(*) City State Bank
P.O. Box 503
Central City IA
52214-0503

DELAWARE COUNTY IOWA
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DEBORAH L. PEYTON
DELAWARE CO RECORDER
10.00

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USDA

SUBORDINATION BY THE GOVERNMENT

Form RD 460-2
(Rev. 1-02)

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 _____ Orr Farms, Inc. and _____ of Delaware County, State of Iowa:

Title of Instrument	*Date of Instrument*	*Date Filed*	*Office Filed*	*Document File or Book No*	*Page No.*
Real Estate Mortgage	04/13/95	04/13/95	Delaware County Recorder	126	57

AND, City State Bank (called the "Lender") has agreed to loan the principal sum of $ 382,000.00 to the borrower with interest at the per annum rate not to exceed 6.50 percent for the following purposes only:

Refinance Dubuque Bank & Trust - $182,000.00
Purchase 80 acres - $200,000.00

The monies borrowed are to be repaid by January 30, 2033.

THEREFORE, in consideration the Lender's agreement to make such loan to the Borrower and subject to the terms and conditions set forth below, the Government (1) consents to the Borrower obtaining the loan from the Lender for the above described 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 such Security Instrument is secured by the following-described property that will secure the Lenders Loan, provided the Lender perfects a lien on that property:
*See page 3 for legal description

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.

The Lender must 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 the excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, provided by Exhibit M of Subpart G of Part 1940 Title 7, Code of Federal Regulations, or (2) for any purpose not provided for above.

The parties further agree as follows:

The Lender will not declare the Loan to be in default and the Loan will not be accelerated unless at least 30 days prior written notice has been provided to the Government:

The Lender agrees that the Government may, at its option, cure any monetary default by the Borrower by paying the amount of the Borrower's delinquent payments to the Lender.

If the Government obtains title to the real property which secured the Loan, whether by foreclosure or deed in lieu of foreclosure, the Lender consents to the transfer of such real property by the Government subject to the Lender's lien notwithstanding any prohibition in any of the Lender's security instruments to the contrary.

Any notice to be given by either party to the other shall either be delivered in person or deposited in the United States mail, duly certified, with postage prepaid, and addressed to the party for whom intended.

Each of the terms, covenants and conditions of this subordination shall extend to and be binding on the assigns of each party to this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Subordination by the Government on this 5th day of March, 20 03.

UNITED STATES OF AMERICA,

By Shelia D. Smith

Name Shelia D. Smith

Title Farm Loan Manager

United States Department of Agriculture

By _____

Name _____

Title _____

(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: 200 South 12th St., Manchester, IA 52057 .)

ACKNOWLEDGMENT

STATE OF IOWA

COUNTY OF DELAWARE } ss:

On this 5th day of March, 20 03, before me personally appeared Shelia D. Smith and _____ known to me to be Farm Loan Manager, United States Department of Agriculture, and the person(s) described in and who executed the foregoing Subordination By the Government, and acknowledged she executed the same as her the free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my official seal in my office in Manchester, Iowa the day and year first written above.

(SEAL)

NOTARIAL SEAL IOWA
CATHY L. GREIF
Commission Number 175823
My Comm. Exp. 1-31-03

My commission expires _____

Cathy L. Greif
Notary Public

* Legal Description

The North one-half (N½) of the Southeast Quarter (SE¼), and the East one-half (E½) of the Northeast Quarter (NE¼) of Section Twenty Six (26), Township Eighty Seven (87) North, Range Five (5), West of the Fifth P.M. except Parcel A, part of the East one-half (E½) of the Northeast Quarter (NE¼) and part of the North one-half (N½) of the Southeast Quarter (SE¼) of said Section Twenty Six (26) recorded in Book 7 Plats, Page 92 of the records of the Delaware County Recorder.