

This instrument prepared by:
Principal Residential Mortgage Inc.
711 High Street
Des Moines, IA 50309

1042411

attn: Spaine
1-515-248-2151

SUBSTITUTION OF LIABILITY

This Agreement made and entered into this 21st day of November, 1996 by and between PRINCIPAL RESIDENTIAL MORTGAGE, INC., an Iowa Corporation, hereinafter referred to as the Mortgagee, Edward Glasgow Panis of DeSoto County, hereinafter referred to as the Purchasers, and Emmett G. and Brenda G. Johnson, Jr. of De Soto County hereinafter referred to as the Sellers, WITNESSETH:

Whereas on the 1st day of November, 1995, Sellers executed and delivered a promissory note in the principal amount of \$ 110,736.00, plus interest, payable to Leader Federal Bank For Savings, which note is secured by a deed of trust of same date as said note, which deed of trust was recorded on the 7th day of November 1995 in Book 793 at page 797 of the deed of trust records of DeSoto County, and

Whereas Mortgagee is now the legal owner and holder of said note and the deed of trust securing same and Purchasers have purchased the real estate covered by said deed of trust from the Sellers, and Sellers desire to be released from all further liability for the payment of said note and Mortgagee is willing to grant said release upon agreement of the Purchasers to assume and agree to pay said indebtedness.

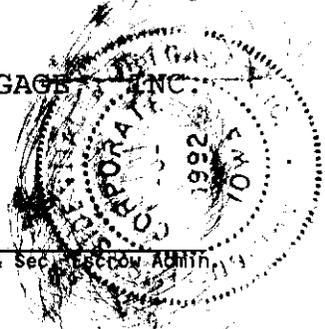
NOW, THEREFORE, in consideration of the premises, IT IS HEREBY AGREED AS FOLLOWS:

1. Purchasers hereby assume and agree to pay said note at the times and in the manner provided for therein, and Purchasers further agree to be bound by and to perform all of the terms, conditions, covenants and agreements contained in said note and the deed of trust securing same, including all modifications and extensions thereto, nothing herein being deemed to interfere in any way with the lien of said deed of trust. It is agreed that all monthly installments of principal and interest to be paid on and after December 1, 1996, are unpaid.
2. Sellers hereby assign and transfer to Purchasers all Sellers' right, title and interest in and to all escrow funds presently held or which may later accrue in connection with the aforesaid note and deed of trust, including refunds of any nature or fees returned from any source.
3. Mortgagee hereby releases and discharges Sellers of and from all liability under the aforesaid note and/or the deed of trust securing same.

PRINCIPAL RESIDENTIAL MORTGAGE, INC.

Attest:
[Signature]
E. A. Hummel, Vice-President & Sec.-Default Admn.

By *[Signature]*
L. A. Willyard, Vice-President & Sec.-Escrow Admn.



[Signature]
Purchaser: Edward Glasgow Panis

[Signature]
Seller: Emmett G. Johnson, Jr.

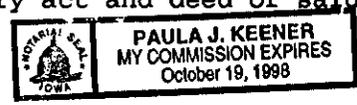
[Signature]
Purchaser: LOUISE G. PANIS

[Signature]
Seller: Brenda G. Johnson

Dec 17 10 10 AM '96 *mc*

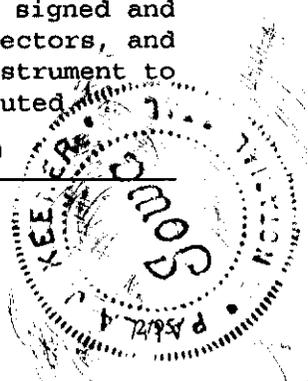
STATE OF IOWA :
: ss. BK 875 PG 778
COUNTY OF POLK : W.E. DAVIS CH. CLK.

On this 10 day of December A.D. 1996, before me, a Notary Public in and for said county, personally appeared L. A. Willyard to me personally known, who being by me duly sworn did say that he/she is Vice-President & Sec.-Escrow Admn. of said Principal Residential Mortgage, Inc., that the seal affixed to said instrument is the seal of said corporation, and that said instrument was signed and sealed on behalf of the said corporation by authority of its Board of Directors, and the said L. A. Willyard acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by its voluntarily executed



[Signature]
Notary Public in and for Polk County, Iowa

My commission expires _____

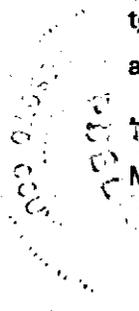


STATE OF MISSISSIPPI , DeSoto County ss:

On this 21st day of November, 1996 , before me, a Notary Public in the State of Mississippi personally appeared Edward Glasgow Panis and LOUISE G. PANIS , to me personally known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that EDWARD GLASGOW PANIS and LOUISE G. PANIS executed the same as their voluntary act and deed.

My Commission expires:
November 27, 1999

Marilyn C. Huggins
Notary Public in and for said County and State



STATE OF MISSISSIPPI , DeSoto County ss:

On this 21st day of November, 1996 , before me, a Notary Public in the State of Mississippi personally appeared Emmett G. Johnson, Jr. and Brenda G. Johnson , to me personally known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that BRENDA G. JOHNSON executed the same as voluntary act and deed.

My Commission expires:
November 27, 1999

Marilyn C. Huggins
Notary Public in and for said County and State

