DELAWARE COUNTY IOWA
FILED
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BOOK 2003 PAGE 3268
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
$1.00

Chq

Rosemary Drees 101 E. Main St. Manchester, IA 52057 (563)927-4475

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS THAT:

Farmers & Merchants Savings Bank a corporation, of Manchester, Iowa, is mortgagee of a certain Real Estate Mortgage dated September 17, 2002, executed by Donald J. Piegors & Jane A. Hartnett, husband & wife, as mortgagor, recorded November 5, 2002, in Book 2002, L.D., Page 4154 of the records of the Delaware County Recorder concerning the following described real estate:

See Attached exhibit "A"

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 Donald J. Piegors & Jane A. Hartnett , in favor of the Farmers & Merchants Savings Bank, Manchester, Iowa, As Mortgagee, securing a Note dated July 1, 2003, in the amount of $168,000.00 recorded in Delaware County Book 2003 Page 3267 .

The undersigned, Farmers & Merchants Savings Bank, 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 $168,000.00 of said mortgage indebtedness. Any mortgage indebtedness to the Farmers and Merchants Savings Bank exceeding $128,000.00 shall be subordinate to the Real Estate Mortgage described herein.

State of Iowa Delaware County, ss:
Signed and executed this 7th day of July, 2003

Farmers & Merchants Savings Bank

BY: _____
Scott J. Wegmann, Vice Pres.

BY: _____
Teresa Greve, Assistant Vice Pres.

On this 7th day of July, 2003, before me, Rosemary Drees a Notary Public in and for the County of Delaware, State of Iowa, appeared Scott J. Wegmann and Teresa Greve to me known, who being by me duly sworn, did say that Scott J. Wegmann is the Vice President and Teresa Greve is the Assistant Vice President of the Farmers & Merchants Savings Bank, a corporation located at Manchester, Iowa, and that the seal affixed to the said instrument is the corporate seal of the said corporation, and that said instrument was by them signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Scott J. Wegmann and Teresa Greve acknowledged the execution of this instrument to be the voluntary act and deed of the said corporation, by them voluntarily executed.

Witness my hand and notarial seal, the day and year last above written.

_____
Notary Public in and for Delaware County, Iowa

Rosemary Drees
COMMISSION NUMBER 144070
My Commission Expires
1/30/05

EXHIBIT "A"

That part of the Southeast Quarter (SE ¼) of the Southwest Quarter (SW ¼) of Section Four (4) and that part of the Northeast Quarter (NE ¼) of the Northwest Quarter (NW ¼) of Section Nine (9), Township Eighty Eight (88) North, Range Five (5), West of the Fifth Principal Meridian, described as commencing at the Southeast corner of the Southeast Quarter (SE ¼) of the Southwest Quarter (SW ¼) of said Section Four (4), thence North four hundred eighty one and seven-tenths (481.7) feet to the point of beginning, thence North one hundred seventy three and two-tenths (173.2) feet along the East line of the Southeast Quarter (SE ¼) of the Southwest Quarter (SW ¼) of said Section Four (4), thence South 89° 55' West one hundred sixty six and four-tenths (166.4) feet, thence South 12° 18' West one hundred twenty nine and nine-tenths (129.9) feet, thence North 89° 30' West seven hundred eighteen and one-tenth (718.1) feet, thence South 4° 10' West two hundred twenty nine (229.0) feet, thence South 34° 35' East one hundred forty six and three-tenths (146.3) feet, thence South 52° 58' East two hundred fifty six and five-tenths (256.5) feet, thence South 81° 08' East one hundred nineteen and one-tenth (119.1) feet, thence South 7° 48' West ninety seven and nine-tenths (97.9) feet, thence South 69° 58' East sixty eight and two-tenths (68.2) feet, thence South three hundred sixty two and four-tenths (362.4) feet, thence North 86° 56' East three hundred eighteen and one-tenth (318.1) feet, thence North seven hundred nine and five-tenths (709.5) feet, thence North 30° 00' East two hundred sixty (260.0) feet, thence East twenty five (25.0) feet to the point of beginning.