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 FILED NO. 3337  
 BOOK 206 PAGE 93  
 99 FEB 16 PM 3: 15  
 MICHELLE UTSLER  
 RECORDER  
 MADISON COUNTY, IOWA

REC \$ 12.00  
 AUD \$ \_\_\_\_\_  
 R.M.F. \$ 1.00

USDA  
 Form RD 460-2  
 (Rev. 4-97)

**SUBORDINATION BY THE GOVERNMENT**  
*Position 1 (Chattel Security)*  
*Position 5 (Real Estate Security)*

The United States of America acting through the United States Department of Agriculture (called the "Government") is the owner and holder of the following-described instruments executed by D. Duane Lauer and xxx of Madison County, State of Iowa

Title of Instrument	Date of Instrument	Date Filed	Office Filed	Document File or Book No.	Page No.
RE Mortgage	2/20/1991	2/21/1991	Madison Co. Recorder	158	266

AND, Farmers & Merchants State Bank (called the "Lender") has agreed to loan \$ 12,000.00 to D. Duane Lauer and xxx (called the "Borrower") for the following purposes:

Term out cost share improvements on farm  
 Due within seven (7) years, or 2006

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) agrees 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 instruments insofar as they cover the following-described property and provided the Lender perfects a lien on that property:

The Southwest Quarter ( $\frac{1}{4}$ ) of the Northeast Quarter ( $\frac{1}{4}$ ) and the West Thirty-eight (38) acres of the Northwest Quarter ( $\frac{1}{4}$ ) of the Northeast Quarter ( $\frac{1}{4}$ ) of Section Sixteen (16), Township Seventy-four (74) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa.

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 or to be made by the Lender, for a total limitation not to exceed \$ 12,000.00 + interest . \* 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 (1) for a purpose that will contribute the excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, provided by 7 C.F.R. part 1940, subpart G, or (2) for any purpose not provided for above.

IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the 2nd day of February, 1999, pursuant to the delegated authority published in 7 C.F.R. part 1900, subpart A.

WITNESS: \_\_\_\_\_  
\_\_\_\_\_

UNITED STATES OF AMERICA,

BY Teresa L. Scheel  
Teresa L. Scheel  
TITLE Farm Loan Manager

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 Department of Agriculture at the following address: FSA, 815 Hwy 92 E., Winterset, IA 50273.)

STATE OF IOWA  
COUNTY OF MADISON } ss:

ACKNOWLEDGMENT

On this 2nd day of February, 1999, before me, the subscriber, a

Notary Public, in and for the above county and State, appeared Teresa L. Scheel, known to me to be Farm Loan Manager

United States Department of Agriculture, and the person who executed the foregoing instrument, and he/she acknowledged to me that he/she executed the same as the free act and deed of the United States of America, for the uses the purposes mentioned in it.

IN WITNESS WHEREOF, I have set my hand and seal at Winterset, Iowa

the day and year listed above.

[SEAL]



My commission expires 7-14-2000

Jane A. Dawson  
Jane A. Dawson (Signature)  
Notary Public (Title)

*J. M. B. R.*

*1650  
2-21-91*