DELAWARE COUNTY IOWA
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BOOK 2003 PAGE 1391
DEBORAH L. DUNN
DELAWARE CO RECORDER
27.00

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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)* Dennis Geard Kleve and Dawn Marie Kleve 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)
RE Mortgage	03/28/2003	03/28/2003	Del.Co.Recorder	2003	1367
RE Mortgage	03/27/2000	03/28/2000	Del.Co.Recorder	2000	959
RE Mortgage	03/27/2000	04/04/2000	Buc.Co.Recorder	2000R0	1088

AND, *(j)* Farmers Savings Bank (called the "Lender") has agreed to loan *(k)* $197,400.00 to *(l)* Dennis Geard Kleve and Dawn Marie Kleve (called the "Borrower") for the following purposes: *(m)*

Refinance real estate debt from Bank Iowa. This subordination applies only to the initial advance in the amount of $197,400.00 under the mortgage to Farmers Savings Bank dated July 7, 2003 and filed on the 10th day of July, 2003 in Book 2003 Page 3339 of the records of Delaware County, Iowa, and does not apply to any future advances made under the mortgage.

The monies borrowed are to be repaid by July 3, 2033.

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 W1/2 of the SW1/4, and the West forty and sixty seven hundredths (40.67) acres of the SWfr1/4 of the NW1/4 of Section Seven (7), T90N, Range Six (6), West of the Fifth 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:

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)* 3rd day of *(b)* July, 2003 .

UNITED STATES OF AMERICA,

WITNESS: *(c)* _____ BY *(e)* Brian J. Gossling
BRIAN J. GOSSLING

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

7. ACKNOWLEDGMENT

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

On this *(c)* 3rd day of *(d)* July, 2003, before me, personally appeared *(e)* Brian J. Gossling, 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) _____ SHELIA D. SMITH Commission Number 196196 My Comm. Exp. 5-4-04 IOWA

(g) Shelia D. Smith
NOTARY PUBLIC

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