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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

Daniel H. Swift	108 N. Madison Street	Manchester, Iowa	563-927-4901
Preparer's Name	Street Address	City/State	Telephone Number

RETURN TO: COMMUNITY SAVINGS BANK P.O. BOX 77 EDGEWOOD, IA 52042-0077

SUBORDINATION AND COLLATERAL/CHATTEL REMOVAL AGREEMENT

NOW ON THIS 27th DAY OF JUNE, 2008, Edgewood Feed Mill, Inc., (hereinafter referred to as "EFM") with its principal place of business being Post Office Box 366, 1986 Highway 3 West, Edgewood, Delaware County, Iowa, 52042, Community Savings Bank, Edgewood, Iowa (hereinafter referred to as "CSB"), with its principal place of business being 101 East Union Street, PO Box 77, Edgewood, Delaware County, Iowa 52042, and Kevin J. Perrinjaquet and Margaret M. Perrinjaquet, husband and wife, (hereinafter referred to as "Perrinjaquets") with their principal residence being 2206 State Highway 3, PO Box 400, Edgewood, Delaware County, Iowa, 52042, hereby agree and covenant as follows:

RECITALS

1. EFM owns the following described real estate located in Delaware County, Iowa, to-wit:

Lot Five (5) and Five-A (5A) of the Plat of the Subdivision of the Northeast Quarter (NE ¼) of the Northeast Quarter (NE ¼) of Section Three (3), Township Ninety (90) North, Range Five (5), West of the Fifth P.M., Delaware County, Iowa, according to Plat recorded in Book 5 Plats, Page 104

And

Lot Nine (9) and that part of Lot Eleven (11) of the Plat of the Subdivision of the NE ¼ of the NE ¼ of Section 3, T90N, R5W of the 5th P.M., Delaware County, Iowa, according to Plat recorded in Book 5 Plats, Page 104, described as beginning at the Southwest corner of said Lot Nine (9), thence South one hundred eighty seven (187) feet, thence East three hundred (300) feet, thence North one hundred eighty seven (187) feet to the Southeast corner of said Lot Nine (9), thence West three hundred (300) feet along the South line of said Lot Nine (9) to the point of beginning

2. EFM has pledged said real estate by Mortgage to CSB for obligations owed by EFM to CSB as reflected by a Mortgage dated the 24th day of June, 2004, and recorded on the 25th day of June, 2004, in Book 2004, Page 2354 in the office of the Delaware County Recorder in Manchester, Iowa and Mortgage dated the 29th day of November 2001, and recorded on the 3rd day of December 2001, in Book 2001, Page 4320 in the office of the Delaware County Recorder in Manchester, Iowa.

3. Perrinjaquets personally own the following described personal property, collateral, and chattels, to-wit:

25' x 32' plant building manufacturing structure with attached 42' x 32' warehouse and electrical control room;

25' x 32' basement 20 feet deep with 14" walls and 14" thick floor which is below the manufacturing structure heretofore described; this manufacturing structure, warehouse, and basement is located 14 feet south of the main Edgewood Feed Mill, Inc. office;

600 ton overhead bulk ingredient storage located above manufacturing structure;

1 - 5,000 bu. per hour elevator leg;

1 - 2,000 bu. per hour elevator leg;

2 - 4 ton weigh hoppers;

1 - 12 bin microsystem;

1 - 4 ton drop bottom Scott mixer;

1 - 28 ton per hour corn roller mill;

Computers and software purchased valued at $69,000.00;

Inbound ingredient pit; and

68' x 40' enclosed load-out area, concrete floor

4. Perrinjaquets have pledged said collateral, personal property, and chattels to CSB by way of a Commercial Security Agreement dated the 24th day of June, 2004.

5. The personal property, chattels, and collateral owned by Perrinjaquets as pledged to CSB may and have become fixtures on real estate owed by EFM as mortgaged to CSB.

6. CSB, EFM, and Perrinjaquets wish to formalize the fact that CSB has a first collateral security interest in the personal property owed by Perrinjaquets which has become or may become a fixture on the real estate owned by EFM. CSB is willing to subordinate its

mortgaged interest in the real estate owned by EFM with the intent to allow CSB to have an unencumbered first security interest in the personal property owned by Perrinjaquets without encumbrance or reservation as a result of the Mortgage from EFM to CSB.

7. For good and valuable consideration, and in order for CSB to have an ongoing lender relationship with EFM and Perrinjaquets, and for other good and valuable consideration and for the inducement of the loans as made to the parties hereto by CSB, the parties agree as follows:

AGREEMENT

1. CSB subordinates any interest it may have in the personal property of Perrinjaquets as listed herein by virtue of the mortgages from EFM to CSB to the Commercial Security Agreement given by Perrinjaquets to CSB dated the 24th day of June, 2004, and any extensions, renewals, or future interests conveyed by Perrinjaquets to CSB by pledge or otherwise in the personal property owned by Perrinjaquets and described herein.

