DELAWARE COUNTY IOWA
FILED
2004 MR 23 AM 10: 35
BOOK 2004 PAGE 906
DEBORAH L. FRYON
DELAWARE CO. RECORDER
21.00

C HUGHES, FIRST STATE BANK, BOX 439, MANCHESTER, IOWA 563-927-3814

SUBORDINATION AGREEMENT

Whereas, the undersigned is the holder of a certain Forgiveable Loan Agreement filed on July 3, 2002, in Book 2002 Page 2475 of the Delaware County Recorder's Office executed by Diane M. Alden covering the following described real estate, to-wit:

Lot Twelve (12), Block Five (5), Shelden and Harris Addition to Manchester, Iowa, according to plat recorded in Book 1 Plats, Page 97

The City of Manchester does hereby subordinate all of its right, title and interest in the above described property in that Foregiveable Loan Agreement to the mortgage with a stated amount of $52,500 dated March 12, 2004, executed by Diane M.Alden and First State Bank, filed March 18, 2004, in Book 2004 page 851 assigned to Associated Mortgage, Inc.

Said Assignment of Mortgage dated March 12, 2004, executed by Christine L. Hughes and Joseph Wiewel of First State Bank, filed on March 18, 2004., in Book 2004, Page 852 with the Delaware County Recorder's office.

DATED THIS 22nd **day of March , 2004.**

CITY OF MANCHESTER

BY: Milt L. Kramer, Mayor

BY: C. Dyer, City Clerk

STATE OF IOWA)
) ss.
DELAWARE COUNTY)

On this 23rd day of March, 2004, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Milt L. Kramer and Erin Rempe, to me personally known, who being by me duly sworn, did say that they are the Mayor and City Clerk respectively, of said corporation executing the within and foregoing instrument; that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said Mayor and City Clerk, as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation; by it and by them voluntarily executed.

Laura K Thomas
Notary Public in and for the State of Iowa

LAURA K. THOMAS
Commission Number 718136
My Commission Expires
8-24-05

R-023-2004

RESOLUTION APPROVING SUBORDINATION AGREEMENT

WHEREAS, the City of Manchester, Iowa, had granted to Diane M. Alden, a Manchester Home Ownership Program Loan to assist LMI buyers of single family residences in housing rehabilitation; and

WHEREAS, the City of Manchester, Iowa has a second mortgage on the property of Diane M. Alden; and

WHEREAS, Diane M. Alden desires to refinance her existing first mortgage with First State Bank and asks that the City subordinate their present Manchester Home Ownership Assistance Program Forgivable Loan Agreement and take a second lien position; and

WHEREAS, the refinance will allow Diane M. Alden to reduce her interest rate and build equity faster.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANCHESTER, IOWA, that the Subordination Agreement dated March 22nd, 2004, whereby the City shall hold the second mortgage on property owned by Diane M. Alden, be hereby approved and the Mayor and City Clerk be authorized to sign said Agreement.

Passed and approved the 22nd day of March, 2004.

Milt L. Kramer, Mayor

ATTEST:

Erin Rempe, City Clerk