

COMPUTER   
 RECORDED   
 COMPARED

FILED NO. **647**

CONTROL NO. \_\_\_\_\_

BOOK 184 PAGE 190LOAN NO. EIDL 65148330-03REC \$ 10.00

AUD \$ \_\_\_\_\_

96 SEP -4 AM 8:45

Recording Requested by: \_\_\_\_\_

R.M.F. \$ 1.00MICHELLE UTSLER  
RECORDER  
MADISON COUNTY, IOWA

RE: \_\_\_\_\_

SPACE ABOVE THIS LINE FOR RECORDER

**SUBORDINATION AGREEMENT**

THE SMALL BUSINESS ADMINISTRATION, an Agency of the United States Government, (hereinafter referred to as "SBA"), hereby represents that it is the owner and holder of a lien on certain real estate of FARMERS COOPERATIVE COMPANY, an Iowa Corporation (hereinafter referred to as "Borrower").

SAID LIEN was created by Borrower's execution and delivery of a Mortgage dated July 28, 1994, and recorded August 11, 1994, as Document No. 442, in the office of the Registry of Deeds, State of Iowa, County of Madison, to secure a Note in the original principal amount of \$514,600.00. Said real estate is more fully described and set forth in that Mortgage.

BORROWER has requested the SBA to subordinate said Mortgage to a Mortgage in favor of CoBANK, ACB, a federally chartered corporation with an address of (Lender)  
P.O. 504, St. Louis, Missouri 63166-0504, (hereinafter "CoBank"), securing two Notes in the total principal sum of \$3,321,000.00, and the SBA has agreed to subordinate.

NOW THEREFORE, the SBA does hereby subordinate its Mortgage on said property to a Mortgage on the identical property in favor of CoBank securing two Notes, a term loan in the principal sum of \$1,421,000.00, and a seasonal line of credit in the amount of \$1,600,000.00, not to exceed \$1,900,000.00. CoBank's Mortgage dated April 9, 1996, was recorded April 24, 1996, in Book No. 181, at Page Number 601, as Instrument Number 2898, in the office of the Recorder of Madison County, Iowa.

SAID SUBORDINATION shall be limited to amounts due to Lender for principal and interest payments on said principal sums of (1) \$1,421,000.00 and (2) \$1,600,000.00 not to exceed \$1,900,000.00, and advances to preserve the security

thereof including advances for tax payments and insurance.

NO SUBORDINATION is intended or made as to any advances made under a clause to secure future advances, if any, in the Mortgage of ~~SBA~~ <sup>Co Bank</sup> (LSL 8/12/96)

<sup>above current limited subordination of \$1,421,000 and \$1,000,000 not to exceed \$1,900,000 (LSL 8/12/96)</sup>

IN ALL OTHER respects said Mortgage of the Small Business Administration and its priority position as to all other liens on said property not specifically mentioned herein shall remain in full force and effect.

Dated this Eighth day of August, 1996.

SMALL BUSINESS ADMINISTRATION  
An Agency of the United States Government

WITNESSES

Ausan McPalms

BY: Larry R. Bellah  
Larry R. Bellah  
Supervisory Loan Officer

[Signature]

STATE OF TEXAS )

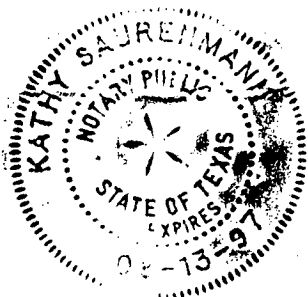
COUNTY OF TARRANT )

BEFORE ME, the undersigned authority, on this day personally appeared Larry R. Bellah, known to me to be the person whose name is subscribed to the foregoing instrument of writing, and acknowledged to me that he/she executed the said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS Eighth DAY OF August, A.D. 1996.

Kathy Saurenmann  
Kathy Saurenmann, Notary Public

My Commission Expires:  
August 13, 1997



Co Bank  
PO Box 304  
St Louis MO 63166 - 0504 MTG RECORD 184