

COMPUTER RECORDED

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BOOK 181 PAGE 260

96 APR -8 PM 1:50

MICHELLE UTSLER RECORDER MADISON COUNTY, IOWA

REC \$ 15

AUD \$

R.M.F. \$ 2.00

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

Position 1 - Chattel Security Position 5 - Real Estate Security

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 Kirkland Farms, Inc. and George D. Kirkland & Betty J. Kirkland of 2965 Carver Rd, Winterset, Madison County, State of Iowa:

Table with 6 columns: Title of Instrument, Date of Instrument, Date Filed, Office Filed, Document File or Book No., Page No. Rows include RE Mortgage 4/1/85 and RE Mortgage 10/24/85.

AND, Farmers & Merchants State Bank (called the "Lender") has agreed to loan \$140,000.00 to Kirkland Farms, Inc. and George D. Kirkland & Betty J. Kirkland (called the "Borrower") for the following purposes:

refinance debt from Metropolitan Life Insurance Company.

For valuable consideration does hereby subordinate its rights under said mortgages to the rights created by the following described instruments:

RE Mortgage recorded 3/15/95 in the Madison Co., Recorder's Office Book 175, Page 713 and RE Mortgage recorded 3/15/95, Book 175, Page 715.

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:

The Northwest Quarter (1/4) of Section Twenty-four (24); and the West Half (1/2) of the Southwest Quarter (1/4) and the Southwest Quarter (1/4) of the Northwest Quarter (1/4) of Section Thirteen (13); and the North Half (1/2) of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) in Section Twenty-two (22); and the South Half (1/2) of the Northwest Quarter (1/4) and the West 27 Rods of the North 4 Rods of the Northwest Quarter (1/4) of the Southwest Quarter (1/4) of Section Twenty-three (23); all in Township Seventy-four (74) North, Range Twenty-nine (29); and the Northeast Quarter (1/4) and the Southeast Quarter (1/4) of the Northwest Quarter (1/4) of Section Nineteen (19), in Township Seventy-four (74) North, Range Twenty-eight (28) 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 \$140,000.00 + 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.

IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the 29th day of March, 1996, pursuant to the delegated authority published in 7 CFR Part 1900, Subpart A.

WITNESS: _____

UNITED STATES OF AMERICA,
BY Mark T. Matlage
Mark T. Matlage
TITLE Ag. Credit Manager
~~XXXXXXXXXXXXXXXXXXXX~~
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: _____.)

STATE OF IOWA
COUNTY OF MADISON } ss:

ACKNOWLEDGMENT

On this 29th day of March, 1996, 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

(SEAL) 

the day and year listed above.
Jane A. Dawson
(Signature)

My commission expires _____ (To be filled in if certifying officer is a notary public) _____ (Title)

MADISON COUNTY FSA OFFICE
815 E HWY 92
WINTERSET IA 50273-9501

2346 2345
3-15-95 3-15-95