Recorded: 1/21/2021 at 10:57:45.0 AM
County Recording Fee: $27.00
Iowa E-Filing Fee: $3.50
Combined Fee: $30.50
Revenue Tax:
Delaware County, Iowa
Daneen Schindler RECORDER
BK: 2021 PG: 272

Recorder's Cover Sheet

SUBORDINATION AGREEMENT

Prepared by and return to:
Richard A. Davidson
220 N. Main St., Suite 600
Davenport, IA 52801

Grantor:

Cindy S. Mormann

Grantee:

Barker Financial, LLC

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("Agreement") is entered into as of December 31, 2020 by and between CINDY S. MORMANN ("Judgement Creditor") and BARKER FINANCIAL, LLC, an Iowa limited liability company ("Assignee"). Capitalized terms not otherwise defined herein shall have the meanings set forth in that certain Loan Purchase and Sale Agreement dated as of December 31, 2020 (the "Loan Purchase Agreement") by and between MidWest*One* Bank ("Assignor") and Assignee.

RECITALS:

A. Rickey J. Mormann ("Borrower") is indebted to Assignor on account of certain loans to Borrower as evidenced by promissory notes to Midwest*One* Bank (formerly known as American Trust & Savings Bank) dated August 31, 2015 in the original principal sum of $3,950,000 as of August 31, 2015 (the "Original Indebtedness");

B. The Original Indebtedness is secured by, among other things, a Mortgage (the "Mortgage") executed by Borrower to American Trust & Savings Bank dated August 31, 2015 and recorded September 4, 2015 in the Delaware County Recorder's Office in Book 2015 Page 2413 encumbering the real property described therein, except that property released by a partial release dated August 2, 2019 and recorded August 5, 2019 in Book 2019 at page 2074 in the Delaware County Recorder's Office (the "Property");

C. Assignor has assigned the Original Indebtedness and the related Loan Documents (including the Mortgage) to Assignee pursuant to the Loan Purchase Agreement dated December 31, 2020, whereby Assignee purchased the Original Indebtedness from Assignor (hereafter the "Senior Indebtedness");

D. Borrower is also indebted to Judgement Creditor pursuant to that certain Judgment and Decree of Dissolution of Marriage entered on April 24, 2015 in the Iowa District Court for Delaware County, Case No. CDDM007833 (the "Decree") (the "Judgement Indebtedness") and the Judgement Indebtedness constitutes a lien on the Property;

E. The Decree provides that the judgement lien of the Judgement Creditor is inferior to the mortgage then in place and any future mortgage that refinances the obligations provided such liens secure total borrowing at or below the total farm secured debt existing at the time of the Decree (being $3,950,000) and that Judgement Creditor will execute any documents of subordination as necessary to evidence the subordination of the judgement lien.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Judgement Creditor does hereby agree with Assignee as follows:

1. Reaffirmation of Subordination. Judgement Creditor hereby reaffirms that the Judgement Indebtedness, and all right, title and interest of Judgement Creditor in and to the Property, is now and at all times hereafter shall be and remain, subject to, subordinate, junior and

inferior in all respects to the Senior Indebtedness and the Mortgage and any other right, title or interest now owned or hereafter acquired by Assignee in and to the Property or its other collateral. Assignee shall have a first priority lien on the Property, and all proceeds thereof, to secure the Senior Indebtedness. Judgement Creditor will not object to, oppose or challenge any claim by Assignee against the Property or the validity, priority or perfection of the Mortgage on the Property.

2. Continuing Subordination. This Subordination Agreement shall constitute a continuing agreement of subordination, and Assignee may extend other credit to the Borrower in reliance upon this Agreement provided that the principal balance of the Senior Indebtedness is not increased in excess of $3,950,000.

3. Assignee may, at any time, and from time to time, without impairing or releasing any of its rights hereunder take any of the following actions:

(a) change the interest rate; change payment amount; extend the time of payment; renew; or otherwise alter or amend the terms of the Senior Indebtedness or any instrument evidencing the same in any manner, provided that the principal balance of the Senior Indebtedness shall not be exceed the principal balance of $3,950,000;

(b) sell, exchange, release or otherwise deal with all or any part of the Property or any other collateral at any time securing payment of the Senior Indebtedness or any part thereof;

(c) exercise or refrain from exercising any rights against Borrower or others (including Judgement Creditor) with respect to the Senior Indebtedness and/or the Mortgage.

(d) apply any sums received by Assignee, by whomsoever paid and however realized, to the Senior Indebtedness.

4. Notices. Except as otherwise provided for herein, all notices, approvals, consents and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given or sent (i) when received, if dispatched by United States registered or certified mail (return receipt requested); (ii) when received, if delivered in hand or by email transmission, with a copy thereof sent by reputable overnight courier which requires a signature of the receiving party; or (iii) on the following business day, if dispatched by a reputable overnight courier which requires a signature of the receiving party, in each case to the party intended at its address as follows (or at such other address as may hereafter be specified by such party from time to time by like notice):

If to Judgement Creditor: Cindy S. Mormann
3055 Brittney Circle
Cedar Rapids, IA 52411

If to Assignee: Barker Financial, LLC
114 ½ E. College Street, Ste. 1
Iowa City, Iowa 52240
Attention: David Barker
Email: drb@barkerapartments.com

5. Successors and Assigns. This Agreement and every part hereof shall be binding upon Judgement Creditor and upon the heirs, legal representatives, successors and assigns of Judgement Creditor. This Agreement and every part hereof shall be binding upon the Assignee and its successors and assigns.

6. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Iowa.

7. Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof and may not be amended, altered or modified except by a writing signed by all of the parties hereto.

8. Execution in Counterparts. This Agreement may be executed in any number of counterparts (including electronic counterparts) and shall be deemed to be an original taken together and shall constitute one Agreement. Delivery of an executed counterpart of this Agreement by electronic means (including email) shall be effective as delivery.

IN WITNESS WHEREOF, the parties have executed this Subordination Agreement as of the date first written above.

JUDGEMENT CREDITOR:

Cindy S. Mormann

STATE OF IOWA)
) SS:
COUNTY OF LINN)

On this 15 day of January, 2021 before me personally appeared Cindy S. Mormann and acknowledged the foregoing Agreement.

Notary Public

(Notarial Seal) JOHN M. CARR
Commission Number 192855
My Commission Expires
October 7, 2022

ASSIGNEE:

BARKER FINANCIAL, LLC

By: _____
Name: David Barker
Its: Manager

STATE OF IOWA)
) SS:
COUNTY OF SCOTT)

On this 18 day of January, 2021, before me personally appeared David Barker, as Manager of Barker Financial, LLC and acknowledged the foregoing Agreement.

_____
Notary Public

(Notarial Seal)

NOTARIAL SEAL IOWA
ALEXANDER BALMER
Commission Number 812083
My Commission Expires
08102021