Craig W. Isern
P.O. Box 234
Independence, IA

DELAWARE COUNTY IOWA
FILED

2001 MAR 14 PM 3:23

BOOK 2001 PAGE 828
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
11.00

#2001R00698

BUCHANAN COUNTY IA.
FILED FOR RECORD
#2001R00698
01 MAR -7 AM 8:56
Diane Curry
DIANE CURRY
RECORDER
fee 11.00

"Wherever "Farmers Home Administration", "FmHA", "Rural Development Administration" or "RDA" may appear, the term "United States of America" is substituted."

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 Cletus J. Timp and Rose Ann Timp of Buchanan County, State of Iowa:

Title of Instrument	*Date of Instrument*	*Date Filed*	*Office Filed*	*Document File or Book No.*	*Page No.*
Real Estate Mortgage	5/4/83	5/4/83	Buchanan County Recorder	458	319
Real Estate Mortgage	5/4/83	5/13/83	Delaware County Recorder	93	189

AND, ~~Farmers & Merchants Savings~~ Bank (called the "Lender") has agreed to loan $ 365,000.00 to Cletus J. Timp and Rose Ann Timp (called the "Borrower") for the following purposes:

To purchase 200 acres from Cletus J. and Rose Ann Timp

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 West 80 acres of the Southwest fractional Quarter of Section 6, Township 90 North, Range 6, West of the 5th P.M. Delaware County, Iowa; and

Southeast 1/4 of the Northeast 1/4 and the East 1/2 of the Southeast 1/4 of Section 1, Township 90 North, Range 7 West of the 5th P.M. Buchanan 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 $365,000.00 plus 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 (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.

IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the 6th day of March, 2001, _____, pursuant to the delegated authority published in 7 C.F.R. part 1900, subpart A.

UNITED STATES OF AMERICA,

WITNESS: _____

_____

BY _____
LONNIE J. JANECHEK

TITLE Farm Loan 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: 507 17th Street SE, Independence, Iowa 50644.)

STATE OF IOWA
COUNTY OF BUCHANAN } ss:

ACKNOWLEDGMENT

On this 6th day of March, 2001, 19xx, before me, the subscriber, a Notary Public, in and for the above county and State, appeared Lonnie J. Janechek, known to me to be Farm Loan 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 Independence, Iowa

_____ the day and year listed above.

[SEAL] SHARON M. MORONEY MY COMMISSION EXPIRES 11-20-2001

My commission expires 11/20/2001

Sharon M Moroney *(Signature)*
Sharon M. Moroney
Notary Public *(Title)*