2. EFM waives and disclaims any interest in the personal property, collateral, and chattels owned by Perrinjaquets as described herein and acknowledges that said personal property may be attached to real estate owned by EFM or used in conjunction with the operations of EFM, but shall remain the personal property of Perrinjaquets at all times. EFM agrees not to impound or remove any of the described personal property. EFM agrees to allow CSB access to the premises, at reasonable times and upon reasonable notice to EFM, to inspect or remove the personal property owned by Perrinjaquets. CSB shall be permitted to enter the real estate of EFM or the buildings of EFM to remove the personal property, collateral and chattels as described herein and owned by Perrinjaquets upon default by Perrinjaquets of the obligations to CSB secured by the Security Agreement from Perrinjaquets to CSB referred to herein.

3. EFM, CSB and Perrinjaquets agree the personal property, collateral, and chattels owned by Perrinjaquets and as described herein shall at all times be considered personal property, and shall not be deemed to be attached or affixed to the real estate on which it is or may later be installed and titled to and ownership of such collateral, and the right of possession in the event of any default, shall remain in CSB until all obligations secured by the Security Agreement from Perrinjaquets to CSB are satisfied and fully paid. EFM agrees Perrinjaquets and/or CSB may remove the personal property owned by Perrinjaquets described herein from the real estate owned by EFM as mortgaged to CSB and shall have the right to enter upon the real estate owned by EFM at any time to remove and secure said personal property and said right shall continue for so long as Perrinjaquets have pledged said personal property to CSB as security and/or collateral for personal loans made by CSB to Perrinjaquets.

4. The parties hereto agree the personal property owned by Perrinjaquets described herein shall remain the personal property of Perrinjaquets subject to the Security Agreement given by Perrinjaquets to CSB and further agree said personal property may be severed from the real estate, regardless as to whether or not same constitutes a fixture as attached to said real estate and agree that said personal property shall remain separate, distinct, and independent from said real estate and shall not become a part of said real estate nor be subject to the mortgages from EFM to CSB and may be severed and removed by CSB or Perrinjaquets from the real estate owned by EFM.

Dated this 17th day of June, 2008.

COMMUNITY SAVINGS BANK

By _____
Steven A. Brady, President & CEO

By _____
Brett W. Nagel, Vice President

STATE OF IOWA, COUNTY OF DELAWARE, ss:

On this 17th day of June, 2008, before me, the undersigned, a Notary Public in and for the said State, personally appeared Steven A. Brady and Brett W. Nagel, to me personally known, who being by me duly sworn, did say they are the President and CEO and Vice President, respectively, of the corporation executing the within and foregoing instrument, that ~~(no seal has been procured by the)~~ (the seal affixed hereto is the seal of the) corporation; that the instrument was signed (and sealed) on behalf of the corporation by authority of its Board of Directors; and that Steven A. Brady and Brett W. Nagel, 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.

REGINA R. SELOOVER
Commission Number 196498
My Commission Expires
6/18/10

_____
Notary Public in and for said State

Dated this 17th day of June, 2008.

EDGEWOOD FEED MILL, INC.

By _____
Kevin J. Perrinjaquet, President

STATE OF IOWA, COUNTY OF DELAWARE, ss:

On this 17th day of June, 2008, before me, the undersigned, a Notary Public in and for the said State, personally appeared Kevin J. Perrinjaquet, to me personally known, who being by me duly sworn, did say they he is the President of the corporation executing the within and foregoing instrument, that (no seal has been procured by the) ~~(the seal affixed hereto is the seal of the)~~ corporation; that the instrument was signed ~~(and sealed)~~ on behalf of the corporation by authority of its Board of Directors; and that Kevin J. Perrinjaquet, as such officer, acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by him voluntarily executed.

BRETT W. NAGEL
Commission Number 146037
My Comm. Exp. 4-30-09

_____
Notary Public in and for said State

Dated the 17th day of June, 2008.

Margaret M. Perrinjaquet, Individually

STATE OF IOWA, COUNTY OF DELAWARE, ss:

On this 17th day of June, 2008, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Margaret M. Perrinjaquet, to me know to be the person named in and who executed the foregoing instrument, and acknowledged that she executed the same as her voluntary act and deed.

BRETT W. NAGEL
Commission Number 146937
My Comm. Exp. 4-31-09

Notary Public in and for the State of Iowa

Dated the 17th day of June, 2008.

Kevin J. Perrinjaquet, Individually

STATE OF IOWA, COUNTY OF DELAWARE, ss:

On this 17th day of June, 2008, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Kevin J. Perrinjaquet, to me know to be the person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

BRETT W. NAGEL
Commission Number 146937
My Comm. Exp. 4-31-09

Notary Public in and for the State of Iowa