Farm Credit Services

52-2535
DELAWARE COUNTY IOWA
'98 FEB 27 PM 12 01
138 RE 148
EATON
RECORDER
11.00

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

USDA
Form RD 460-2
(Rev. 4-97)

SUBORDINATION BY THE GOVERNMENT

Position 1 (Chattel Security)
Position 5 (Real Estate Security)

The United States of America acting through the United States Department of Agriculture (called the "Government") is the owner and holder of the following-described instruments 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, Farm Credit Services (called the "Lender") has agreed to loan $ 100,000.00 to David A. Nieman and Esther Y. Nieman (called the "Borrower") for the following purposes:

Refinance Farm Credit Services - $71,000.00
Construction of Hog Building - $29,000.00

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) agrees 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 instruments 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 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 $ 100,000.00 .* 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 (1) for a purpose that will contribute the excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, provided by 7 C.F.R. part 1940, subpart G, or (2) for any purpose not provided for above.

DATE 2-27-98 BOOK 138 PAGE 148

IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the 20th day of February, 1998, pursuant to the delegated authority published in 7 C.F.R. part 1900, subpart A.

WITNESS: _____

_____

UNITED STATES OF AMERICA,

BY Ronald I. Snitker
RONALD I. SNITKER

TITLE Agriculture Credit Manager

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 Department of Agriculture at the following address: 909 West Main, Manchester, IA 52057.)

STATE OF IOWA
COUNTY OF DELAWARE } ss:

ACKNOWLEDGMENT

On this 20th day of February, 19 98, 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, 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 the 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 MY COMMISSION EXPIRES 8-31-00

My commission expires

Cathy L Greif
(Signature)

Notary Public
(Title)