

FILED NO. 2706

BOOK 181 PAGE 237

96 APR -4 AM 11:27

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

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

Position 1 - Chattel Security
Position 5 - Real Estate Security

REG \$ 15.00

AND

R.M.F. \$ 2.00

SUBORDINATION BY THE GOVERNMENT

The United States of America acting through the Administrator of the Farmers Home Administration (called the "Government") is the owner and holder of the following-described instrument(s) executed by Dale H. Wearmouth and Ava D. Wearmouth 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	4/12/1978	4/12/1978	County Recorder	128	624
RE Mortgage	10/31/1985	10/31/1985	County Recorder	144	306

AND Farmers & Merchants State Bank (called the "Lender") has agreed to loan \$ 16,000.00 to Dale H. Wearmouth and Ava D. Wearmouth

(called the "Borrower") for the following purposes:

Refinance subordination to reestablish prior lien

COMPUTER
RECORDED
COMPALED

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:

For valuable consideration does hereby subordinate its rights under said mortgages to the rights created by the following described instrument:
RE Mortgage filed 3/27/1996, Madison Co. Recorder, Book 181, Page 107.

The East Half (1/2) of the Southeast Quarter (1/4) of Section Twenty-four (24), 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 \$ 16,000.00 + 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 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.

FmHA 460-2 (Rev. 9/88)

IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the 2nd day of March, 19 96, pursuant to the delegated authority published in 7 CFR Part 1900, Subpart A.

"Wherever "Farmers Home Administration", "FmHA", "Rural Development Administration" or "RDA" may appear, the term "United States of America" is substituted."

UNITED STATES OF AMERICA
BY Mark T. Matlage
Mark T. Matlage
TITLE Ag. Credit Manager
Farmers Home Administration,
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: 815 Hwy 92 E., Winterset, IA 50273.)

STATE OF IOWA
COUNTY OF MADISON } ss:

ACKNOWLEDGMENT

On this 2nd day of March, 19 96, before me, the subscriber, a

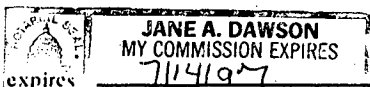
Notary Public, in and for the above county and State, appeared

Mark T. Matlage, known to me to be Ag. Credit Manager, Farmers Home Administration, 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 and 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

(To be filled in if certifying officer is a notary public)

Jane A. Dawson
(Signature)

(Title)