICA,
Plaintiff

*

CIVIL ACTION NO. 88-10793-B

*

vs

*

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

*

*

*

UNION STATE BANK OF WINTERSET,
Cross-Plaintiff

*

vs

*

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, CHEVRON U.S.A., INC.,
AND MADISON COUNTY, IOWA,
Cross-claimant

*

*

*

DECREE OF FORECLOSURE

Now on this 29 day of July, 1988, this matter comes before the Court for hearing pursuant to the consent of the parties to this action and the Court, having reviewed the files and records herein, finds:

This cause of action was duly commenced on February 3, 1988 by the United States of America on behalf of the Small Business Administration, an agency of the United States under the provisions of Title 28, U.S.C., Section 1345. All Defendants have been duly served with the summons of the pendency of the action. The Court has full jurisdiction in this cause of action on all parties and on the subject matter of the action. The Court further finds that none of the parties are in the military or naval service of the United States of America nor occupy any other status protected or benefited by the Soldiers and Sailors Civil Relief Act as Amended. The Court further finds that there is no need to stay these proceedings pursuant to such statute and that none of the parties are under any legal disability whatsoever.

The Court finds that the Defendants, James D. McDonald and Beverly McDonald on or about April 3, 1978, made, executed and delivered to the Plaintiff a promissory note in the principal amount of \$36,000.00 payable according to the terms and conditions stated therein. A true copy of this promissory note was attached to the Complaint as Exhibit "A". On the same date, as part of the same transaction for the purpose of securing the note with interest and other sums described therein, the Defendants, James D. McDonald and Beverly McDonald, made, executed and delivered to the Plaintiff a mortgage upon the real estate legally described as:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); the East Half (1/2) of the Northwest Quarter (1/4) in Section Eleven (11), all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16) the East Seven (7) Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

a true copy of which mortgage was attached to the Complaint as Exhibit "B". This mortgage was recorded on April 10, 1978 in the Madison County Recorder's Office in Mortgage Record Book 128 at page 549. The Plaintiff has released its mortgage lien on the real estate legally described as:

East Half (1/2) of the Northwest Quarter (1/4) of Section 11, Township 75 North, Range 28 West of the 5th P.M. in Madison County, Iowa, less five (5) acres commencing at the North Quarter corner of Section 11, and being the point of beginning, thence S 89°10' W 284.00 along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning.

The Defendants, James D. McDonald and Beverly McDonald, have failed to make payment to the Plaintiff according to the terms of Exhibit "A" and "B" of the Complaint and said exhibits are by their term past due and in default. The Plaintiff is owed on Exhibit "A" to the Complaint the principal sum of \$8,482.01. The interest accrued on the principal amount as of December 7, 1987 is the sum of \$404.87. Interest accrues after December 7, 1987 at the rate of seventy cent (\$.70) per diem. The Plaintiff has incurred the sum of \$634.00 for

continuing the abstract of title to the mortgage premises incident to this cause of action, which amount is a reasonable charge for the services rendered.

The Court finds that the Plaintiff is the owner and holder of said note and mortgage shown as Exhibits "A" and "B" to the Complaint. The Court finds that the Plaintiff has duly accelerated the maturity of the unpaid balances under Exhibit "A".

The Court finds that the Defendant, Union State Bank of Winterset, has filed a Counterclaim against the Plaintiff and a Crossclaim against the other Defendants. This cause of action was duly commenced on April 19, 1988 and service of the summons against the other parties has been made. The Court has full jurisdiction in this cause of action on all parties and on the subject matter of the action of the Counterclaim and Crossclaim.

The Court finds that the Defendants, James D. McDonald and Beverly McDonald, who is also known as Beverly J. McDonald, on or about July 22, 1985 made, executed and delivered to the Defendant crossclaimant Union State Bank (hereafter Bank) a promissory note in the principal sum of \$373,700.00 payable according to the terms and conditions therein, a true copy of which note was attached to the Crossclaim as Exhibit "A". On the same date, as part of the same transaction for the purpose of securing the note with interest and other sums described therein, the Defendants, James D. McDonald and Beverly J. McDonald, made, executed and delivered to the Bank a mortgage upon the real estate legally described as:

The East Half (1/2) of the Northwest Quarter (1/4) of Section Eleven (11), except a tract of land commencing at the North Quarter (1/4) corner of said Section Eleven (11), running thence South 89°10' West 284 feet along the Section line, thence South 17° 35' West 672.71 feet, thence North 30° 04' East 406.51 feet, thence North 21° 10' East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: Commencing at a point on the Section line which is 190 feet West of the South Quarter (1/4) corner of Section Two (2), thence North 145 feet; and

the South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) of Section Two (2), except that part thereof heretofore conveyed to the State of Iowa for highway purposes, all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

The Southwest Quarter (1/4) of Section Sixteen (16) and the North 25 Acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21) and the East 7 Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, and

Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

a true copy of which mortgage was attached to the Crossclaim as Exhibit "B". This mortgage was duly recorded on July 22, 1985 in the Madison County Recorder's Office in Mortgage Record Book 143 at page 481. The Crossclaimant has released its mortgage upon the real estate legally described as:

The East Half (1/2) of the Northwest Quarter (1/4) of Section Eleven (11), except a tract of land commencing at the North Quarter (1/4) corner of said Section Eleven (11), running thence South 89°10' West 284 feet along the Section line, thence South 17° 35' West 672.71 feet, thence North 30° 04' East 406.51 feet, thence North 21° 10' East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: Commencing at a point on the Section line which is 190 feet West of the South Quarter (1/4) corner of Section Two (2), thence North 145 feet.

The Cross-defendants, James D. McDonald and Beverly J. McDonald, have failed to make payment to the Bank according to the terms of said Exhibits "A" and "B" and said exhibits are by their terms past due and in default. The Bank is owed on its Exhibit "A" the principal sum of \$326,823.44. Interest accrued on this principal amount as of March 23, 1988 is the sum of \$36,833.27. Interest accrues after March 23, 1988 at the rate of \$45.39 per diem. Exhibits "A" and "B" allow the Bank to recover reasonable attorney fees in the event of suit on said exhibits. The Court finds that the Bank is entitled to reasonable attorney fees as part of its judgment in the sum of \$1,000.00. The Court further finds that the Bank is the owner and holder of said note and mortgage shown as Exhibits "A" and "B" to the Crossclaim. The Court further finds that Bank has accelerated the maturity of the unpaid balances under Exhibit "A" to the Crossclaim. The Court further finds that Bank has caused to be served upon the Cross-defendants, James D. McDonald and Beverly J. McDonald, a notice of right to cure as provided by Iowa Code Section 654.2A and has received a Mediation Release under Iowa Code Section 654A.11.

