DELAWARE COUNTY IOWA
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BOOK 2003 PAGE 3294
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
$1.00

Prepared by:	**Address:**	**Telephone:**
Community Plus Credit Union	107 W. Main St. Manchester, IA 52057	(563) 927-6187

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into effective the 12th day of June, 2003, by Manchester Housing Rehabilitation Program ("Creditor").

RECITALS

WHEREAS Jerry L. Cramer and Nancy Jo Cramer ("Debtors") are the owners of real estate legally described as follows:

> 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.

(the "Real Estate"); and

WHEREAS Creditor is the owner of a mortgage lien in favor of Creditor and against Debtors, dated November 24, 1998, filed March 3, 1999, in the office of the Delaware County Recorder at Book 1999, Page 711, in the amount of $22,955.00; and

WHEREAS the mortgage is not yet fully satisfied and remains a lien on the Real Estate (the "Lien"); and

WHEREAS Community Plus Credit Union, of Cedar Rapids, IA (the "Lender") has agreed to lend funds to Debtors, evidenced by a note (the "Note") and secured by a mortgage on the Real Estate (the "Mortgage"), copies of which are attached hereto and made a part hereof by this reference, conditioned upon the making of this Agreement by Creditor; and

WHEREAS Creditor is willing, in order to induce Lender to take the aforesaid action, to subordinate all of Debtors' indebtedness and obligations to Creditor pursuant to the mortgage lien, to all indebtedness and obligations of Debtors to the Lender pursuant to the Note and Mortgage;

NOW, THEREFORE, for and in consideration of the premises and of the making by Lender to Debtors of the Loan, and for other good and valuable consideration, the receipt and sufficient of which are hereby acknowledged, Creditor agrees as follow:

1. Creditor hereby subordinates the Lien to the security interest of Lender pursuant to the Mortgage.

2. Creditor agrees that he will not seek to enforce the Lien or exercise any of his remedies against the Real Estate, including, without limitation, foreclosure or any other action or proceeding to sell or gain possession of the Real Estate for satisfaction of the Mortgage Lien, until all of Debtors' indebtedness to the Lender pursuant to the Note has been fully paid with interest, or until the Lender has first exercised any remedies against the Real Estate that Lender may have available to it pursuant to the Mortgage.

3. Creditor agrees that all of his right, title and interest in and to the Real Estate and all proceeds derived by Creditor by recourse to such Real Estate shall be, in the first instance, for the benefit of Lender up to the amount of Debtors' indebtedness pursuant to the Note plus interest and collection cost, and thereafter, for the benefit of Creditor.

4. Creditor acknowledges and agrees that the priorities specified in this Agreement regarding the security interests in the Real Estate apply notwithstanding the time or order of attachment or perfection of such security interest or the time or order of the filing of financing statements evidencing the same.

5. The Lender shall not be deemed to have made a waiver of any right hereunder unless it is in writing and signed by or in behalf of the Lender.

6. Notice of acceptance by the Lender of this Agreement is hereby waived by Creditor, and this Agreement and all of its terms and provisions shall be immediately binding upon Creditor from the date of execution hereof.

7. Creditor agrees to execute all necessary documents, if any, to subordinate his Lien of the Real Estate to the Lender's interest therein.

8. This agreement shall be governed by and construed in Accordance with the laws of the State of Iowa.

9. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Creditor and the Lender and their respective heirs, successors and permitted assigns.

IN WITNESS WHEREOF, Creditor has executed this Agreement as of the day first above written.

Milt L. Kramer
Mayor

Erin Rempe
City Clerk

Assented to:

Jerry L. Cramer, Debtor

Nancy Jo Cramer, Debtor

STATE OF IOWA)
)
COUNTY OF DELAWARE)

On this 24th day of June, 2003, before me, Laura K. Thomas, a Notary Public in and for the State of Iowa, personally appeared Milt L. Kramer and Erin Rempe, 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 was signed and sealed on behalf of the corporation, by the authority of its City Council, on the 24th day of June, 2003, and that Milt L. Kramer and Erin Rempe 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.

(SEAL)

Notary Public in and for the State of Iowa

LAURA K. THOMAS
Commission Number 716135
My Commission Expires