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DELAWARE COUNTY IOWA
FILED
2002 FE 28 PM 2:55
BOOK 2002 PAGE 737
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
12.00

This Instrument Prepared by:
USDA Rural Development
1520 Market Street
St. Louis, MO 63103
(800)414-1226

USDA-FmHA
Form FmHA 460-2
(Rev. 9/88)

SUBORDINATION BY THE GOVERNMENT

The United States of America acting through the Administrator of Farmers Home Administration (called the "Government") is the owner and holder of the following-described instrument(s) executed by Carl Starr, Jr and Bertha Ann Starr of Delaware County, State of Iowa:

Title of Instrument	*Date of Instrument*	*Date Filed*	*Book & Page/Document No.*
Real Estate Mortgage	09/25/78	09/25/78	Book 12 Page 320
Real Estate Mortgage	06/25/88	06/27/88	Book 23 Page 185

AND, Farmers & Merchants Savings Bank (called the "Lender") has agreed to loan $32,000.00 (THIRTY TWO THOUSAND AND NO/100 DOLLARS) to Carl Starr, Jr. and Bertha Ann Starr (called the "Borrower") for the following purposes:

Refinance existing first mortgage with FmHA

THEREFORE, in consideration the Lender's agreement to make such loan to Borrower, the Government (1) consents to the Borrower obtaining the loan from the Lender for such purposes, and (2) agree to and does subordinate in favor of the Lender and its successors and assigns its liens or security interests created or evidenced by the above-described instrument(s) insofar as they cover the following-described property and provided the Lender perfects a lien on that property:

LOT SIX HUNDRED TWENTY NINE (629), EXCEPT THE NORTH SEVENTEEN AND FIVE-TENTHS (17.5) FEET OF THE EAST FORTY ONE AND SIX-TENTHS (41.6) FEET THEREOF, IN MANCHESTER, IOWA ACCORDING TO PLAT RECORDED IN BOOK I L.D., PAGES 284-285.

This subordination is limited to the amount actually loaned by the Lender to the Borrower (principal and accrued interest) for the forgoing purposes and also the amount actually advanced for foreclosure costs and other advances made by the Lender, for a total limitation not to exceed $32,000.00 (THIRTY TWO THOUSAND AND NO/100 DOLLARS). * Any amount which is in excess of this figure will not be covered by this subordination unless prior written consent was obtained from the Government for incurring the expenditure in question. The Lender must incorporate into the borrower's note a statement that the loan will be in default should any proceeds of the loan funds obtained as a result of this subordination be used for a purpose that will contribute to

excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as explained in Exhibit M of Subpart G of Part 1940 of Title 7 of the Code of Federal Regulations.

IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the 26th day of February, 2002, pursuant to the delegated authority published in 7 CFR Part 1900, Subpart A.

UNITED STATES OF AMERICA,

BY Laura Dietz
Laura Dietz
TITLE: Section Head, Payoff/Research Section
U.S. Department of Agriculture

WITNESS John Mandala
John Mandala
TITLE: Work Flow Coordinator, Payoff Section
U.S. Department of Agriculture

*(NOTE TO LENDER: You are advised to obtain a perfected security interest on the above property. When the indebtedness has been satisfied please mark this form "PAID IN FULL" and return it to the Farmers Home Administration at the following address: USDA Rural Development, 1520 Market Street, St. Louis, MO 63103 .)

State Missouri
County St. Louis

I, the undersigned, a Notary Public in and for the said State and County, acknowledge that Laura Dietz, Section Head, Payoff/Research Section, and John Mandala, Work Flow Coordinator, Payoff Section, personally appeared before me and signed the foregoing instrument as their free and voluntary act.

Dated this 26th day of February 2002.

Debra A. Kehrer
Notary Public, Debra A Kehrer

My commission expires April 2, 2005

DEBRA A. KEHRER
Notary Public - State of Missouri
County of St. Louis
My Commission Expires Apr. 2, 2005

PUBLIC NOTARY SEAL STATE OF MISSOURI

FmHA 460-2 (Rev. 9/88)