The Defendants and Cross-Defendants, George W. Patten and Bette F. Patten, upon motion, have been dismissed from this cause of action and are no longer parties hereto.

The Defendant and Cross-Defendant, Federal Land Bank of Omaha (Land Bank) is a party to this cause of action by reason of its real estate mortgage dated June 14, 1976 and filed for record on June 16, 1976 in the Madison County Recorder's Office in Mortgage Record Book 124 at page 264. This mortgage constitutes a first mortgage lien upon the real estate legally described as:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa.

The Plaintiff's mortgage is a second lien upon the above described real estate.

The Defendant and Cross-Defendant, Madison County, is a party to this cause of action by reason of property taxes levied against the premises described above, which lien is prior and paramount to the lien and interest of all other parties to this cause of action.

The Defendant and Cross-Defendant, Chevron U.S.A., Inc. is a party to this cause of action by reason of an oil and gas lease, which interest is junior and subordinate to the interests of the Plaintiff Federal Land Bank of Omaha, and the Union State Bank of Winterest.

The Union State Bank's mortgage upon the real estate legally described as:

Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the W. 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

is a first mortgage lien thereon prior and paramount to the lien and interest of all parties to this cause of action except for Madison County, Iowa for property taxes levied against the premises. Said real estate is not described or covered in the mortgages of the Plaintiff United States of America or the Federal Land Bank of Omaha.

The Court, therefore, concludes that the Plaintiff, United States of America and the Counterclaimant and Cross-claimant, Union State Bank of Winterest, are entitled to judgment against the real estate described above and against James D. McDonald and Beverly McDonald for the amounts as found above.

IT IS THEREFORE THE JUDGMENT AND DECREE of this Court that the Plaintiff, United States of America, be and is hereby awarded personal judgment against James D. McDonald and Beverly McDonald and in rem judgment against the following described real estate:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00 along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4)

of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

in the sum of \$9,010.08 plus interest after May 31, 1988 at the rate of seventy cents (\$.70) per diem and for the costs of this action and abstracting costs in the sum of \$634.00 and for such other and further accruing costs as may be provided by law.

IT IS FURTHER ORDERED AND DECREED by the Court that the Plaintiff's judgment shall be a lien upon the aforesaid real estate from and after April 10, 1978 and this lien shall be prior and paramount to the lien and interest of all Defendants in said real estate except for the Defendant, Madison County and the Defendant, Federal Land Bank of Omaha.

IT IS FURTHER ORDERED AND DECREED by the Court that the Plaintiff's mortgage be and is hereby foreclosed and the equities of redemption of the Defendants and of every person or legal entity claiming by, through or under them, be and is hereby forever barred and foreclosed, except as otherwise provided by law.

IT IS FURTHER ORDERED AND DECREED by the Court that a Special Execution shall issue forthwith for the sale of the mortgaged premises to satisfy the Plaintiff's Judgment with interest and costs as provided by law.

IT IS FURTHER THE JUDGMENT AND DECREE of this Court that the Counterclaimant and Crossclaimant, Union State Bank of Winterset, be and is hereby awarded personal judgment against James D. McDonald and Beverly J. McDonald and in rem judgment against the following described real estate:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the

Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the W. 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

in the sum of \$366,788.62 plus interest after May 31, 1988 at the rate of \$45.39 per diem and for the costs of this action including attorney fees in the sum of \$1,000.00 and for such other and further accruing costs as may be provided by law.


IT IS FURTHER ORDERED AND DECREED by the Court that the counter claimant and crossclaimant's judgment shall be a lien upon the aforesaid real estate from and after July 22, 1985 and this lien shall be prior and paramount upon said real estate to the liens and interests of all parties in said real estate to the extent found by the Court in its Ruling above.

IT IS FURTHER ORDERED AND DECREED by the Court that the counter claimant and crossclaimant's mortgage be and is hereby foreclosed as to the real estate subject to its in rem judgment and the equities of redemption of the Plaintiff and the Defendants and of every person or legal entity claiming by, through or under them, be and is hereby forever barred and foreclosed, except as otherwise provided by law.

IT IS FURTHER ORDERED AND DECREED by the Court that a special execution shall issue forthwith for the sale of the mortgage premises subject to said in rem judgment to satisfy the counter claimant and crossclaimant's judgment with interest and costs as provided by law.

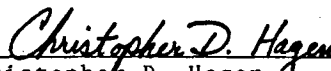

IT IS FURTHER ORDERED AND DECREED by the Court that in the event that the mortgaged premises herein foreclosed be sold under execution that a writ of possession shall issue directed to the Marshal commanding the Marshal to put the grantee under Marshalls Deed in possession of the premises and remove all other persons including persons claiming by, through or under any of the parties to this cause of action.


IT IS FURTHER ORDERED AND DECREED by the Court that the Court shall retain full jurisdiction in this matter until the issuance of a Marshall's Deed to the grantees and the grantees' possession of said real estate pursuant to said deed or deeds.



JUDGE OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF IOWA

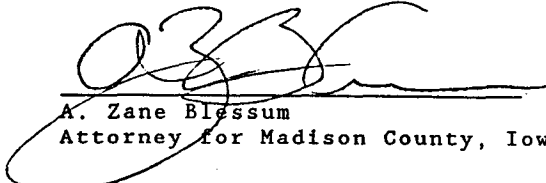
APPROVED AS TO FORM AND CONTENT:

By  , *AMSA*
Christopher D. Hagen
United States Attorney
Attorney for the United States of America



John E. Casper
Attorney for Union State Bank of Winterset

Larry Van Werden
Attorney for James D. McDonald & Beverly McDonald



A. Zane Blessum
Attorney for Madison County, Iowa

James W. Shapley
Assistant Vice President
Federal Land Bank of Omaha

O. F. Baldwin II
Attorney for Chevron U.S.A., Inc.

COPIES TO COUNSEL

162-01-44

64

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff

* CIVIL ACTION NO. 88-079-B

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

1988 JUL 12 PM 2:08
CLERK OF DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

UNION STATE BANK OF WINTERSET,
Cross-Plaintiff

* APPROVAL OF
DECREE OF FORECLOSURE

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATEN, CHEVRON U.S.A., INC.,
AND MADISON COUNTY, IOWA,
Cross-claimant

Comes now the undersigned on behalf of James D. McDonald &
Beverly McDonald to hereby approve the form and content of the Decree
of Foreclosure submitted to the Court in the above captioned case.

