SUBORDINATION AGREEMENT

For Release, See Book 51
Page 197 12-24-98

KNOW ALL MEN BY THESE PRESENTS THAT:

Delhi Savings Bank of Delhi, Iowa, is the present legal holder and owner of a certain Mortgage dated February 26, 1993, executed by Kevin M. Bacon and Theresa A. Bacon, husband and wife, as Mortgagors, to the Delhi Savings Bank, Delhi, Iowa, as Mortgagee, recorded on March 5, 1993, in Book 32, T.L.M., Page 58 of the records of the Delaware County Recorder and concerning the following described real estate:

> The North one hundred seventy one (171.0) feet of the West thirty eight and one-half (38 1/2) feet of Lot One (1), and the North one hundred seventy one (171.0) feet of Lot Two (2), and the North one hundred seventy one (171.0) feet of the East eight (8.0) feet of Lot Three (3), Block Five (5), H. A. Carter's Third Addition to Hopkinton, Iowa, according to the plat recorded in book 19, L.D., Page 104, of the records of Delaware County, Iowa.

The City of Hopkinton, Iowa, pursuant to a Housing Rehabilitation Program - Forgivable Loan Agreement dated July 6, 1993, and recorded on November 23, 1993, in Book 34, T.L.M., Page 42 of the records of the Delaware County Recorder, currently has a second lien on the premises pursuant to said Forgivable Loan Agreement.

That the Delhi Savings Bank of Delhi, Iowa, wishes to lend additional funds to the Mortgagors herein for improvements to the premises, and the said City of Hopkinton, Iowa, agrees to subordinate its lien on the premises pursuant to the Forgivable Loan Agreement.

For and in consideration of the Delhi Savings Bank lending additional sums to the Mortgagors herein, and further in consideration of the sum of $1.00 and other valuable consideration, the receipt of which is hereby acknowledged, the City of Hopkinton, Iowa, does hereby waive the priority of its lien pursuant to the Forgivable Loan Agreement in so far as the following described Mortgage is concerned, but not otherwise:

> That certain Mortgage dated November 16, 1995, by Kevin M. Bacon and Theresa A. Bacon, husband and wife, as Mortgagors, to the Delhi Savings Bank, Delhi, Iowa, as Mortgagee, securing payment of a note not to exceed the sum of $12,500.00 dated November 16, 1995,

FILE No. 174-1451
RECORDING FEE $ 16.00
TRANSFER FEE $

FILED FOR RECORD THE 17 DAY OF November 19 95 AT 1:08
O'CLOCK P M. BOOK 39 PAGE 107

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

with interest from the date thereof on the unpaid principal balance at the rate of 10.5% per annum, with the entire balance of principal and interest due and payable in full on November 16,2010.

The undersigned, City of Hopkinton, Iowa, hereby consenting that the lien pursuant to the Forgivable Loan Agreement described herein be taken as inferior to the original Mortgage in favor of the Delhi Savings Bank, recorded in Book 32, T.L.M. Page 58 of the records of the Delaware County Recorder, and also inferior to the Mortgage dated November 16, 1995, securing the loan on the additional $12,500.00 by the said Delhi Savings Bank.

In Witness hereof the parties set their hands this 14 day of November, 1995.

CITY OF HOPKINTON, IOWA
An Iowa Municipality

By Cathy S. Harris
Cathy S. Harris - Mayor

By Mary F. Jasper
Mary F. Jasper - City Clerk

STATE OF IOWA)
) ss:
COUNTY OF DELAWARE)

On this 14 day of November, 1995, before me, a Notary Public in and for the State of Iowa, personally appeared Cathy S. Harris and Mary F. Jasper, to me personally known, who being by me duly sworn, did say that they are the Mayor and City Clerk respectively, of the City of Hopkinton, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the Corporation, by authority of its City Council, as contained in Ordinance No. _____ passed (the Resolution adopted) by the City Council, under Roll Call No. _____ of the City Council on the 9 day of January, 1989, and that the Mayor and City Clerk acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

BRENDA K. KELCHEN
MY COMMISSION EXPIRES
04-13-96

Brenda K. Kelchen
Notary Public in and for the State of Iowa

174-1451
DELAWARE COUNTY IOWA
FILED
NOV 17 PM 1 08
BOOK 39 PAGE 107
RECORDER
$16.00

City of Hopkinton
To
Delhi Savings Bank

Delhi Savings Bank
P.O. Box 185
Delhi, IA 52223-0185