ENV. (X)

Prepared By: BARB NAUMAN, LOAN PROCESSOR, DUBUQUE BANK AND TRUST COMPANY, PO BOX 339, FARLEY, IA 52046, (319) 744-3630

WHEN RECORDED MAIL TO:
DUBUQUE BANK AND TRUST CO.
FARLEY BRANCH
1398 CENTRAL AVE
DUBUQUE, IA 52004-0778

DELAWARE COUNTY IOWA
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2000 MR 27 AM 9:56
BOOK 200 PAGE 939
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
16.00

FOR RECORDER'S USE ONLY

NOTICE: THIS SUBORDINATION OF MORTGAGE RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

SUBORDINATION OF MORTGAGE

THIS SUBORDINATION OF MORTGAGE dated March 23, 2000, is made and executed among ORR FARMS INC, DENNIS A. ORR and CYNTHIA L. ORR ("Borrower"); HERITAGE BANK FORMERLY KNOWN AS DELHI SAVINGS BANK ("Mortgagee"); and DUBUQUE BANK AND TRUST CO. ("Lender").

SUBORDINATED INDEBTEDNESS. Mortgagee has extended the following described financial accommodations (the "Subordinated Indebtedness") to HERITAGE BANK FORMERLY KNOWN AS DELHI SAVINGS BANK (Mortgagee)

PROMISSORY NOTE IN THE AMOUNT OF $100,000.00 DATED 4-13-95.

SUBORDINATED MORTGAGE. The Subordinated Indebtedness is secured by a mortgage dated April 13, 1995 from Mortgagor to Mortgagee (the "Subordinated Mortgage") recorded in DELAWARE County, State of Iowa as follows:

MORTGAGE DATED 4-13-95, FILED 4-13-95 IN BOOK 126 L.M. PAGE 58 OF THE RECORDS OF THE DELAWARE COUNTY RECORDER.

REAL PROPERTY DESCRIPTION. The Subordinated Mortgage covers the following described real property located in DELAWARE County, State of Iowa:

THE NORTH ONE-HALF (N1/2) OF THE SOUTHEAST QUARTER (SE1/4), AND THE EAST ONE-HALF (E1/2) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION TWENTY SIX (26), TOWNSHIP EIGHTY SEVEN (87) NORTH, RANGE FIVE (5), WEST OF THE FIFTH P.M.

The Real Property or its address is commonly known as 3257 210TH AVE, COGGON, IA 52218.

REQUESTED FINANCIAL ACCOMMODATIONS. Borrower, who may or may not be the same person as Mortgagor, and Mortgagee each want Lender to provide financial accommodations to Borrower in the form of (A) new credit or loan advances, (B) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (C) other benefits to Borrower. Borrower and Mortgagee each represent and acknowledge to Lender that Mortgagee will benefit as a result of these financial accommodations from Lender to Borrower, and Mortgagee acknowledges receipt of valuable consideration for entering into this Subordination.

LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that Lender's Lien be and remain superior to the Subordinated Mortage.

NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:

SUBORDINATION. The Subordinated Mortgage and the Subordinated Indebtedness secured by the Subordinated Mortgage is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to the lien of the Subordinated Mortgage. Mortgagee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Mortgagee, whether now existing or hereafter acquired.

MORTGAGEE'S REPRESENTATIONS AND WARRANTIES. Mortgagee represents and warrants to Lender that: (A) no representations or agreements of any kind have been made to Mortgagee which would limit or qualify in any way the terms of this Subordination; (B) this Subordination is executed at Borrower's request and not at the request of Lender; (C) Lender has made no representation to Mortgagee as to the creditworthiness of Borrower; and (D) Mortgagee has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Mortgagee agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Mortgagee's risks under this Subordination, and Mortgagee further agrees that Lender shall have no obligation to disclose to Mortgagee information or material acquired by Lender in the course of its relationship with Borrower.

