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FARM BANK

DELAWARE COUNTY IOWA
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2004 JUL 16 PM 2:5
BOOK 2004 PAGE 3694
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
12.00

Prepared by: S. Moroney, PT for FSA, 507 17th Street SE, Independence, IA 50644 334-6036

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 Wayne Willie and Becky Ann Willie, husband and wife 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	11/12/2003	11/13/2003	Delaware County Recorder	Book 2003	5374

AND, *(j)* Farmers and Merchants Bank (called the "Lender") has agreed to loan *(k)* $ 120,000.00 to *(l)* David Wayne Willie and Becky Ann Willie (called the "Borrower") for the following purposes: *(m)*

To finance a new 600 head hog finishing building.

Loan to be paid by August 2018.

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 South 1/2 of the East 1/4 of the Southwest 1/4 of the Southwest 1/4 all in Section 12, Township 88 North, Range 6 West of the 5th P.M., Delaware County, Iowa.

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:

507 17th Street SE
Independence, IA 50644-9874
)

6. IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the *(a)* 15th day of *(b)* July , 2004 .

UNITED STATES OF AMERICA,

WITNESS: *(c)* _____ BY *(e)* Lonnie J. Janechek

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

7. ACKNOWLEDGMENT

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

On this *(c)* 15th day of *(d)* July, 2004, before me, personally appeared *(e)* Lonnie J. Janechek, Farm Loan Manger for Buchanan County, Iowa, 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) 11/20/2004

NOTARIAL SEAL IOWA
SHARON M. MORONEY
Commission Number 141661
MY COMM. EXP. NOV. 20, 2004

(g) _____
NOTARY PUBLIC

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