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DELAWARE COUNTY IOWA
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DEBRA A. PEYTON
DELAWARE COUNTY RECORDER
#21.00

Fidelity Bank & Trust
P.O. Box 272
Dyersville IA 52040-0272

Preparer Information: Marc W. Casey (Individual's Name) P.O. Box 274 (Street Address) Dyersville (City) (319)875-7178 (Phone)

Subordination Agreement

This subordination agreement is made by Iowa Department of Economic Development 200 E Grand Avenue, Des Moines, Polk County, and the City of Dyersville, Iowa, Dyersville, Dubuque County, Iowa, called subordinator, and Fidelity Bank & Trust, a corporation organized and existing under the laws of Iowa, with its principal place of business at 208 2nd Street SE, Dyersville, Dubuque County, Iowa, below called bank.

RECITALS

A. Iowa Department of Economic Development and the City of Dyersville, Iowa, have an interest in fixtures on the premises situated in Delaware County, Iowa, and described as follows:

> Lot Five (5) of West Side Business Park, being a Subdivision of the SE¼ of the SE¼ of Section 36, T89N, R3W, of the Fifth P.M., City of Dyersville, Delaware County, Iowa, according to plat recorded in Book 7 Plats, Page 175,

said financing statement filed July 24, 1996, at Book 41, T.L.M., Page 120.

B. SARN, Inc., referred to as borrower, of 1200 Field of Dreams Way, Dyersville, Delaware County, Iowa, is the owner of the above-described premises and desires to obtain credit or other financial accommodation from bank, and bank is willing to extend such credit or other financial accommodations to borrower with security, if subordinator subordinates its interests in certain property described below. Subordinator is willing to effect such subordination in order to accommodate borrower and for subordinator's own advantage.

Therefore, in order to induce bank at any time to make loans or extend credit to or for account of borrower, or to purchase or extend credit on any instrument in respect to which borrower may be liable in any capacity, or to grant any renewal or extension thereof, subordinator agrees:

SECTION ONE

SUBORDINATION OF LIENS, SECURITY INTERESTS, ETC.

Subordinator hereby subordinates all liens, security interests and rights of any kind, that subordinator may now have or hereafter acquire in the property described below, to all security interests of bank securing any or all loans, extensions of credit, renewals or extensions to borrower.

SECTION TWO

CONSENT TO CREATION AND CONTINUATION OF BANK'S SECURITY INTERESTS

Subordinator further consents to the creation and continuance of all present and future security interests of bank in such property and to the enforcement thereof, including removal of the property from the real property described above.

SECTION THREE

DESCRIPTION OF PERSONAL PROPERTY

The personal property above referred to, and with respect to which the liens, security interests and rights of subordinator are subordinated, is described as all fixtures, together with all substitutions and replacements thereof; which property is now or may hereafter be located on or affixed to the real property described above.

SECTION FOUR

PARTIES BOUND

This agreement shall bind and inure to the benefit of bank and subordinator and the respective successors, assigns, heirs and representatives of each. The covenants and agreements made in this agreement constitute covenants running with the land.

In witness whereof subordinator has executed this agreement _____ at _____ on December 24, 1996.

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT

BY: Ken Boyd
Ken Boyd

FIDELITY BANK & TRUST

BY: Daniel J. Zitelman
Daniel J. Zitelman

CITY OF DYERSVILLE, IOWA

BY: Robert H. Kramer
Robert H. Kramer, Mayor

Susan L. Steffen-Ertl
Susan L. Steffen-Ertl, Clerk

CITY SEAL

STATE OF IOWA, Polk COUNTY, SS:

On this 24 day of December, A.D. 19 96, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared KEN BOYD and _____, to me personally known, who being by me duly sworn, did say that they are the PRESIDENT and PROGRAM MANAGER respectively, of the corporation executing the within and foregoing instrument, that (no seal has been procured by the) (~~the seal affixed thereto is the seal of the~~) corporation; that said instrument was signed (~~and sealed~~) on behalf of the corporation by authority of its Board of Directors; and that KEN BOYD and _____ as officers acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.

Cathie Nickel Notary Public
In and For Said County and State

STATE OF IOWA, DUBUQUE COUNTY, SS:

On this 10th day of January, A.D. 19 97, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Daniel J. Zitelman and _____, to me personally known, who being by me duly sworn, did say that they are the Sr. Vice President and _____ respectively, of the corporation executing the within and foregoing instrument, that (~~no seal has been procured by the~~) (the seal affixed thereto is the seal of the) corporation; that said instrument was signed (and sealed) on behalf of the corporation by authority of its Board of Directors; and that Daniel J. Zitelman and _____ as officers acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.

Randy J. Ludwig Notary Public
In and For Said County and State

MY COMMISSION 7-28-97

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STATE OF IOWA, COUNTY OF DUBUQUE, SS:

On this 8th day of January, 19 97, before me, the undersigned, a Notary Public in and for the state of Iowa, personally appeared Robert H. Kramer and Susan L. Steffen-Ertl, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Dyersville, Iowa; a municipal corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council; and Robert H. Kramer and Susan L. Steffen-Ertl acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Notary Public in and for said State.