SUBORDINATION AGREEMENT

The undersigned Bank is the holder and owner of an Assignment of a Buyer's Interest in a Real Estate Contract (hereinafter collectively called the Contract Assignment), made by Larry D. Diercksen and Susan E. Diercksen (hereinafter called "Borrower") and recorded with the Recorder of Delaware County, in the City of Manchester, State of Iowa as Document No. 15-2732 on the 22nd day of May, 1990, Book 126, Page 151, which was given to secure Promissory Notes in the amount of $90,000.00.

The Borrower has applied for a secured loan in the amount of $34,890.00 for a term of twenty (20) years from the Farmers Home Administration at the Delaware County Office in Manchester, Iowa, (hereinafter called "Lender"). Lender has declined to make such loan unless the undersigned Bank subordinates its lien or security interest on or in the following described security to Lender: SEE ATTACHED LEGAL DESCRIPTION

The proceeds of the proposed loan will be used for the following purposes:

Refinancing existing debt with Farmers & Merchants Savings Bank

Therefore, in order to induce Lender to make said loan to Borrower, and in consideration of the consummation of said loan in reliance upon this Subordination Agreement, the undersigned Bank hereby subordinates all right, title and interest under said outstanding Contract Assignment, as it pertains to Lender and not to any other secured party, in and to the property described above as against said loan to be so made by said Lender, in an amount not to exceed $34,890.00, so that the security instrument to be executed by Borrower to Lender shall grant a security interest in said property superior to the outstanding Contract Assignment of the undersigned Bank, except as herein limited.

The Contract Assignment shall otherwise remain in full force and effect, the subordination herein provided being limited in application to the original term of the proposed loan herein set forth.

This Subordination Agreement shall be of no force or effect unless the proposed loan from Lender to Borrower is completed within 30 days from date of this Subordination Agreement.

This Subordination Agreement shall be binding upon the successors and assigns of the undersigned Bank and shall operate to the benefit of Lender, its successors and assigns.

Dated this 11th day May, 1994.

Farmers & Merchants Savings Bank

By: Eric C. Anderson V.P
Eric C. Anderson, Vice President

By: Gerald T. Burke
Gerald T. Burke, Vice President

State of Iowa)
Delaware County)

On this 29th day of June, 1994, before me, a Notary Public in and for Delaware County, Iowa personally appeared Eric C. Anderson and Gerald T. Burke to me personally known, who being by me duly sworn did say that they are the Vice President and Vice President of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and the said Eric C. Anderson and Gerald T. Burke acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it voluntarily executed. WITNESS my hand and notarial seal the day and year first above written.

Marlys E Rees
Notary Public

My commission expires: 8-31-95

MARLYS E. REES
MY COMMISSION EXPIRES
8-31-95

FILE No. 48-44
RECORDING FEE $ 11.00
TRANSFER FEE $

FILED FOR RECORD THE 30 DAY OF June, 1994 AT 3:33
O'CLOCK P M. BOOK 5 PAGE 23

STATE OF IOWA, DELAWARE COUNTY
Deborah L. Peyton, Recorder
Misc.

Diercksen

Legal Description:

All that part of the Southwest Quarter (SW 1/4) of Section Eighteen (18), Township Eighty-Eight (88) North, Range Five (5), West of the Fifth (5th) P. M. as lies East of the West Eighty (80)acres thereof, and the Northwest Quarter (NW 1/4) of the Southeast Quarter (SE 1/4), and the North One-Third (1/3) of the Southwest Quarter (SW 1/4) of the Southeast Quarter (SE 1/4) of Section Eighteen (18), Township Eighty-Eight (88) North, Range Five (5) West of the Fifth (5th) P. M., containing One Hundred Twenty-Three (123) acres, more or less, according to government survey.

The West Eighty (80) acres of the Southwest (SW) Fractional Quarter of Section Eighteen (18), Township Eighty-Eight (88) North, Range Five (5), West of the Fifth P. M., excepting 31/100 of an acre conveyed to the State of Iowa for highway purposes by deed dated August 5, 1930, and recorded in the records of said County in Deed Book 68, page 173, subject to all public highways, right-of-ways and easements, except that portion deeded to the Iowa Highway Commission by deed dated April 17, 1974 and recorded in Book 95, page 188 in the Office of the Recorder of Delaware County Iowa, and legally described as follows:

All that part of the Southwest (SW) Fractional Quarter (1/4) of said Section Eighteen (18) lying westerly of a line beginning at a point 72.4 feet easterly of the Northwest (NW) corner of said Southwest (SW) Fractional Quarter (1/4), on the North (N) line thereof; thence S0 degrees 08 to 1/2' West (W), 167.6 feet to a point on a present fence line; thence South (S) 8 degrees 55' East (E), 439.7 feet to a point on a present fence line; thence S0 degrees 20 1/2' West (W), 1421.3 feet; thence South (S) 12 degrees 34' West (W), 307.0 feet; thence S0 degrees 20 1/2 West (W), 332.4 feet to a point 62.8 feet Easterly of the Southwest (SW) corner of said Southwest (SW) Fractional Quarter (1/4), on the the South (S) line thereof; containing 6.93 acres, more or less, including 2.33 acres, more or less, in present established road. This area is a parcel of land located in Section Eighteen (18), Township Eighty-Eight (88), Range Five (5) West (W) of the Fifth P.M., Delaware County, Iowa, as shown on Right of Way Plat and by reference made a part hereof.

and further, except the following described area, to wit:

That part of the Northwest Quarter (NW 1/4) of the Southwest Fractional Quarter (SW Fr 1/4) of Section Eighteen (18), Township Eighty-Eight (88) North, Range Five (5), West of the Fifth Principal Meridian described as commencing at a point South 87 degrees 54' East Seventy-Two and Four-Tenths (72.4) feet from the Northwest (NW) corner of said Northwest Quarter (NW 1/4) of the Southwest Fractional Quarter (SW Fr 1/4) running thence South (S) 87 degrees 54' East (E) Four-Hundred-Forty and Eight Tenths (440.8) feet, thence South (S) 1 degree 58' West (W) Five Hundred Forty-Three and Four-Tenths (543.4) feet, thence North (N) 87 degrees 54' West (W) Three Hundred Eighty and Twenty-Two One Hundredths (380.22) feet, thence North (N) 8 degrees 55' West (W) Three Hundred Eighty and Thirty-Three One-Hundredths (380.33) feet, thence North (N) 0 degrees 8' 30" East (E) One Hundred Sixty-Seven and Six-Tenths (167.6) feet to the point of beginning, according to the recorded plat thereof and subject to highways and easements of record, and including all right, title, and interest of grantors (except the proceeds therefrom already received by grantors) in and to the proposed right-of-way of Primary Iowa Highway #13 and the right-of-way of Primary Highway #13 existing along the West (W) side of said premises including any and all reversionary interests therein grantors or their heirs, successors and assigns now or may ever have therein, and as delineated on the plat dated 8-5-74 by A. H. Miller and recorded in Book 3, page 32 in the Office of the Recorder of Delaware County, Iowa, and further subject to the covenants, provisions and conditions contained in same deed dated October 15, 1974, recorded in Book 96, page 197 in the Office of the Recorder of Delaware County, Iowa.

All of the above described premises constituting approximately 191.07 acres, more or less.