L. P. Van Werden

L. P. Van Werden
REYNOLDSON, VAN WERDEN, KIM
REYNOLDSON, LLOYD & WIECK
200 W. Jefferson
Osceola, Iowa 50213
Phone: (515) 342-2157

ATTORNEY FOR JAMES D. MCDONALD
AND BEVERLY MCDONALD

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff

* CIVIL ACTION NO. 88-079-B

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

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*

1988 JUN 12 PM 2:08
CLERK U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

UNION STATE BANK OF WINTERSSET,
Cross-Plaintiff

*

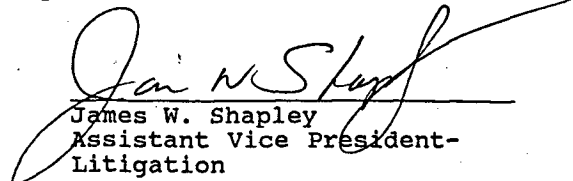
vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, CHEVRON U.S.A., INC.,
AND MADISON COUNTY, IOWA,
Cross-claimant

*
*
*
*

APPROVAL OF
DECREE OF FORECLOSURE

Comes now the undersigned on behalf of Federal Land Bank of Omaha to hereby approve the form and content of the Decree of Foreclosure submitted to the Court in the above captioned case.



James W. Shapley
Assistant Vice President-
Litigation
P. O. Box 520
Highway 141 & 12th Street
Perry, Iowa 50220

ATTORNEY FOR FEDERAL LAND BANK
OF OMAHA

66

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff

* CIVIL ACTION NO. 88-079-B

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

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*
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*

FILED
U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
1988 JUL 12 PM 2:08

UNION STATE BANK OF WINTERSET,
Cross-Plaintiff

*

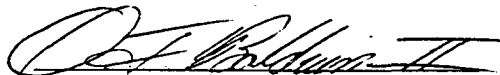
vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, CHEVRON U.S.A., INC.,
AND MADISON COUNTY, IOWA,
Cross-claimant

*
*
*
*
*

APPROVAL OF
DECREE OF FORECLOSURE

Comes now the undersigned on behalf of Chevron U.S.A., Inc. to hereby approve the form and content of the Decree of Foreclosure submitted to the Court in the above captioned case.



O. F. Baldwin II
P. O. Box 599
Denver, CO 80201

ATTORNEY FOR CHEVRON U.S.A., INC.

U.S. Department of Justice
United States Marshals Service

PROCESS RECEIPT AND RETURN
See Instructions for "Service of Process by the U.S. Marshal"
on the reverse of this form.

PLAINTIFF UNITED STATES OF AMERICA	COURT CASE NUMBER 88-079-B
DEFENDANT James D. McDonald, Beverly McDonald; et al.,	TYPE OF PROCESS Writ of Special Execution

SERVE → NAME OF INDIVIDUAL, COMPANY, CORPORATION, ETC., TO SERVE OR DESCRIPTION OF PROPERTY TO SEIZE OR CONDEMN
Winterset Madisonian

AT ADDRESS (Street or RFD, Apartment No., City, State and ZIP Code)
112 W. Court Avenue
Winterset, Iowa 50273

SEND NOTICE OF SERVICE COPY TO REQUESTER AT NAME AND ADDRESS BELOW:

Christopher D. Hagen, AUSA
115 U.S. Courthouse
Des Moines, Iowa 50309

Number of process to be served with this Form - 285

Number of parties to be served in this case

Check for service on U.S.A.

1988 NOV - 1 PM 1:00
FILED
DES MOINES, IOWA
CLERK U.S. DISTRICT COURT
SOUTHWEST DISTRICT OF IOWA

SPECIAL INSTRUCTIONS OR OTHER INFORMATION THAT WILL ASSIST IN EXPEDITING SERVICE (Include Business and Alternate Addresses, All Telephone Numbers, and Estimated Times Available For Service):

Signature of Attorney or other Originator requesting service on behalf of:
Christopher D. Hagen, AUSA

PLAINTIFF
 DEFENDANT

TELEPHONE NUMBER
(515) 284-6257

DATE
9-16-88

SPACE BELOW FOR USE OF U.S. MARSHAL ONLY — DO NOT WRITE BELOW THIS LINE

acknowledge receipt for the total number of process indicated. <i>Sign only first USM 285 if more than one USM 285 is submitted</i>	Total Process	District of Origin No. 30	District to Serve No. 30	Signature of Authorized USMS Deputy or Clerk <i>Volvo J. Blumberg</i>	Date 9-19-88
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hereby certify and return that I have personally served, have legal evidence of service, have executed as shown in "Remarks", the process described in the individual, company, corporation, etc., at the address shown above or on the individual, company, corporation, etc., shown at the address inserted below.

I hereby certify and return that I am unable to locate the individual, company, corporation, etc., named above (See remarks below)

Name and title of individual served (if not shown above)

Address (complete only if different than shown above)

Date of Service: 9-19-88 Time: pm

Signature of U.S. Marshal or Deputy
Volvo Blumberg

A person of suitable age and discretion then residing in the defendant's usual place of abode.

Service Fee 3.00	Total Mileage Charges (including endeavors)	Forwarding Fee 1.00	Total Charges 4.00	Advance Deposits	Amount owed to U.S. Marshal or	Amount of Refund
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REMARKS:
On September 19, 1988, I mailed by certified mail # P 818 580 950, return receipt requested, a Notice of Marshals Sale and Advertising Order upon the above named individual.

