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DEBORAH L. PEYTON, RECORDER/REGISTRA
DELAWARE COUNTY IOWA

CH6

Return to: Scott Wegmann, F&M Bank, 101 East Main Street, Manchester, IA 52057 563-927-4475
Prepared by: S. Moroney, PT for FSA, 507 17th St SE, Independence, IA 50644 319 334-6036

FSA-460-2
(12-19-05)

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

Form Approved - OMB No. 0560-0158
Position 1 (Chattel Security)
Position 5 (Real Estate Security)

SUBORDINATION BY THE GOVERNMENT

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	2003	5374

Legal Description located on page 2

AND, *(j)* Farmers and Merchants Savings 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)*

Finance construction of 600 head hog finishing building

Loan to be paid by August 2021.

2. THEREFORE, in consideration of the Lender's agreement to make such loan to Borrower and meet other conditions of this subordination, 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 this 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:

a. Incorporate into the Borrower's promissory 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.

b. Obtain a perfected security interest on the above property.

c. Give notice of foreclosure as required by the Government.

5. FSA offsets under the Debt Collection Act (31 U.S.C. 3711 et seq.) or 7 C.F.R. part 3 have priority over this subordination.

6. When the indebtedness has been satisfied, lender must 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

7. IN WITNESS WHEREOF, the Government has executed this subordination by signing on the *(a)* 7th day of *(b)* April, *(c)* 20 06.

UNITED STATES OF AMERICA,

BY *(d)* _____

FARM LOAN MANAGER

TITLE *(e)* _____

8. ACKNOWLEDGMENT

STATE OF IOWA

COUNTY OF BUCHANAN

On this 7th day of April 2006, before me, personally appeared Lonnie J. Janechek, Farm Loan Manager 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 signed and delivered the instrument as his free and voluntary act, for the uses and purposes set forth.

My commission expires

11/20/2007

NOTARIAL SEAL IOWA

SHARON M. MORONEY
Commission Number 141661
MY COMM. EXP. NOV. 20, 2007

Sharon M Moroney

Sharon Moroney, Notary Public

NOTE: *The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a): the Farm Service Agency (FSA) is authorized by the Consolidated Farm and Rural Development Act, as amended (7 USC 1921* ***et seq.****) or other Acts, and the regulations promulgated thereunder, to solicit the information requested on its application forms. The information requested is necessary for FSA to determine eligibility for credit or other financial assistance, service your loan, and conduct statistical analyses. Supplied information may be furnished to other Department of Agriculture agencies, the Internal Revenue Service, the Department of Justice or other law enforcement agencies, the Department of Defense, the Department of Housing and Urban Development, the Department of Labor, the United States Postal Service, or other Federal, State, or local agencies as required or permitted by law. In addition, information may be referred to interested parties under the Freedom of Information Act (FOIA), to financial consultants, advisors, lending institutions, packagers, agents, and private or commercial credit sources, to collection or servicing contractors, to credit reporting agencies, to private attorneys under contract with FSA or the Department of Justice, to business firms in the trade area that buy chattel or crops or sell them for commission, to Members of Congress or Congressional staff members, or to courts or adjudicative bodies. Disclosure of the information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Tax Identification Number, may result in a delay in the processing of an application or its rejection.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0158. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

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