FILED NO. 1394
BOOK 37 PAGE 37

1986 JAN -7 PM 3:15

MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

$30.00

AFFIDAVIT

STATE OF IOWA :
: ss
MADISON COUNTY :

I, William L. Davis, being first duly sworn on oath state that I am Senior Vice President of Farmers & Merchants State Bank of Winterset, Iowa. I further state that this Affidavit concerns the chain of title to the following-described real estate:

> The East 180 feet of the North 51 feet of Out Lot Three (3) of Out Lots to Academy Addition to the Town of Earlham, Madison County, Iowa, and all their right, title and interest in and to an easement for ingress, egress and driveway purposes over and across the East 180 feet of the South 9 feet of the North 60 feet of Out Lot Three (3) of Out Lots to Academy Addition to the Town of Earlham, Madison County, Iowa.
>
> AND
>
> That part of the East Half ($E\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$) of Section Five (5), Township Seventy-seven (77) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, described as follows: Beginning at the Northwest Corner of the East Half ($E\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$) of said Section Five (5), proceeding East 653 feet along the centerline of said Section Five (5); thence 89° 11' right and Southerly 330 feet; thence 90° 08' right and Westerly 653 feet to the West line of the East Half ($E\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$) of said Section Five (5); thence 89° 52' right and Northerly 337.8 feet to the point of beginning, all now being in and forming a part of Madison County, Iowa, and containing 5.00 acres, more or less, subject to existing road right-of-way on the North side,

Attached hereto and marked Exhibit "A" is an executed copy of an Agreement made and entered into by and between Farmers & Merchants State Bank of Winterset, Iowa, and Bruce T. Burkland and Cheryl L. Burkland. This Agreement was entered into pursuant to the alternative non-judicial voluntary foreclosure procedure set forth in Iowa Code Section 654.16. Pursuant to this Agreement and said Code Section, Disclosure and Notice of Cancellation was given to Bruce T. Burkland and Cheryl L. Burkland on December 27, 1985. Said Disclosure and Notice is attached hereto and marked Exhibit "B". Bruce T. Burkland and Cheryl L. Burkland did not exercise their right to cancel said Agreement.

This Affidavit is made in compliance with and to complete the alternative non-judicial voluntary foreclosure procedure set forth in Iowa Code Section 654.16.

William L. Davis

William L. Davis

Subscribed and sworn to before me by William L. Davis this 7th day of January, 1986.

Kimberly A Townsend

Notary Public in and for the State of Iowa.

KIMBERLY A. TOWNSEND
Iowa
NOTARIAL SEAL

AGREEMENT

THIS AGREEMENT made and entered into by and between FARMERS & MERCHANTS STATE BANK hereinafter called the "Bank" and BRUCE T. BURKLAND and CHERYL L. BURKLAND hereinafter called "Burklands".

WHEREAS, Burklands are indebted to the Bank in the amount of Two Hundred Fifty-five Thousand One Hundred Eighty-seven Dollars and Eighty Cents ($255,187.80) as evidenced by the following Promissory Notes:

DATE	ORIGINAL AMOUNT	CURRENT UNPAID BALANCE
July 29, 1983	$159,605.48	$157,748.47
February 4, 1974	22,000.00	11,731.55
March 31, 1977	28,800.00	5,707.78
June 15, 1985	10,000.00	10,000.00
March 26, 1985	17,500.00	17,500.00
January 15, 1985	13,000.00	13,000.00
November 5, 1984	15,000.00	15,000.00
March 11, 1985	10,000.00	10,000.00
January 30, 1985	7,500.00	7,500.00
January 16, 1985	7,000.00	7,000.00

and;

WHEREAS, Burklands desire to transfer certain property to the Bank in partial satisfaction of said Promissory Notes.

NOW THEREFORE IT IS AGREED as follows:

1. This Agreement is entered into pursuant to the alternative non-judicial voluntary foreclosing procedure set forth in Iowa Code Section 654.16. Burklands and the Bank have elected to follow the alternative voluntary foreclosure procedure pursuant to this Code Section.

2. Burklands hereby agree to transfer and assign to the Bank all of their right, title and interest in and to a certain Real Estate Contract made and entered into by and between Burklands as Sellers to Mark J. Karls and Susan E. Karls, Buyers, for the sale of the following-described real estate:

> The East 180 feet of the North 51 feet of Out Lot Three (3) of Out Lots to Academy Addition to the Town of Earlham, Madison County, Iowa, and all their right, title and interest in and to an easement for ingress, egress and driveway purposes over and across the East 180 feet of the South 9 feet of the North 60 feet of Out Lot Three (3) of Out Lots to Academy Addition to the Town of Earlham, Madison County, Iowa.

