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DEBORAH L. PEYTON, RECORDER/REGISTRA
DELAWARE COUNTY IOWA

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

AGREEMENT WITH PRIOR LIENHOLDER
Position 5

FSA 1927-8 IA
(07-18-06)

Form Approved - OMB No. 0575-0147

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency

WHEREAS First State Bank

(called the "Mortgagee") is the holder of a certain Real Estate Mortgage
(Insert Mortgage, Purchase Contract or other Security Instrument)

(called the "Security Instrument") recorded in the Real Estate Mortgage Records of Delaware

County;

WHEREAS F&M Organic Farms, LLC

(called the "Mortgagor") is (are) the owner(s) of certain real estate described in the above listed Security Instrument; and **WHEREAS**, Mortgagor has applied to the United States of America, United States Department of Agriculture, acting through the Farm Service Agency (called the "Government"), for a loan (the "Government form") for the purpose of improving or purchasing and improving the real estate, to be secured by a mortgage, deed of trust, or other security instrument that will be subject to the Security Instrument held by or for the benefit of Mortgagee;

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Initial DS date 5-9-07

THEREFORE, in consideration of the making of the loan by the Government, Mortgagee, for mortgagee's self, heirs, executors, administrators, successors, and assigns does hereby agree:

1) That the Mortgagee will not declare the Security Instrument to be in default because of the Government form;

2) That the Mortgagee will not declare the Security Instrument to be in default and the indebtedness secured thereby will not be accelerated unless prior written notice has been provided to the Government by Certified Mail not less than 45 days prior to the intended action at the following address(es):

200 South 12th Street
Manchester, IA 52057

3) That the Government may, at its option, cure any monetary default by paying the amount of the Mortgagor's delinquent payments to the Mortgagee, or pay the obligation in full and the Mortgagee will assign the lien to the Government;

4) That to the extent the Security Instrument secures future advances which have priority over the Government's security instrument, no advances for purposes other than taxes, insurance or payments on other prior liens will be made under any future advance feature of the Mortgagee's Security Instrument without the written consent of the Government;

5) That should the Mortgagee pursue foreclosure by advertisement (non-judicial foreclosure) of the Security Instrument, the Mortgagee will give the Government not less than 45 days prior written notice by Certified Mail at the address(es) set out above of the date, time, and place of the foreclosure sale;

6) That the Closing Agent/Attorney will record this Agreement and legal description with the Security Instrument in the appropriate Real Estate Mortgage Records;

7) That should the Government commence liquidation proceedings and thereafter acquire the real estate covered by the Security Instrument, the Mortgagee will not declare the Security Instrument to be in non-monetary default;

8) That this Agreement includes consent to the Government for making (or transferring) future loans and taking (or retaining) a related mortgage notwithstanding any provision of the Mortgage which prohibits a loan or mortgage (or transfer) without Mortgagee's consent; and

9) That should the Government obtain title to the property either by foreclosure or voluntary conveyance, Mortgagee will grant consent so the Government may transfer the property subject to the prior lien notwithstanding any prohibition in the Mortgagee's Security Instrument to the contrary.

Initial DS date 5-9-07

IN WITNESS WHEREOF, Mortgagee has executed this Agreement with the Government this 9th day of May, 20 07.

(Seal)

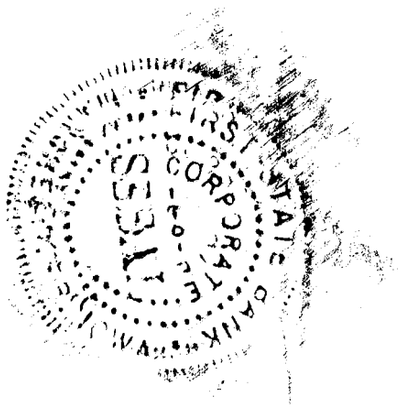
(Mortgagee)

(Seal)

(Mortgagee)

IF MORTGAGEE IS A CORPORATION:

(Corporate Seal)



First State Bank
(Name of Corporation - Mortgagee)

By (Duly Authorized Officer)

Sr. V.P.
(Title)

300 E. Main St.

Manchester IA 52057
(Address)

(Contact Person - Please Print)

(Telephone Number)

ACKNOWLEDGMENT Corporate:

State of Iowa, Delaware County ss:

On this 9th day of May, 2007 before me the undersigned, a Notary Public in and for said County, in said State, personally appeared Dave Smith, to me personally known, who being who being by me duly sworn, did say thathe is Senior Vice President of said Corporation that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporationby authority of its board of directors; and that the said Dave Smith, as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by him voluntarily executed.

COLLEEN MEYER
Notarial Seal - Iowa
Commission # 704820
My Commission Expires 8-28-09

Colleen Meyer
Colleen Meyer, Notary Public in and for said County

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Initial DS date 5-9-07