68

AFFIDAVIT OF PUBLICATION

STATE OF IOWA
Madison County

John Gorman BEING DULY SWORN
SAYS HE IS publisher OF THE

WINTERSET MADISONIAN, a once weekly newspaper of general circulation, published in Winterset, Iowa, and that the notice, a copy which is annexed and made part hereof, was correctly published in said newspaper

for the period of four consecutive weeks

the last publication thereof being on the 19th day of October, 1988

John Gorman
Subscribed and sworn to before me this 20th day of

October, 1988
Gail Hartman

NOTARY PUBLIC
In and for Madison County

Fee \$ 78.35



NO. 106 OF U.S.
MARSHAL'S SALE
(Real Estate)
UNITED STATES OF
AMERICA
SOUTHERN DISTRICT OF IOWA
no. 88-079-B

Public notice is hereby given, that by virtue of a writ of execution dated September 8th, A.D. 1988, issued out of the District Court, of the United States for the Southern District of Iowa on a judgment rendered in said Court, on the 29th day of July, A.D. 1988, in favor of United States of America and against James D. McDonald; Beverly McDonald; et al. I have, on this 28th day of September, A.D. 1988, levied upon the following described real estate, situated in the County/Parish of Madison and State of Iowa, to wit:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North quarter corner of Section Eleven (11), and being the point of beginning, thence S 89 degrees 10' W 284.00' along the Section line, thence S. 17 degrees 35' W 872.71' thence N 80 degrees 04' E 406.51', thence N 21 degrees 10' E 240.3 feet along the westerly highway right of way line, thence N 00 degrees 00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21).

U.S. Department of Justice
United States Marshals Service

PROCESS RECEIPT AND RETURN
See Instructions for "Service of Process by the U.S. Marshal"
on the reverse of this form.

PLAINTIFF UNITED STATES OF AMERICA	COURT CASE NUMBER 88-079-B
DEFENDANT James E. McDonald; Beverly McDonald; et al.,	TYPE OF PROCESS Writ of Special Execution

SERVE → AT	NAME OF INDIVIDUAL, COMPANY, CORPORATION, ETC., TO SERVE OR DESCRIPTION OF PROPERTY TO SEIZE OR CONDEMN Bill Christensen
	ADDRESS (Street or RFD, Apartment No., City, State and ZIP Code) RR # 4 Winterset, Iowa 50273

SEND NOTICE OF SERVICE COPY TO REQUESTER AT NAME AND ADDRESS BELOW: Christopher D. Hagen, ASUA 115 U.S. Courthouse Des Moines, Iowa 50309	Number of process to be served with this Form - 285	
	Number of parties to be served in this case	
	Check for service on U.S.A.	

SPECIAL INSTRUCTIONS OR OTHER INFORMATION THAT WILL ASSIST IN EXPEDITING SERVICE (Include Business and Alternate Addresses, All Telephone Numbers, and Estimated Times Available For Service):
Fold

Signature of Attorney or other Originator requesting service on behalf of: Christopher D. Hagen, AUSA	<input checked="" type="checkbox"/> PLAINTIFF <input type="checkbox"/> DEFENDANT	TELEPHONE NUMBER (515) 284-6257	DATE 9-19-88
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SPACE BELOW FOR USE OF U.S. MARSHAL ONLY — DO NOT WRITE BELOW THIS LINE

acknowledge receipt for the total number of process indicated. <i>Sign only first USM 285 if more than one USM 285 is submitted</i>	Total Process	District of Origin No. 30	District to Serve No. 30	Signature of Authorized USMS Deputy or Clerk <i>Robert Blumberg</i>	Date 9-19-88
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I hereby certify and return that I have personally served, have legal evidence of service, have executed as shown in "Remarks", the process described in the individual, company, corporation, etc., at the address shown above or on the individual, company, corporation, etc., shown at the address inserted below.

I hereby certify and return that I am unable to locate the individual, company, corporation, etc., named above (See remarks below)

Name and title of individual served (if not shown above)	<input type="checkbox"/> A person of suitable age and discretion then residing in the defendant's usual place of abode.
Address (complete only if different than shown above)	Date of Service 9-19-88
	Time am pm
	Signature of U.S. Marshal or Deputy <i>Robert Blumberg</i>

Service Fee 9.00	Total Mileage Charges (including endeavors)	Forwarding Fee 1.00	Total Charges 10.00	Advance Deposits	Amount owed to U.S. Marshal or	Amount of Refund
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REMARKS:
On September 19, 1988, I mailed by U.S. Mail a Notice of Defendant/Occupants, Notice of Marshals Sale, and Judgement and Decree and Writ of Special Execution upon the above named individual.

70

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

NOTICE OF LEVY SPECIAL EXECUTION

United States of America,
Plaintiff,
vs.
James D. McDonald; Beverly,
McDonald; et al.,
Defendant(s).

*
*
* CIVIL NUMBER 88-079-B
*
* NOTICE TO DEFENDANTS AND OCCUPANTS
*
*
*
*

TO: Bill Christensen

SIR: You are hereby notified that by virtue of a Special execution to me directed, issued by the Clerk of the District Court, of the United States, in and for the Southern District of Iowa, in the above-entitled case, I have levied upon and executed as property of James D. McDonald; Beverly McDonald; et al., the following-described real property, to wit:

SEE ATTACHED

of which you are in actual occupancy and possession.

And you are also further notified that I have advertised the same to be sold on the 26th day of October, 1988, at 10:30 o'clock A.M., at Madison County Courthouse, Winterset, Iowa, and that I will at said time proceed to sell the same in satisfaction of said execution, together with all legally accruing costs.

Witness my hand this 19th day of September, A.D., 1988.

WARREN D. STUMP
UNITED STATES MARSHAL/SOUTHERN IOWA

BY: George W. Williamson Jr
DEPUTY

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' W 672.71' thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the W. 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

72

Department of Justice
United States Marshals Service

PROCESS RECEIPT AND RETURN
See Instructions for "Service of Process by the U.S. Marshal"
on the reverse of this form.

PLAINTIFF UNITED STATES OF AMERICA	COURT CASE NUMBER 88-079-B
DEFENDANT James D. McDonald, Beverly McDonald; et al.,	TYPE OF PROCESS Writ of Special Execution
SERVE ➔ AT	NAME OF INDIVIDUAL, COMPANY, CORPORATION, ETC., TO SERVE OR DESCRIPTION OF PROPERTY TO SEIZE OR CONDEMNATE Conduct Marshals Sale
	ADDRESS (Street or RFD, Apartment No., City, State and ZIP Code) Madison County Courthouse Winterset, Iowa

SEND NOTICE OF SERVICE COPY TO REQUESTER AT NAME AND ADDRESS BELOW:	Number of process to be served with this Form - 285	
<div style="border: 1px solid black; padding: 5px;"> Christopher D. Hagen, AUSA 115 U.S. Courthouse Des Moines, Iowa 50309 </div>	Number of parties to be served in this case	
	Check for service on U.S.A.	

