United Settlement Service
821 S. Gilbert St.
Iowa City, IA 52240

DELAWARE COUNTY IOWA
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DEBORAH L. PEYTON
DELAWARE CO. RECORDER
$6.00

PREPARED BY: KAREN COLE 208 EAST MAIN ST. MANCHESTER, IA 52057 (319) 927-3636

SUBORDINATION AGREEMENT

WHEREAS, Jerry L. & Nancy Jo Cramer, executed a "Forgivable Loan Agreement" in favor of the City of Manchester, dated November 24, 1998, and recorded 3/3/1999 in Book 1999, Page 711, Delaware County Recorder records.
AND WHEREAS, the aforementioned "Forgivable Loan Agreement" currently constitutes a lien on the following described real property, situated in Manchester, Delaware County, Iowa:
"Lot Eight (8), except the West seven (7) feet thereof, of Hawker's First Addition to Manchester, Iowa, according to plat recorded in Book 2 Plats, Page 78."

AND WHEREAS, Jerry L. & Nancy Jo Cramer, intends to enter into a mortgage agreement with Longbeach Mortgage Company a Delaware Corporation located in San Francisco, California.

AND WHEREAS, Longbeach Mortgage Company will not enter into said mortgage agreement with Jerry L. & Nancy Jo Cramer unless the city of Manchester agrees to subordinate its "Forgivable Loan Agreement", as described above, to the mortgage between Jerry L. & Nancy Jo Cramer, Mortgagor, and Longbeach Mortgage Company, mortgage.

NOW, THEREFORE, THE City of Manchester hereby agrees to subordinate its "Forgivable Loan Agreement" recorded in Book 1999, Page 711, Records of the Delaware County Recorder to the mortgage given by Jerry L. & Nancy Jo Cramer, mortgagor to Longbeach Mortgage Company, mortgage, dated ~~November~~ DECEMBER 6, 1999, and Recorded December 10, 1999 in book 1999 Page 4232, Records of the Delaware County Recorder, Manchester, Delaware County, Iowa. The City of Manchester further agrees that its "Forgivable Loan Agreement" will be subordinate, inferior and secondary to the aforementioned mortgage between Jerry L. & Nancy Jo Cramer and Longbeach Mortgage Company.

The City of Manchester

BY: Milt L. Kramer
TITLE: Mayor

BY: Karen K. Cole
TITLE: City Clerk

STATE OF IOWA)
DELAWARE COUNTY)

On this 6th day of December, 1999, before me, the undersigned, a Notary Public in and for said State, Personally Appeared Milt L. Kramer and Karen K. Cole to me personally known, who, being first duly sworn on oath, did state and affirm that they are the Mayor and City Clerk -, respectively of said municipality executing the within and foregoing instrument: ~~that no seal has been procured by said municipality~~ that the foregoing Subordination Agreement was signed on behalf of said municipality by authority of its Council: and that Milt L. Kramer and Karen K. Cole, as duly authorized representatives of said municipality, acknowledged that the execution of said instrument was an expression of the voluntary act and deed of said municipality, voluntarily executed by it, and them respectively.

Gerald J. Chapman
Notary Public in and for the State of Iowa
My commission expires 9-25-2000

NOTARIAL SEAL IOWA
GERALD J. CHAPMAN
MY COMMISSION EXPIRES
September 25, 2000