DELAWARE COUNTY IOWA
FILED
1999 JA -4 PM 2:48
RECORDED 1999 PAGE 022
DEBRA H. FENTON
DELAWARE CO. RECORDER
$11.00

(X) 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 June 4, 1996, executed by Kenneth P. Hart, a single person, as mortgagor, recorded May 21, 1997, in Book 44, L.D., Page 113 of the records of the Delaware County Recorder concerning the following described real estate:

> The South One-Half (S ½) of Lots One hundred seventy nine (179) and One Hundred Eighty (180), Manchester, Iowa, According to Plat Recorded in Book I L.D., Page 284,

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 Kenneth P. Hart, a single person, in favor of the Farmers & Merchants Savings Bank, Manchester, Iowa, As Mortgagee, securing a Note dated December 24, 1998, in the amount of $29,500.00 with the subordinated amount not to exceed $27,520.00, 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 $27,520.00 of said mortgage indebtedness. Any mortgage indebtedness to the Farmers and Merchants Savings Bank exceeding $27,520.00 shall be subordinate to the Real Estate Mortgage described herein.

Dated December 21, 1998

Milt L. Kramer Mayor

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-280-98 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, Notary Public
My commission expires 8-29-99