SPECIAL INSTRUCTIONS OR OTHER INFORMATION THAT WILL ASSIST IN EXPEDITING SERVICE (Include Business and Alternate Addresses, All Telephone Numbers, and Estimated Times Available For Service):
Fold

Signature of Attorney or other Originator requesting service on behalf of: Christopher D. Hagen, AUSA	<input checked="" type="checkbox"/> PLAINTIFF <input type="checkbox"/> DEFENDANT	TELEPHONE NUMBER (515) 284-6257	DATE 9-19-88
--	---	------------------------------------	-----------------

SPACE BELOW FOR USE OF U.S. MARSHAL ONLY — DO NOT WRITE BELOW THIS LINE

I acknowledge receipt for the total number of process indicated. (Sign only first USM 285 if more than one USM 285 is submitted)	Total Process	District of Origin No. 30	District to Serve No. 30	Signature of Authorized USMS Deputy or Clerk Delores Blumberg	Date 9-19
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I hereby certify and return that I have personally served, have legal evidence of service, have executed as shown in "Remarks", the process described on the individual, company, corporation, etc., at the address shown above or on the individual, company, corporation, etc., shown at the address inserted below

I hereby certify and return that I am unable to locate the individual, company, corporation, etc., named above (See remarks below)

Name and title of individual served (if not shown above)	<input type="checkbox"/> A person of suitable age and discretion then residing in the defendant usual place of abode.
Address (complete only if different than shown above)	Date of Service 10-26-88
	Time 10:30
	Signature of U.S. Marshal or Deputy Gene Lathrum

Service Fee 3.00	Total Mileage Charges (including endeavors) 8.40	Forwarding Fee	Total Charges 11.40	Advance Deposits	Amount owed U.S. Marshal 0	Amount of Refund
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REMARKS:

Fee for conducting sale: \$ 3.00

Mileage to conduct sale: \$ 8.40

Document preparation: \$ 6.00

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

United States of America,
Plaintiff

vs.

James D. McDonald; Beverly
McDonald; et al.,

Defendant(s).

*
*
* Civil No. 88-079-B
*
* UNITED STATES MARSHALS RETURN
*
*
*
*
*
*

Comes now Warren D. Stump, United States Marshal for the Southern District of Iowa, by this Deputy United States Marshal, _____

_____, and does hereby certify and return as follows:

that on the 26th day of October, 1988, at 10:30 A.M., at the location of Madison County Courthouse, Winterset, Iowa,

that being the place, date and time set for sale, did expose the afore-said property for sale at public outcry and John Leeper, attorney for Union State Bank, Winterset, Iowa bid the sum of four hundred sixty seven thousand two hundred thirty nine dollars and thirty cents (\$ 467,239.30), for the afore-said property. That being the highest and best bid, I did then and there strike off same.

INCLUDED IN THIS RETURN ARE THE FOLLOWING COSTS:

Incurred Marshals Fees.....	\$ <u>31.40</u>
Other Fees.....	\$ <u>0</u>
TOTAL.....	\$ <u>31.40</u>

Check # 40,601 made payable to the Clerk, United States District Court..... \$ 92,711.56

Warren D. Stump
UNITED STATES MARSHAL

BY: Jesse J. Lathrum
DEPUTY UNITED STATES MARSHAL

see attached supplemental return.

74


UNITED STATES MARSHALS SUPPLEMENTAL RETURN ON
WRIT OF SPECIAL EXECUTION

Comes now, Warren D. Stump, United States Marshal for the Southern District of Iowa, by Jesse J. Lathrum and hereby certifies and returns as follows:

That on the 26th day of October, 1988, at 10:30 a.m., at the Madison County Courthouse, Winterset, Iowa, I exposed the following described property for sale, at public outcry, and John Casper, Attorney for the Union State Bank of Winterset, Iowa, bid the sum of Four hundred sixty seven thousand, Two hundred thirty nine dollars and Thirty cents. That being the highest and best bid, I therefore struck off same.

Union State Bank tendered a cashier's check in the amount of Ninety two thousand, Seven hundred forty two dollars and ninety six cents, which represents the amount due and owing the United States Government and which was agreed to in advance by the United States Attorney's Office and Union State Bank, as evidenced by the attached memorandum.

Warren D. Stump
United States Marshal

by: 
Jesse J. Lathrum

United States of America }
Southern DISTRICT OF Iowa } ss: 88-079-B

Public notice is hereby given, that by virtue of a writ of execution ~~XXXXXX~~, dated September 8th, A.D. 1988, issued out of the District Court, of the United States for the Southern District of Iowa on a judgment rendered in said Court, on the 29th day of July, A.D. 1988, in favor of United States of America and against James D. McDonald; Beverly McDonald; et al., I have, on this 28th day of September, A.D. 1988, levied upon the following described real estate, situated in the County/Parish of Madison and State of Iowa, to wit:

SEE ATTACHED

I will, accordingly, offer said real estate for sale, at public auction to the highest and best bidder, for cash (or certified check), on the 26th day of October, A.D. 1988, at 10:30 o'clock A.M., at Madison County Courthouse, main entrance, Winterset, Iowa

subject to the following terms and conditions:
CASHIERS CHECK, CERTIFIED CHECK, OR MONEY "ORDER" ONLY
MAKE CHECK PAYABLE TO TREASURER OF THE UNITED STATES

Dated, Monday, September, 19th, A.D. 1988
(Day) (Month) (Date)

Christopher D. Hagen, AUSA
Plaintiff's Attorney.
115 U.S. Courthouse
Des Moines, Iowa 50309
(515) 284-6257

Warren D. Stump
U.S. Marshal.
Southern DISTRICT OF Iowa
By George W. Williamson
Deputy.

76

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' W 672.71' thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the W. 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

VOUCHER AND SCHEDULE OF PAYMENTS

JJ 626097

DEPARTMENT	U.S. Dept. of Justice	D.O. VOU. NO. (TRANSP)	087
BUREAU OR OFFICE	U.S. Marshals Service		
LOCATION OF TRANSMITTING OFFICE	Des Moines, Iowa		
I HEREBY CERTIFY THAT THE ITEMS LISTED HEREIN ARE CORRECT AND PROPER FOR PAYMENT FROM THE APPROPRIATION(S) DESIGNATED HEREON OR ON SUPPORTING VOUCHERS.		PAID BY	
DATE	10/27/88	WARREN D. STUMP U.S. MARSHAL SO. IOWA 8130	
AUTHORIZED CERTIFYING OFFICER <i>B. Elaine Evans</i> B. Elaine Evans, Fiscal Asst.			