Said contract is recorded in Book 49, Page 647 of Deeds in the Madison County Recorder's Office.

3. Burklands also agree to convey and transfer to the Bank the following-described real estate:

> That part of the East Half ($E\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$) of Section Five (5), Township Seventy-seven (77) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, described as follows: Beginning at the Northwest Corner of the East Half ($E\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$) of said Section Five (5), proceeding East 653 feet along the centerline of said Section Five (5); thence 89° 11' right and Southerly 330 feet; thence 90° 08' right and Westerly 653 feet to the West line of the East Half ($E\frac{1}{2}$) of the Southwest Quarter ($SW\frac{1}{4}$) of said Section Five (5); thence 89° 52' right and Northerly 337.8 feet to the point of beginning, all now being in and forming a part of Madison County, Iowa, and containing 5.00 acres, more or less, subject to existing road right-of-way on the North side,

and all equipment including motor vehicles, inventory and accounts receivable of Burkland Industries.

4. The Bank hereby agrees to accept the transfer and conveyance to it of the above-described property as an absolute conveyance and transfer to the Bank in full satisfaction of said notes referred to above and any mortgages or security agreements entered into to secure said notes. The Bank waives any rights to a deficiency or any other claim against Burklands arising from said notes, mortgages and security agreements.

5. All of the assets to be conveyed and transferred by Burklands to the Bank shall be free and clear of all liens and encumbrances except any liens thereon held by the Bank as security for said indebtedness.

6. The Bank shall have immediate possession of all of said property.

DATED this 27th day of December, 1985.

FARMERS & MERCHANTS STATE BANK

By William L. Davis
~~James W. Meade~~ William L. Davis

Bruce T. Burkland
Bruce T. Burkland

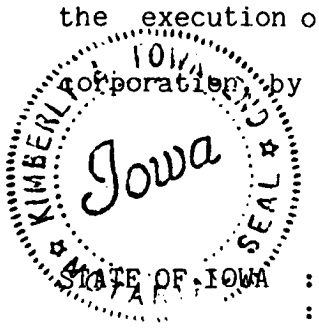
Cheryl L. Burkland
Cheryl L. Burkland

STATE OF IOWA :
: ss
MADISON COUNTY :

FARMERS & MERCHANTS ... SEAL ... WINTERSET

On this 27th day of December, 1985, before me, the undersigned, a Notary Public in and for said county and said state personally appeared William L. Davis ~~James W. Meade~~, to me personally known, who, being by me duly sworn, did say that he is the Vice President of said corporation; that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of

William L. Davis
Directors; and that the said ~~James W. Mease~~, as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him voluntarily executed.



Kimberly A Townsend
Notary Public in and for the State of Iowa.

STATE OF IOWA :
: ss
MADISON COUNTY :

On this 27th day of December, 1985, before me the undersigned, a Notary Public in and for said county and said state, personally appeared Bruce T. Burkland and Cheryl L. Burkland to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.



Kimberly A Townsend
Notary Public in and for the State of Iowa.

DISCLOSURE AND NOTICE OF CANCELLATION

DATE DECEMBER 27, 1985

Under a forced foreclosure, Iowa law requires that you have the right to reclaim your property within one year of the date of the foreclosure and that you may continue to occupy your property during that time. If you agree to a voluntary foreclosure under this procedure you will be giving up your right to reclaim or occupy your property.

Under a forced foreclosure, if your mortgage lender does not receive enough money to cover what you owe when the property is sold, you will still be required to pay the difference. If your mortgage lender receives more money than you owe, the difference must be paid to you. If you agree to a voluntary foreclosure under this procedure, you will not have to pay the amount of your debt not covered by the sale of your property but you also will not be paid any extra money, if any, over the amount you owe.

NOTE: There may be other advantages and disadvantages, including an effect on your income tax liability, to you depending on whether you agree or do not agree to a voluntary foreclosure. If you have any questions or doubts, you are advised to discuss them with your mortgage lender or an attorney.

You may cancel this transaction, without penalty or obligation, within five business days from the above date.

This transaction is entirely voluntary. You cannot be required to sign the attached foreclosure agreement.

This voluntary foreclosure agreement will become final unless you sign and deliver or mail this notice of cancellation to Farmers & Merchants State Bank, 101 West Jefferson Street, Winterset, Iowa 50273 before midnight of JANUARY 6, 1986.

FARMERS & MERCHANTS STATE BANK

By William L. Dawe

I HEREBY CANCEL THIS TRANSACTION.

DATE_____

_____
Signature

"EXHIBIT" B