Ed
Farmers Savs Bank
P.O. Box 130
Strawberry Point IA
52076

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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

**Prepared By:**

| Ryan D. Marcus | FSA, 200 S. 12th St. Manchester, IA 52057 | 563-927-4250 |
|---|---|---|
| (Name) | (Address) | (Telephone No.) |

**Return To:**

| Farm Service Agency | 200 South 12th St. Manchester, IA 52057 | 563-927-4250 |
|---|---|---|
| (Name) | (Address) | (Telephone No.) |

**This form is available electronically.**
**FSA-2455 IA**
(10-30-08)

**U.S. DEPARTMENT OF AGRICULTURE**
Farm Service Agency

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)* Dennis Gerard Kleve and Dawn Marie Kleve of *(b)* Delaware County, State of *(c)* Iowa :

| *(d) Title of Instrument* | *(e) Date of Instrument* | *(f) Date Filed* | *(g) Office Filed* | *(h) Document File or Book No.* | *(i) Page No.* |
|---|---|---|---|---|---|
| Real Estate Mortgage | 03/27/2000 | 03/28/2000 | Delaware County Recorder | 2000 | 959 |
| Real Estate Mortgage | 03/28/2003 | 03/28/2003 | Delaware County Recorder | 2003 | 1367 |

AND, *(f)* Farmers Savings Bank (called the "Lender") has agreed to loan *(k)* $ 499,000.00 to *(l)* Dennis Gerard Kleve and Dawn Marie Kleve (called the "Borrower") for the following purposes: *(m)*
Refinance existing debt with Farmers Savings Bank and rebuild dairy facility.
THIS IS NOT A LINE OF CREDIT. ALL ADVANCES ARE CUMULATIVE TOWARD THE TOTAL.
The monies borrowed are to be repaid by June 24, 2040.

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 West one half (W1/2) of the Southwest Quarter (SW1/4), and the South forty (40) acres of the West eighty (80) acres of the Northwest fractional Quarter (NWfr1/4) of Section Seven (7), Township Ninety (90) North, 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:

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:

Farm Service Agency

200 South 12th St.

Manchester, IA 52057

7. IN WITNESS WHEREOF, the Government has executed this subordination by signing on

on *(a)* 13th day of *(b)* August , ( c) 20 10 .

**UNITED STATES OF AMERICA**
**U.S. DEPARTMENT OF AGRICULTURE**

RYAN D. MARCUS

BY *(d)*

TITLE *(e)* Farm Loan Manager

**FARM SERVICE AGENCY**

**8. ACKNOWLEDGMENT**

State of Iowa )
County of Delaware ) ss.

On this 13th day of August, 2010 A.D., before me, a Notary Public in and for the above named county and state, personally appeared Ryan D. Marcus, to be known to me as the same person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed the instrument as his/her free and voluntary act for the uses and purposes set forth.

(Seal)

My Commission Expires:

CATHY L. GREIF
Commission Number 175823
My Comm. Exp. 8-31-2012

Notary Public

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