APPROPRIATION SUMMARY	15X6876	10/27/88	ALIGN AREA
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CLASSIFICATION	AGENCY STATIONING	SCHEDULE NUMBER	FOR D.O. USE ONLY
	8130		
GRAND TOTAL	NO-CHECK TOTAL	MEMORANDUM	

DESCRIPTION	AMOUNT	NO. CHECK	VOUCHER NO.
Clerk, U.S. District Court Southern District of Iowa	\$92,711.56		Ck #40,601
SA vs. McDonald case #88-079-B			
proceeds from USMS sale:	\$ 92,742.96		
USMS Costs Incurred:	31.40		
Balance to Clerk:	\$ 92,711.56		

CHECK SERIALS	BEGINNING	ENDING	BEGINNING	ENDING

USE FOR FIRST CHECK SERIAL NUMBER RANGE USE FOR SECOND CHECK SERIAL NUMBER RANGE, IF APPLICABLE

18

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

JAMES D. McDONALD, BEVERLY
McDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. and BETTE F.
PATTERN, UNION STATE BANK,
CHEVRON U.S.A. INC., and
MADISON COUNTY,

Defendant.

Civil No. 88-079-B

WRIT OF SPECIAL EXECUTION

TO THE UNITED STATES MARSHAL:

WHEREAS, on the 29th day of July, 1988, in the District Court of the United States for the Southern District of Iowa, a Decree of Foreclosure was entered in favor of the United States of America and against the following described property, a true copy of which is attached hereto, and you are commanded to expose to sale as one unit the following described property situated in Madison County, Iowa, to-wit:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' W 672.71' thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in

Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the W. 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

for the satisfaction wholly or in part,

1. for the United States of America, the sum of \$9,010.08 plus interest after May 31, 1988, at the rate of \$.70 per day to date of judgment, and interest thereafter at the legal rate of 7.95%, plus costs of \$634.00, and for such other and further accruing costs as may be provided be law, to pay the judgment of the District Court and

2. for the Union State Bank, the sum of \$366,788.62 plus interest after May 31, 1988, at the rate of \$45.39 per day to date of judgment, and interest thereafter at the legal rate of 7.95%, plus costs of \$1,000.00, and for such other and further accruing costs as may be provided by law, to pay the judgment of the Union State Bank of Winterset, and also you have said sums

of money received upon such sale, less any lawful fees incurred by you by virtue of this Writ of Execution, to render up to the Clerk of the Court who will distribute such sums in the manner stated in the aforesaid Decree, and make due service and legal return on this Writ according to law, within seventy (70) days from the date; the aforesaid property and all improvements thereon to be offered in accordance with and pursuant to the provisions of the aforesaid Decree to which your attention is directed.

WITNESS, Clerk of said Court and seal hereof hereto affixed at Des Moines, Iowa this 2nd day of Sept, 1988.

James R. Rosenbaum
CLERK, U.S. DISTRICT COURT

[Signature]
Deputy

I hereby certify that the above Special Execution came into my hands the 2nd day of September, 1988, at 1:30 o'clock P.m.

Warren D. Stump
UNITED STATES MARSHAL

BY: George W. Williamson Jr

The Court finds that the Defendants, James D. McDonald and Beverly McDonald on or about April 3, 1978, made, executed and delivered to the Plaintiff a promissory note in the principal amount of \$36,000.00 payable according to the terms and conditions stated therein. A true copy of this promissory note was attached to the Complaint as Exhibit "A". On the same date, as part of the same transaction for the purpose of securing the note with interest and other sums described therein, the Defendants, James D. McDonald and Beverly McDonald, made, executed and delivered to the Plaintiff a mortgage upon the real estate legally described as:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); the East Half (1/2) of the Northwest Quarter (1/4) in Section Eleven (11), all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16) the East Seven (7) Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

a true copy of which mortgage was attached to the Complaint Exhibit "B". This mortgage was recorded on April 10, 1978 in the Madison County Recorder's Office in Mortgage Record Book 128 at page 549. The Plaintiff has released its mortgage lien on the real estate legally described as:

East Half (1/2) of the Northwest Quarter (1/4) of Section 11, Township 75 North, Range 28 West of the 5th P.M. in Madison County, Iowa, less five (5) acres commencing at the North Quarter corner of Section 11, and being the point of beginning, thence S 89°10' W 284.6 along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning.

The Defendants, James D. McDonald and Beverly McDonald, have failed to make payment to the Plaintiff according to the terms of Exhibits "A" and "B" of the Complaint and said exhibits are by their terms past due and in default. The Plaintiff is owed on Exhibit "A" to the Complaint the principal sum of \$8,482.01. The interest accrued the principal amount as of December 7, 1987 is the sum of \$404.8 Interest accrues after December 7, 1987 at the rate of seventy cents (\$.70) per diem. The Plaintiff has incurred the sum of \$634.00 for

continuing the abstract of title to the mortgage premises incident to this cause of action, which amount is a reasonable charge for the services rendered.

The Court finds that the Plaintiff is the owner and holder of said note and mortgage shown as Exhibits "A" and "B" to the Complaint. The Court finds that the Plaintiff has duly accelerated the maturity of the unpaid balances under Exhibit "A".

The Court finds that the Defendant, Union State Bank of Winterset, has filed a Counterclaim against the Plaintiff and a Crossclaim against the other Defendants. This cause of action was duly commenced on April 19, 1988 and service of the summons against the other parties has been made. The Court has full jurisdiction in this cause of action on all parties and on the subject matter of the action of the Counterclaim and Crossclaim.

The Court finds that the Defendants, James D. McDonald and Beverly McDonald, who is also known as Beverly J. McDonald, on or about July 22, 1985 made, executed and delivered to the Defendant crossclaimant Union State Bank (hereafter Bank) a promissory note in the principal sum of \$373,700.00 payable according to the terms and conditions therein, a true copy of which note was attached to the Crossclaim as Exhibit "A". On the same date, as part of the same transaction for the purpose of securing the note with interest and other sums described therein, the Defendants, James D. McDonald and Beverly J. McDonald, made, executed and delivered to the Bank a mortgage upon the real estate legally described as:

The East Half (1/2) of the Northwest Quarter (1/4) of Section Eleven (11), except a tract of land commencing at the North Quarter (1/4) corner of said Section Eleven (11), running thence South 89°10' West 284 feet along the Section line, thence South 17° 35' West 672.71 feet, thence North 30° 04' East 406.51 feet, thence North 21° 10' East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: Commencing at a point on the Section line which is 190 feet West of the South Quarter (1/4) corner of Section Two (2), thence North 145 feet; and

the South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) of Section Two (2), except that part thereof heretofore conveyed to the State of Iowa for highway purposes, all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

