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DELAWARE COUNTY IOWA
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1998 DE 23 PM 2:36
BOOK 51 PAGE 191
DEBORAH L PETION
DELAWARE CO RECORDER
$ 11.00

Rosemary Drees 101 E. Main St. Manchester, IA 52057 (319)927-4475

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS THAT:

The City of Manchester, a corporation, of Manchester, Iowa, is mortgagee of a certain Real Estate Mortgage dated August 29,1994, executed by Bryan W. O'Connell & Danelle R. O'Connell, husband and wife, as mortgagors, recorded February 15, 1995, in Book 37, L.D., Page 128 of the records of the Delaware County Recorder concerning the following described real estate:

> That part of Lot Three Hundred Nine (309) of the City of Manchester, Iowa, According to Plat Recorded in Book I L.D., Page 284, describing as commencing At a point Twenty six (26) Feet East of the Southwest Corner of said Lot Three Hundred Nine (309), Thence North One Hundred Twenty Five (125) Feet, Thence East Seventy Three (73) Feet, Thence South One Hundred Twenty Five (125) Feet, Thence West Seventy Three (73) Feet to Place of Beginning,

For and in consideration of the sum of $1.00 and other valuable consideration in hand paid, the receipt of which is hereby acknowledged, has, and by these presents does waive the priority of the lien of the said Real Estate Mortgage insofar as the following Mortgage is concerned, but not otherwise:

> That certain Mortgage by Bryan W. O'Connell & Danelle R. O'Connell, husband And wife, in favor of the Farmers & Merchants Savings Bank, Manchester, Iowa, As Mortgagee, securing a Note dated December 18, 1998, in the amount of $36,500.00 with the subordinated amount not to exceed $26,009.00, with a fixed rate, and to be due January 1, 2014.

The undersigned, City of Manchester, a corporation, of Manchester, Iowa, hereby consenting that their lien represented by the Real Estate Mortgage described herein shall be taken as second and inferior to the Mortgage last above described, but only to the extent of $26,009.00 of said mortgage indebtedness. Any mortgage indebtedness to the Farmers and Merchants Savings Bank exceeding $26.009.00 shall be subordinate to the Real Estate Mortgage described herein.

DATE 12-23-98 BOOK 51 PAGE 191

Dated December 21, 1998

Milt L. Kramer
Milt L. Kramer Mayor

Karen K. Cole
Karen K. Cole City Clerk

STATE OF IOWA)
) SS:
COUNTY OF DELAWARE)

On this 23rd day of December, 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 Resolution R-281-98 passed by the City Council of the City of Manchester, Iowa on the 21st day of December, 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
Linda K. Tutton, Notary Public
My commission expires 8-29-99