FHM BK

329-3654
DELAWARE COUNTY IOWA
FILED
'97 JUN 11 PM 2 39
135 PAGE 37
RECORDER
#11.00

Prepared by: Ronald I. Snitker, Ag Credit Manager, 909 West Main, Manchester, IA 52057 (319) 927-4580

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 David A. Nieman and Esther Y. Nieman of Delaware County, State of Iowa.

Title of Instrument	*Date of Instrument*	*Date Filed*	*Office Filed*	*Document File or Book No.*	*Page No*
Real Estate Mortgage	04/04/94	04/07/94	Delaware County Recorder	122	274

AND Farmers & Merchants Savings Bank (called the "Lender") has agreed to loan $ 45,000.00 to David A. Nieman and Esther Y. Nieman (called the "Borrower") for the following purposes:

Refinance Farmers & Merchants and refinance Agri-Credit

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 fractional Quarter (NWfr¼) and the North One-Half (N½) of the Southwest Quarter (SW¼) of Section Four (4), Township Ninety (90) North, Range Five (5), West of the Fifth P. M., except that part conveyed to the State of Iowa by Warranty Deed recorded in Book 102 L.D., Page 207, in Delaware 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 $ 45,000.00 .* 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

DATE 6-11-97 BOOK 135 PAGE 37

IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the 28th day of May, 19 97, pursuant to the delegated authority published in 7 CFR Part 1900, Subpart A.

UNITED STATES OF AMERICA,

WITNESS: _____

BY Ronald I Snitker
RONALD I. SNITKER

_____

TITLE Agriculture 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: 909 West Main, Manchester, IA 52057.)

FmHA 460-2 (Rev. 9/88)

STATE OF IOWA
COUNTY OF DELAWARE
ss:

ACKNOWLEDGMENT

On this 28th day of May, 19 97, before me, the subscriber, a Notary Public, in and for the above county and State, appeared Ronald I. Snitker, known to me to be Agriculture Credit Manager, Farmers Home Administration, United States Depa tment 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 Manchester, Iowa the day and year listed above.

(SEAL)

NOTARIAL SEAL IOWA — CATHY L. GREIF — COMMISSION EXPIRES 8-31-97

My commission expires 8-31-97

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

Cathy L Greif *(Signature)*
Notary Public *(Title)*