The Southwest Quarter (1/4) of Section Sixteen (16) and the North 25 Acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21) and the East 7 Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, and

Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

a true copy of which mortgage was attached to the Crossclaim Exhibit "B". This mortgage was duly recorded on July 22, 1985 in Madison County Recorder's Office in Mortgage Record Book 143 at p. 481. The Crossclaimant has released its mortgage upon the real estate legally described as:

The East Half (1/2) of the Northwest Quarter (1/4) of Section Eleven (11), except a tract of land commencing at the North Quarter (1/4) corner of said Section Eleven (11), running thence South 89°10' West 284 feet along the Section line, thence South 17° 35' West 672.71 feet, thence North 30° 04' East 406.51 feet, thence North 21° 10' East 240.3 feet along the westerly highway right of way line, thence North 351.20 feet along the quarter section line to the point of beginning, containing 5.0047 acres exclusive of any highway right-of-way, and also a perpetual easement for a well and water line over a strip of land 20 feet wide and being 10 feet wide on both sides of the following described centerline: Commencing at a point on the Section line which is 190 feet West of the South Quarter (1/4) corner of Section Two (2), thence North 145 feet.

The Cross-defendants, James D. McDonald and Beverly J. McDonald, have failed to make payment to the Bank according to the terms of said Exhibits "A" and "B" and said exhibits are by their terms past due and in default. The Bank is owed on its Exhibit "A" the principal sum of \$326,823.44. Interest accrued on this principal amount as of March 23, 1988 is the sum of \$36,833.27. Interest accrues after March 23, 1988 at the rate of \$45.39 per diem. Exhibits "A" and "B" allow the Bank to recover reasonable attorney fees in the event of suit on said exhibits. The Court finds that the Bank is entitled to reasonable attorney fees as part of its judgment in the sum of \$1,000.00. The Court further finds that the Bank is the owner and holder of said note and mortgage shown as Exhibits "A" and "B" to the Crossclaim. The Court further finds that Bank has accelerated the maturity of the unpaid balances under Exhibit "A" to the Crossclaim. The Court further finds that Bank has caused to be served upon the Cross-defendants, James D. McDonald and Beverly J. McDonald, a notice of right to cure as provided by Iowa Code Section 654.2A and has received a Mediation Release under Iowa Code Section 654A.11.

The Defendants and Cross-Defendants, George W. Patten and Bette F. Patten, upon motion, have been dismissed from this cause of action and are no longer parties hereto.

The Defendant and Cross-Defendant, Federal Land Bank of Omaha (Land Bank) is a party to this cause of action by reason of its real estate mortgage dated June 14, 1976 and filed for record on June 16, 1976 in the Madison County Recorder's Office in Mortgage Record Book 124 at page 264. This mortgage constitutes a first mortgage lien upon the real estate legally described as:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa.

The Plaintiff's mortgage is a second lien upon the above described real estate.

The Defendant and Cross-Defendant, Madison County, is a party to this cause of action by reason of property taxes levied against the premises described above, which lien is prior and paramount to the lien and interest of all other parties to this cause of action.

The Defendant and Cross-Defendant, Chevron U.S.A., Inc. is a party to this cause of action by reason of a oil and gas lease, which interest is junior and subordinate to the interests of the Plaintiff, Federal Land Bank of Omaha, and the Union State Bank of Winterest.

The Union State Bank's mortgage upon the real estate legal described as:

Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the W. 2 rods in width thereof, of section Twenty-one (21) in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

is a first mortgage lien thereon prior and paramount to the lien and interest of all parties to this cause of action except for Madison County, Iowa for property taxes levied against the premises. Said real estate is not described or covered in the mortgages of the Plaintiff United States of America or the Federal Land Bank of Omaha

The Court, therefore, concludes that the Plaintiff, United States of America and the Counterclaimant and Cross-claimant, Union State Bank of Winterest, are entitled to judgment against the real estate described above and against James D. McDonald and Beverly McDonald for the amounts as found above.

IT IS THEREFORE THE JUDGMENT AND DECREE of this Court that the Plaintiff, United States of America, be and is hereby awarded personal judgment against James D. McDonald and Beverly McDonald and in rem judgment against the following described real estate:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00 along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4)

of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Seventeen (17); and, the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

in the sum of \$9,010.08 plus interest after May 31, 1988 at the rate of seventy cents (\$.70) per diem and for the costs of this action and abstracting costs in the sum of \$634.00 and for such other and further accruing costs as may be provided by law.

IT IS FURTHER ORDERED AND DECREED by the Court that the Plaintiff's judgment shall be a lien upon the aforesaid real estate from and after April 10, 1978 and this lien shall be prior and paramount to the lien and interest of all Defendants in said real estate except for the Defendant, Madison County and the Defendant, Federal Land Bank of Omaha.

IT IS FURTHER ORDERED AND DECREED by the Court that the Plaintiff's mortgage be and is hereby foreclosed and the equities of redemption of the Defendants and of every person or legal entity claiming by, through or under them, be and is hereby forever barred and foreclosed, except as otherwise provided by law.

IT IS FURTHER ORDERED AND DECREED by the Court that a Special Execution shall issue forthwith for the sale of the mortgaged premises to satisfy the Plaintiff's Judgment with interest and costs as provided by law.

IT IS FURTHER THE JUDGMENT AND DECREE of this Court that the Counterclaimant and Crossclaimant, Union State Bank of Winterset, be and is hereby awarded personal judgment against James D. McDonald and Beverly J. McDonald and in rem judgment against the following described real estate:

The South Half (1/2) of the Southeast Quarter (1/4) and the Southeast Quarter (1/4) of the Southwest Quarter (1/4) in Section Two (2); commencing at the North Quarter corner of Section Eleven (11), and being the point of beginning, thence S 89°10' W 284.00' along the Section line, thence S. 17° 35' W 672.71', thence N 80° 04' E 406.51', thence N 21° 10' E 240.3 feet along the westerly highway right of way line, thence N 00°00' 351.20' along the 1/2 section line to the point of beginning all in Township Seventy-five (75) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa; and, the Southwest Quarter (1/4) of Section Sixteen (16); the East Seven (7) Acres of the South Half (1/2) of the Northeast Quarter (1/4) of the

Southeast Quarter (1/4) of Section Seventeen (17); and the North Twenty-five (25) acres of the Northwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Twenty-one (21), all in Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, Northwest Quarter (1/4) of the Southwest Quarter (1/4) except a tract conveyed for road purposes 17 1/2 feet wide and 2 rods long running in a diagonal direction across the Southwest Corner thereof, and the Southwest Quarter (1/4) of the Southwest Quarter (1/4) except the W. 2 rods in width thereof, of section Twenty-one (21) Township Seventy-six (76) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa,

in the sum of \$366,788.62 plus interest after May 31, 1988 at rate of \$45.39 per diem and for the costs of this action includ attorney fees in the sum of \$1,000.00 and for such other and furt accruing costs as may be provided by law.