MORTGAGEE WAIVERS. Mortgagee waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Mortgagee, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part thereof, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new

collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale thereof, as Lender in its discretion may determine; and (G) assign this Subordination in whole or in part.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. Any default by Borrower under the terms of the Subordinated Indebtedness also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Subordination:

Amendments. This Subordination, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Subordination. No alteration of or amendment to this Subordination shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Expenses. If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post–judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Mortgagee also will pay any court costs, in addition to all other sums provided by law.

Authority. The person who signs this Subordination as or on behalf of Mortgagee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Mortgagee's security interests in Borrower's property, if any.

Caption Headings. Caption headings in this Subordination are for convenience purposes only and are not to be used to interpret or define the provisions of this Subordination.

Governing Law. This Subordination will be governed by, construed and enforced in accordance with federal law and the laws of the State of Iowa. This Subordination has been accepted by Lender in the State of Iowa.

Successors. This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Mortgagee and Borrower herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Subordination unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Subordination shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Subordination. No prior waiver by Lender, nor any course of dealing between Lender and Mortgagee, shall constitute a waiver of any of Lender's rights or of any of Mortgagee's obligations as to any future transactions. Whenever the consent of Lender is required under this Subordination, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED MARCH 23, 2000.

MORTGAGEE ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS SUBORDINATION OF MORTGAGE AND ALL OTHER DOCUMENTS RELATING TO THIS DEBT.

BORROWER:

ORR FARMS INC

By: Dennis A. Orr President
DENNIS A. ORR, President of ORR FARMS INC

By: Cynthia L. Orr Secretary
CYNTHIA L. ORR, Secretary of ORR FARMS INC

X Dennis A. Orr
DENNIS A. ORR

X Cynthia L. Orr
CYNTHIA L. ORR

MORTGAGEE:

X
HERITAGE BANK FORMERLY KNOWN AS DELHI SAVINGS BANK

LENDER:

X
Authorized Officer

CORPORATE ACKNOWLEDGMENT

STATE OF IOWA)
) SS
COUNTY OF DELAWARE)

On this 23 day of MARCH, A.D., 20 00, before me, the undersigned Notary Public in said County and State, personally appeared **DENNIS A. ORR, President of ORR FARMS INC; CYNTHIA L. ORR, Secretary of ORR FARMS INC**, to me personally known, who, being by me duly sworn did say they are **authorized signers** of said corporation, that no seal has been procured by said corporation and that said instrument was signed on behalf of the said corporation by authority of its Board of directors and that said **DENNIS A. ORR; CYNTHIA L. ORR** acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

NOTARIAL SEAL IOWA
THOMAS DeHOFF
MY COMMISSION EXPIRES
December 29, 2000

Notary Public in the State of IOWA.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA)
) SS
COUNTY OF DELAWARE)

On this 23 day of MARCH, A.D., 20 00, before me, a Notary Public in and for said County and State, personally appeared **DENNIS A. ORR; CYNTHIA L. ORR**, to me known to be the persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

NOTARIAL SEAL IOWA
THOMAS DeHOFF
MY COMMISSION EXPIRES
December 29, 2000

Notary Public in the State of IOWA

CORPORATE ACKNOWLEDGMENT

STATE OF IOWA)
) SS
COUNTY OF DELWARE)

On This 23 day of MARCH, A.D., 2000. Before me, the undersigned Notary Public in Said County and State Personally appeared **Jay P. Else, Executive Vice President of Heritage Bank formerly known as Delhi Savings Bank**, to me personally known who being by me sworn did say they are authorized signers of said corporation, that no seal has been procured by said corporation and that said instrument was signed on behalf of the said corporation by authority of its Board of Directors and that said **Jay P. Else** acknowledge the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

NOTARIAL SEAL IOWA
THOMAS DeHOFF
MY COMMISSION EXPIRES
December 29, 2000

Notary Public in the State of Iowa

LENDER ACKNOWLEDGMENT

STATE OF IOWA)
) SS
COUNTY OF DELAWARE)

On this 23 day of March, A.D., 20 000, before me, the undersigned Notary Public in said County and State, personally appeared Thomas DeHoff and known to me to be the Vice President, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Susan M Kraus Residing at Farley

Notary Public in and for the State of Iowa My commission expires 2-21-2003