Farmers Bank
P.O. Box 494
Independence, IA

'98 MAR 2 PM 12 39
11.00
53-2508

Prepared by Karen K. Cole, City Clerk 208 E. Main Street, Manchester, Ia. 319-927-3836

SUBORDINATION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION City of Manchester, Iowa, 208 E. Main Street, Manchester, Iowa, does hereby agree to subordinate that a Real Estate Mortgage executed by Aaron T Pauls and Amy J Pauls of Manchester, Iowa, dated July 19, 1996 and filed July 30, 1996 at Book 41 T.L.M., Page 144 in the office of the Delaware County Recorder, encumbering the real estate legally described as follows:

Lot Six Hundred Seventy One (671), Manchester, Iowa according to plat recorded in Book I, L.D., Pages 284-285

To that certain mortgage in favor of Farmers State Savings Bank dated February 23, 1998 and filed 03/02/98 at Book 47 Page 107 in the office of the Delaware County Recorder.

City of Manchester, Iowa

Milt L. Kramer, Mayor

Karen K. Cole, City Clerk

State of Iowa, County of Delaware, ss:

On this 9th day of February, A.D., 1998, before me, Linda K. Tutton, a Notary Public in and for the State of Iowa, personally appeared Milt L. Kramer and Karen K. Cole, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Manchester, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in the Resolution R-162-98 passed by the City Council of the City of Manchester, Iowa, on the 2nd day of February, 1998, and that Milt L. Kramer and Karen K. Cole 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.

Linda K. Tutton, Notary Public in and for the State of Iowa – Commission expires 8-29-99

DATE 3-2-98 BOOK 47 PAGE 108

RESOLUTION R-162-98

It was moved by Council Member Curran and seconded by Council Member Goettsch to approve R-162-98 as follows:

RESOLUTION R-162-98

RESOLUTION APPROVING SUBORDINATION AGREEMENT

WHEREAS, the City of Manchester, Iowa, had granted to Aaron T Pauls and Amy J Pauls a Manchester Home Ownership Assistance Program Loan, and

WHEREAS, the City of Manchester, Iowa has a second mortgage on the property of Aaron T. Pauls and Amy J Pauls, and

WHEREAS, the Pauls' have refinanced the first mortgage on their property, thus causing the City's second mortgage to go to the first mortgage position, and

THEREFORE, it is the request of the Pauls' that the City of Manchester again assume the roll of the second mortgage and the Farmers State Savings Bank have the first mortgage,

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANCHESTER, IOWA, that the Subordination Agreement dated February 2, 1998, whereby the City continues to hold the second mortgage on property owned by Aaron T Pauls and Amy J Pauls, be hereby approved and the Mayor and City Clerk be authorized to sign said Agreement.

Passed and approved the 2nd day of February, 1998.

Milt L. Kramer, Mayor

ATTEST:

Karen K. Cole, City Clerk

ON CALL OF ROLL: AYES: Curran, Goettsch, Sill, Stark, Parmley NAYS: None