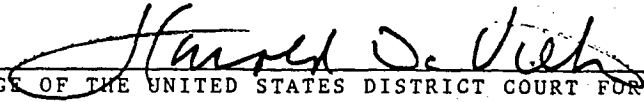
IT IS FURTHER ORDERED AND DECREED by the Court that the count claimant and crossclaimant's judgment shall be a lien upon aforesaid real estate from and after July 22, 1985 and this l shall be prior and paramount upon said real estate to the liens interests of all parties in said real estate to the extent found the Court in its Ruling above.

IT IS FURTHER ORDERED AND DECREED by the Court that the coun claimant and crossclaimant's mortgage be and is hereby foreclosed to the real estate subject to its in rem judgment and the equities redemption of the Plaintiff and the Defendants and of every person legal entity claiming by, through or under them, be and is her forever barred and foreclosed, except as otherwise provided by law

IT IS FURTHER ORDERED AND DECREED by the Court that a spec execution shall issue forthwith for the sale of the mortga premises subject to said in rem judgment to satisfy the count claimant and crossclaimant's judgment with interest and costs provided by law.

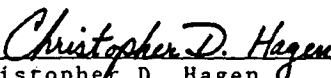

IT IS FURTHER ORDERED AND DECREED by the Court that in the ev that the mortgaged premises herein foreclosed be sold under execut that a writ of possession shall issue directed to the Marsh commanding the Marshall to put the grantee under Marshalls Deed possession of the premises and remove all other persons includ persons claiming by, through or under any of the parties to t cause of action.

IT IS FURTHER ORDERED AND DECREED by the Court that the Court shall retain full jurisdiction in this matter until the issuance of a Marshall's Deed to the grantees and the grantees' possession of said real estate pursuant to said deed or deeds.



JUDGE OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF IOWA

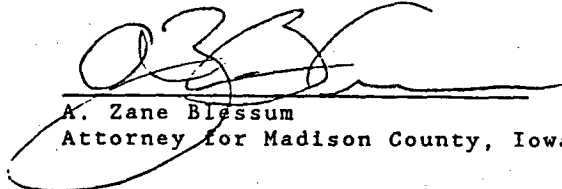
APPROVED AS TO FORM AND CONTENT:

By  , ALUSA
Christopher D. Hagen
United States Attorney
Attorney for the United States of America



John E. Casper
Attorney for Union State Bank of Winterset

Larry Van Werden
Attorney for James D. McDonald & Beverly McDonald



A. Zane Blessum
Attorney for Madison County, Iowa

James W. Shapley
Assistant Vice President
Federal Land Bank of Omaha

O. F. Baldwin II
Attorney for Chevron U.S.A., Inc.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff

* CIVIL ACTION NO. 88-079-B

*

vs

*

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

*

*

*

UNION STATE BANK OF WINTERSET,
Cross-Plaintiff

*

vs

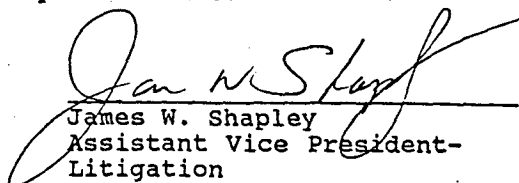
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JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, CHEVRON U.S.A., INC.,
AND MADISON COUNTY, IOWA,
Cross-claimant

*

APPROVAL OF
DECREE OF FORECLOSURE

Comes now the undersigned on behalf of Federal Land Bank of Omaha to hereby approve the form and content of the Decree of Foreclosure submitted to the Court in the above captioned case.



James W. Shapley
Assistant Vice President-
Litigation
P. O. Box 520
Highway 141 & 12th Street
Perry, Iowa 50220

ATTORNEY FOR FEDERAL LAND BANK
OF OMAHA

1988 JUL 12 PM 2 08
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff

* CIVIL ACTION NO. 88-079-B

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

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FILED JUL 12 PM 2 00
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNION STATE BANK OF WINTERSET,
Cross-Plaintiff

*

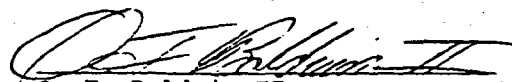
vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, CHEVRON U.S.A., INC.,
AND MADISON COUNTY, IOWA,
Cross-claimant

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APPROVAL OF
DECREE OF FORECLOSURE

Comes now the undersigned on behalf of Chevron U.S.A., Inc. to hereby approve the form and content of the Decree of Foreclosure submitted to the Court in the above captioned case.



O. F. Baldwin II
P. O. Box 599
Denver, CO 80201

ATTORNEY FOR CHEVRON U.S.A., INC.

92

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff

CIVIL ACTION NO. 88-079-B

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, UNION STATE BANK,
CHEVRON U.S.A., INC., AND
MADISON COUNTY,
Defendants

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*

1988 JUL 12 PM 2:08
U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

UNION STATE BANK OF WINTERSSET,
Cross-Plaintiff

*

vs

JAMES D. MCDONALD, BEVERLY
MCDONALD, FEDERAL LAND BANK OF
OMAHA, GEORGE W. AND BETTE F.
PATTEN, CHEVRON U.S.A., INC.,
AND MADISON COUNTY, IOWA,
Cross-claimant

*
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*
*

APPROVAL OF
DECREE OF FORECLOSURE

Comes now the undersigned on behalf of James D. McDonald ;
Beverly McDonald to hereby approve the form and content of the Decree
of Foreclosure submitted to the Court in the above captioned case.

L. P. Van Werden

L. P. Van Werden
REYNOLDSON, VAN WERDEN, KIMI
REYNOLDSON, LLOYD & WIECK
200 W. Jefferson
Osceola, Iowa 50213
Phone: (515) 342-2157

ATTORNEY FOR JAMES D. MCDONALD
AND BEVERLY MCDONALD