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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

-----STATE OF IOWA----------Space Above This Line For Recording Data----------
Prepared by Mary Lou Blanchard, 1240 8th Ave, Marion, IA 52302-0569, 319-377-4891
Return to: Farmers State Bank, 1240 8th Ave, Marion, IA 52302-0569

MORTGAGE SUBORDINATION AGREEMENT

BORROWER		MORTGAGOR
Bruce E Richardson		Bruce E Richardson
Michelle R Richardson		Michelle R Richardson
ADDRESS		ADDRESS
2653 State Highway 13		2653 State Highway 13
Manchester, IA 52057		Manchester, IA 52057

Creditor: Farmers State Bank

For valuable consideration, the receipt and sufficiency of which is acknowledged, Creditor and Lender indicated above resolve the priority of their debts and Mortgages and agree as follows:

1. CREDITOR'S MORTGAGE. Creditor owns and holds a Note and related Mortgage, and the Mortgage was recorded on November 28, 2011 as Instrument No. or in Volume 2011 at Page 3788 of the records of the Recorder of Delaware County, Iowa, encumbering the following described real property (the "Property"): (If legal description is not on this page it will be found on Exhibit A)

See Exhibit "A" on page 3

2. LENDER'S MORTGAGE AND CONDITION PRECEDENT. Borrower has requested a $72,500.00 loan from Lender to be secured by a Mortgage recorded January 24th, 2012 in Volume 2012 Page 247 on the Property from Mortgagor in favor of Lender; Lender is only willing to make the loan on condition that Creditor's Mortgage described in paragraph 1 be subordinated to the Mortgage to be executed in favor of Lender.

Lender's Mortgage will also secure, without imitation, such additional sums as lender may advance under the provisions as to future advances, additional sums for the purpose of curing any of Borrower's defaults, interest on principal, and attorneys' fees and costs incurred by Lender in any proceedings arising out of or in connection with Lender's Mortgage, including proceedings to enforce or foreclose it.

3. SUBORDINATION OF CREDITOR'S MORTGAGE. Creditor agrees that its mortgage and all of Creditor's rights thereunder shall at all times be inferior and subordinate to the Lender's Mortgage and Lender's rights in the Property, including any extensions, renewals or modifications.

4. PRIORITY OF SECURITY INTERESTS. The priority of the Mortgages belonging to Creditor and Lender in the Property will be governed by this Agreement and not by the time or order in which the Mortgages were created or perfected.

5. WAIVER OF LIMITATIONS. Creditor waives any obligation of Lender to provide Creditor with notice of additional advances or loans, notice of default, notice of acceleration of debt, notice of demand for payment or notice of repossession and the right of Creditor to require Lender to marshall any collateral. In addition, Lender may take or refrain from taking any action (including, but not limited to, making additional advances or loans) with respect to Borrower, any guarantor, or any collateral without notice to or the consent of Creditor and without affecting any of Lender's rights under this Agreement.

6. DOCUMENTATION AND NON-INTERFERENCE. Creditor will not prevent, hinder or delay Lender from enforcing its Mortgage. Creditor will execute and deliver to Lender such additional documents or other instruments as the Lender may deem necessary to carry out this Agreement. The Creditor will not exercise any collection rights with respect to the Property, will not take possession of, sell or dispose of, or otherwise deal with, the Property, and will not exercise or enforce any right or remedy which may be available to the undersigned with respect to the Property upon default, without prior written consent of Lender, which shall not be unreasonably withheld.

7. TERMINATION. This Agreement will remain in full force and effect now and forever, despite the commencement of any federal or state bankruptcy, insolvency, receivership, liquidation or reorganization proceeding.

8. EFFECT ON BORROWER AND THIRD PARTIES. This Agreement will not affect the enforceability and priority of Creditor's and Lender's Mortgage on the Property and rights against the Borrower, Mortgagor, or any third party except as set forth herein.

9. REPRESENTATIONS AND WARRANTIES. Creditor represents and warrants to Lender that:

a. Creditor has not assigned any of its rights or interest in the Property prior to the execution of this Agreement. Creditor shall not assign or transfer to others any claim that Creditor has or may have in the Property while any indebtedness of Borrower to Lender remains unpaid without the express written consent of the Lender;

b. Creditor has obtained all consents and approvals needed to execute and perform its obligations under this Agreement;

c. Creditor's execution and performance of its obligations under this Agreement will not violate any court order, administrative order or ruling, or agreement binding upon Creditor in any manner; and

d. Creditor has conducted an independent investigation of Borrower's business affairs and was not induced to lend money or extend other financial accommodations to Borrower or execute this Agreement by any oral or written representation by Lender.

10. ASSIGNMENT. Lender shall be entitled to assign its Mortgage and its rights and remedies described in this Agreement without notice to Creditor.

11. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of Creditor and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representative, legatees, and devisees.

12. SEVERABILITY. If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid.

13. NOTICE. Any notice or other communication to be provided under this Agreement shall be in writing and sent to the parties at the addresses described in this Agreement or such other address as the parties may designate in writing from time to time.

14. APPLICABLE LAW. This Agreement shall be governed by the laws of the state in which the property is located. Creditor consents to the jurisdiction and venue of any court located in the state in which the property is located in the event of any legal proceeding under this Agreement.

15. ATTORNEYS' FEES. Lender will be entitled to collect its attorneys' fees, legal expenses, and other costs in the event of any litigation pertaining to this Agreement.

16. JOINT AND SEVERAL. If there is more than one Creditor, their obligations shall be joint and several under this Agreement. Wherever the context requires, the singular form of any word shall include the plural.

17. INTEGRATION. This Agreement and any related documents represent the complete and integrated understanding between Creditor and Lender pertaining to the terms and conditions of this Agreement.

Creditor acknowledges that Creditor has read, understands, and agrees to the terms and conditions of this Agreement.

DATED: January 18, 2012

CREDITOR: Farmers State Bank

Tammy Yamilkoski,
VP Real Estate Lending

LENDER: FARMERS STATE BANK

Tammy Yamilkoski,
VP Real Estate Lending

STATE OF Iowa }
} ss.
COUNTY OF Linn }

On this 18th day of January, 2012 before me, the undersigned, a Notary Public in and for said county and state, personally appeared Tammy Yamilkoskito me personally known, who being by me duly sworn, did say that he/she is the VP of Real Estate Lending respectively, of said corporation executing the within and foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said VP of Real Estate Lending as such acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by his/her voluntarily execution.

Mary L Blanchard
Mary L Blanchard, Notary Public
in and for said County and State

MARY L BLANCHARD
Commission Number 196900
My Commission Expires
June 11, 2013

Exhibit "A"

Parcel A in the SE ¼ - NE ¼ and in the NE ¼ - SE ¼ Section 25 - T88N - R6W Delaware County, Iowa, according to plat recorded in Book 2009, Page 4633; also Parcel B in the SE ¼ - NE ¼ Section 25 - T88N - R6W Delaware County, Iowa, according to plat recorded in Book 2010, Page 3328.