DELAWARE COUNTY IOWA
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BOOK 3 PAGE 1831
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
17.00

Prepared by: Shelia D. Smith, FSA, 200 S. 12th St., Manchester, IA 52057 563-927-4250

FSA-460-2
(03-19-03)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

SUBORDINATION BY THE GOVERNMENT

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

1. 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 *(a)* David Arthur Nieman and Esther Yolanda Nieman of *(b)* Delaware County, State of *(c)* Iowa:

Title of Instrument *(d)*	*Date of Instrument* *(e)*	*Date Filed* *(f)*	*Office Filed* *(g)*	*Document File or Book No.* *(h)*	*Page No.* *(i)*
Real Estate Mortgage	04/04/1994	04/07/1994	Delaware County Recorder	122	274
Real Estate Mortgage	01/13/1999	01/21/1999	Delaware County Recorder	1999	234

AND, *(j)* Farmers & Merchants Bank (called the "Lender") has agreed to loan *(k)* $ 150,444.22 to *(l)* David Arthur Nieman and Esther Yolanda Nieman (called the "Borrower") for the following purposes: *(m)*

This is not a line of credit and all advances are cumulative toward the total.
Pay down F & M Bank LOC - $35,000.00
Payoff Farm Credit Note #202 - $6,863.92
Payoff Farm Credit Note #203 - $76,466.20
Payoff Wells Fargo Credit Card - $24,670.84
Payoff Chase Manhattan Credit Card - $7,443.26
The loan is to be repaid by December 31, 2023.

2. 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 of 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 (NWfr1/4) and the North one-half (N1/2) of the Southwest Quarter (SW1/4) 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 Boox 102 L.D., Page 207.

3. This subordination is limited to (1) the amount actually loaned by the Lender to the Borrower (principal and accrued interest) for the foregoing purposes, (2) future advances for taxes, insurance, and payments on liens prior to the Lender's lien, and (3) the amount actually advanced for foreclosure costs made by the Lender. Any amount in excess of such amount will not be covered by this subordination unless prior written consent was obtained from the Government for incurring the expenditure in question:

4. 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 to the excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as provided by 7 C.F.R. part 1940, subpart G or any successor regulation, or (2) for any purpose not provided for above.

5. *(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:

Farm Service Agency
200 South 12th St.
Manchester, IA 52057
_____)

6. IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the *(a)* 16th day of *(b)* April, 2003 .

UNITED STATES OF AMERICA,

WITNESS: *(c)* _____ BY *(e)* Shelia D. Smith
SHELIA D. SMITH

(d) _____ TITLE *(f)* Farm Loan Manager

7. ACKNOWLEDGMENT

STATE OF *(a)* IOWA }
COUNTY OF *(b)* DELAWARE } *ss.*

On this *(c)* 16th day of *(d)* April, 2003, before me, personally appeared *(e)* Shelia D. Smith, to be known to me to be the same person whose name is subscribed to the foregoing instrument, and acknowledged that he/she signed and delivered the instrument as his/hers free and voluntary act, for the uses and purposes set forth.

My commission expires:
(f) _____

NOTARIAL SEAL IOWA
CATHY L. GREIF
Commission Number 175823
My Comm. Exp. 8-31-03

(g) Cathy Greif
Cathy Greif
NOTARY PUBLIC

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