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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

Prepared by: Hawkeye Escrow, 313 3rd Ave SE, Cedar Rapids, IA 52401 319-365-5753
Return to: Hawkeye Escrow, 313 3rd Ave SE, Cedar Rapids, Iowa 52401

SUBORDINATION AGREEMENT

Whereas Citizens State Bank, (called "Mortgagee"), have an interest in the following described property located in the county of Delaware, State of Iowa, described as follows: The NW ¼ of the SW ¼ of Section 1 and the NE ¼ of the SE ¼ of Section 2, Township 87 N, Range 3, West of the 5th P.M., except Parcel "A": Part of the NW ¼ of the SW ¼ of Section 1 and Part of the NE ¼ of the SE ¼ of Section 2, T87N, R3W of the 5th P.M., Delaware County, Iowa, according to the plat thereof recorded in Book 1999, Page 235

Pursuant to the terms of a certain Mortgage dated 10/26/07 and recorded on 11/05/07 in Volume 2007 at page 3578 in the office of the Recorder of Delaware County, Iowa, and

Whereas, David J. Merkes & Elizabeth J. Merkes, whose address is 2867 332nd Ave, Worthington, IA 52078, (hereinafter called "Mortgagor/Borrower") has applied to Wells Fargo Bank, N.A. (hereinafter called "Lender") not to exceed $107,800.00 to be secured by a Mortgage on the above described property.

NOW, THEREFORE, for good and valuable consideration, receipt whereof is hereby acknowledged, the undersigned Mortgagee does hereby subordinate to Lender all its rights in the above described property to said Mortgage of Lender.

IT IS FURTHER AGREED that Lender is relying upon this subordination in the above described Mortgage transaction and that Lender's Mortgage when executed shall be a secured lien on the above described property prior and superior to the interest of Mortgagee notwithstanding the date of execution, the date of recording, or date of disbursement of funds by the Lender.

AND IT IS FURTHER AGREED that Mortgagee hereby assumes no personal liability to Lender and that Lender shall give written notice to Mortgagee at least 15 days prior to exercise of its right to foreclose by certified U.S. Mail to the address herein above designated or to such other address as may hereafter be designated in writing. Mortgagee shall have the right, but not the obligation, to cure any default of the Mortgagor/Borrower.

The Mortgagee represents that it has not sold, assigned, conveyed or agreed to sell, assign or convey to anyone the Mortgagee's interest in the above described Mortgage and that said Mortgage is presently in effect and not now in default by either the Mortgagee or the Mortgagor/Borrower.

WITNESS THE DUE EXECUTION HEREOF THIS 21st DAY OF February, 2012.

Citizens State Bank
By: Phillip C Larabee V.P.
By: Phillip C. Larabee Vice President

ACKNOWLEDGEMENT

STATE OF IOWA)
) SS
COUNTY OF JONES)

On this 21st day of Feb, 2012, before me personally appeared Phillip C. Larabee as ~~Phillip Larabee~~ Vice President of Citizens State Bank, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Notary Public

NELS C PETERSEN
Notarial Seal - Iowa
Commission # 194944
My Commission Expires 2/19/13