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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

Prepard by & return to:
Rosemary Drees PO Box 588 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 November 21, 1995, executed by Francis Unertl & Pam Unertl, husband and wife, as mortgagors, recorded May 21, 1996, in Book 40, L.D., Page 253 of the records of the Delaware County Recorder concerning the following described real estate:

> Lot Five Hundred Fifty Nine (559), Manchester, Iowa, according to plat recorded in Book I L.D., Pages 284-285.

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 Frank C. Unertl aka Francis C. Unertl and Pamela A. Unertl, husband and wife, in favor of the Farmers & Merchants Savings Bank, Manchester, Iowa, as Mortgagee, securing a Note dated November 20, 2008, in the amount of $47,000.00 with the subordinated amount not to exceed $16,284.00, with a fixed rate, and to be due December 1, 2038.

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 $16,284.00 of said mortgage indebtedness. Any mortgage indebtedness to the Farmers and Merchants Savings Bank exceeding $16,284.00 shall be subordinate to the Real Estate Mortgage described herein.

CITY OF MANCHESTER

By _____
Milt L. Kramer, Mayor

_____
Erin Rempe, City Clerk

STATE OF IOWA)
) ss:
COUNTY OF DELAWARE)

On this 1st day of December, 2008, 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 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 the authority of the City Council, as contained in Resolution Number R-193-2008 adopted by the City Council on the 24th day of November, 2008, and that Milt L. Kramer and Erin Rempe acknowledge 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.

LAURA K. THOMAS
Commission Number 718135
My Commission Expires
8-20-11

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Laura K. Thomas, Notary Public