

Elwood Line
P.O. Box 127
Mokenca, IL.
60954

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

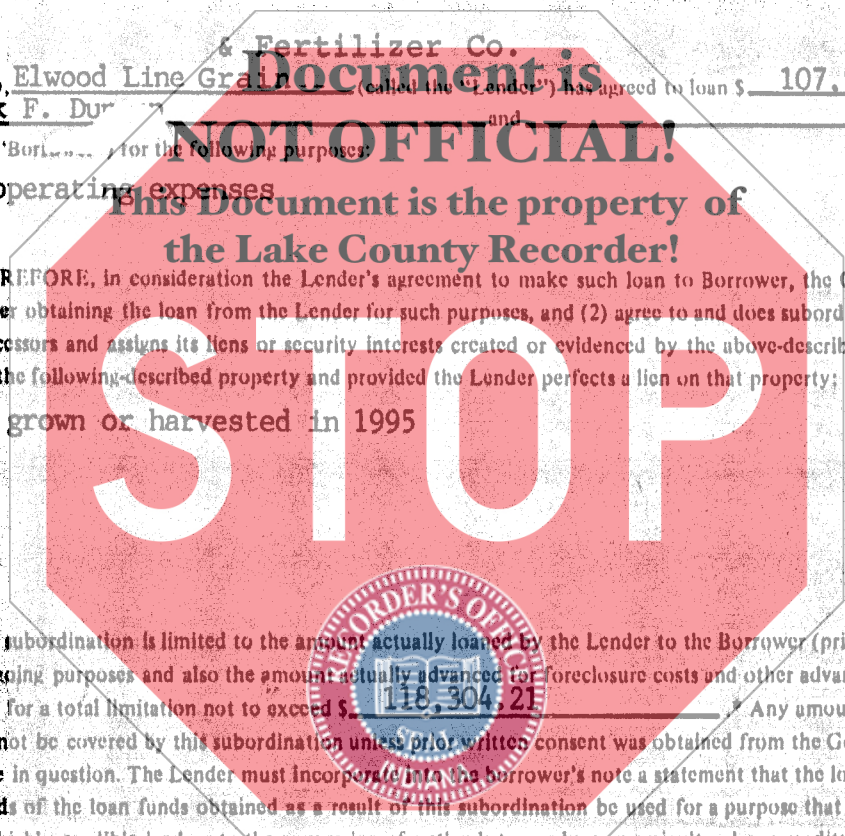
Position 1 - Chattel Security
Position 5 - Real Estate Security

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 Rick F. Duncan and _____ of Newton County, State of Indiana;

Title of Instrument	Date of Instrument	Date Filed	Office Filed	Document File or Book No.	Page No.
UCC-1		6-22-92	Lake County Recorder	92002310	

AND Elwood Line Grain & Fertilizer Co. (called the "Lender") has agreed to loan \$ 107,549.29 to Rick F. Duncan and _____ (called the "Borrower") for the following purposes:
Farm operating expenses



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:

Crops grown or harvested in 1995

This subordination is limited to the amount actually loaned by the Lender to the Borrower (principal and accrued interest) for the foregoing 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 \$ 118,304.21. 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 23rd day of August, 1995, pursuant to the delegated authority published in 7 CFR Part 1900, Subpart A.

WITNESS: _____
BY C. Eric Peterson
C. Eric Peterson
TITLE County Supervisor
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: P. O. Box 216, Rensselaer, IN 47978

9505 585
95 SEP - 1 PM 3:00
STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
MARGARET L. LADD
RECORDER

STATE OF INDIANA
COUNTY OF JASPER

ACKNOWLEDGMENT

On this 23rd day of August, 1995, before me, the subscriber, a

Notary Public

, in and for the above county and State, appeared

C. Eric Peterson, known to me to be County Supervisor

of the 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

Rensselaer,

Indiana

Document is NOT OFFICIAL!
This Document is the property of the Lake County Recorder.

(SEAL)

Mary Lou Potts
Mary Lou Potts
Notary Public

(Signature)

My commission expires June 3, 1996

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

Resident of Jasper County,

(Title)

Indiana

