

INSTRUMENT NO. **100329**²⁰
LINDA FORT
HUMBOLDT CO. RECORDER
MAR 01 2010
AT 3:03 AM PM
RECORDING FEE \$ 24.00 pd.
AUDITORS TRANSFER FEE \$

Prepared by, and when recorded return to, Mark A. Thompson, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, IA 50312; (515) 725-4900

Grantor: Iowa Department of Economic Development, 200 East Grand Ave., Des Moines, Iowa 50309
Taxpayer: Humboldt Workshop Service Enriched Housing I, L.L.P., 21 North Taft, Humboldt, Iowa 50548
Grantee: Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312
Legal Description: See Page A-1

IDCD Project # 06-HM-442-721

SUBORDINATION AGREEMENT

from

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT

to

IOWA FINANCE AUTHORITY

Dated as of February 1, 2010

SUBORDINATION AGREEMENT

WHEREAS, Humboldt Workshop Service Enriched Housing I, L.L.L.P. (the "Owner") did execute and deliver to the Iowa Department of Economic Development ("IDED") a mortgage, recorded on November 28, 2006 as Instrument Number 062649 in the Humboldt County Recorder's Office (the "Subordinate Mortgage"), to secure a loan in the aggregate amount of \$784,297, encumbering the property described in Exhibit A attached hereto; and

WHEREAS, the Owner has executed and delivered to the Iowa Finance Authority (the "Authority") a Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement dated as of February 1, 2010 (as the same may be amended, modified, extended, renewed and/or restated from time to time, the "Senior Mortgage"), in the amount of \$290,000, and this Senior Mortgage has been or will be recorded in the Office of the Humboldt County Recorder; and

WHEREAS, IDED does wish to subordinate the above-described Subordinate Mortgage in its favor to the above described Senior Mortgage in favor of the Authority;

NOW THEREFORE, IDED, which is the holder of the above-described Subordinate Mortgage, for itself and its successors and assigns, does hereby subordinate such Subordinate Mortgage to the above-described Senior Mortgage in favor of the Iowa Finance Authority, the effect of this subordination being to prioritize the respective liens set forth in the documents as if the above-described Subordinate Mortgage had been filed for record after the above-described Senior Mortgage to the Iowa Finance Authority, regardless of the order of recording and indexing of the Senior Mortgage and the Subordinate Mortgage. IDED does further agree that: (i) the indebtedness evidenced by the Subordinate Mortgage is and shall be subordinated in right of payment, to the prior payment in full of the indebtedness evidenced by the Senior Mortgage, and (ii) the Subordinate Mortgage and the other documents executed in connection therewith are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Mortgage and the documents executed in connection therewith.

EXHIBIT A

LEGAL DESCRIPTION

The following described real estate located in Humboldt County, Iowa:

Parcel 1 – 107-109 6th Street, Dakota City, Iowa

Lots One (1) and Two (2), Block Thirty-Three (33), in the City of Dakota City, Humboldt County, Iowa.

Parcel 2 – 403 3rd Ave. South, Humboldt, Iowa

Lot Two (2) in Block Five (5), in the original Town (now City) of Humboldt, Humboldt County, Iowa.

Parcel 3 – 725 11th Ave. North, Humboldt, Iowa

A parcel of land located in the Southwest Quarter of Section 36, Township 92 North, Range 29 West of the 5th P.M., City of Humboldt, Humboldt County, Iowa, more particularly described as follows: commencing at the Northwest corner of the said Southwest Quarter; thence North 90°00'00" East 1313.26 feet along the North line of the said Southwest Quarter; thence South 00°19'25" East 1570.82 feet; thence North 89°01'00" East 198.90 feet; thence South 01°12'50" East 113.28 feet; thence North 87°39'00" East 349.95 feet to the point of beginning; thence continuing North 87°39'00" East 216.20 feet; thence South 00°36'00" East 250.14 feet to a point on the North right of way line of 11th Avenue North in the City of Humboldt; thence South 87°39'00" West 213.52 feet along the said North line; thence North 01°12'50" West 250.07 feet to the point of beginning containing 1.23 acres.