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FILED NO. 5729  
BOOK 2003 PAGE 5729  
2003 SEP 23 PM 2:55

NICKI UTSLER  
RECORDER  
MADISON COUNTY, IOWA

Preparer: Farmers & Merchants State Bank, 101 W. Jefferson, PO Box 29, Winterset, IA 50273 (515) 462-4381

**SUBORDINATION AGREEMENT**

WHEREAS, Jerrold B. Oliver and Betty W. Oliver, as husband and wife, granted to Farmers and Merchants State Bank, a mortgage in the principal amount of \$20,000.00, dated July 19, 2000 and filed July 24, 2000 mortgage record 219 page 376 of the Recorder's Office of Madison County, Iowa, covering and encumbering the following described real estate:

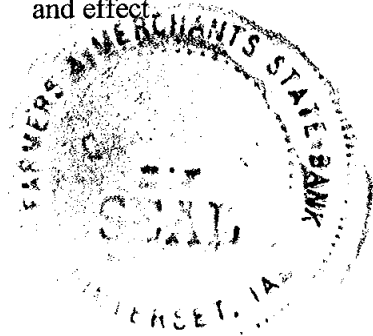
Lots five (5) and six (6) in Block Twenty-Two (22) of the original town of Winterset, Madison County, Iowa,

WHEREAS, Jerrold B. Oliver and Betty W. Oliver, husband and wife, granted to Farmers & Merchants State Bank a mortgage in the principal sum of \$100,000.00 dated August 28, 2003 and filed September 3, 2003 in book 2003 page 5268 of the Recorder's Office of Madison County, Iowa, also covering and encumbering the above described real estate.

NOW THEREFORE, Farmers and Merchants State Bank does hereby subordinate its mortgage described above recorded in mortgage record 219 page 376 of the Recorder's Office of Madison County, Iowa, in favor of and to the mortgage described above held by Farmers & Merchants State Bank recorded in book 2003 page 5268 of the Recorder's Office of Madison County, Iowa.

IN ALL OTHER respects said mortgage of Farmers and Merchants State Bank and its priority position as to all other liens on said property, not specifically mentioned herein shall remain in full force and effect.

Dated this 19th day of September, 2003.

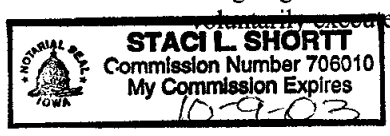


FARMERS & MERCHANTS STATE BANK

By: [Signature]  
Phillip J. Clifton  
Vice President

STATE OF IOWA, COUNTY OF MADISON, ss:

On this 19th day of September, 2003, before me, the undersigned, a Notary Public in and for the State, personally appeared Phillip J. Clifton to me personally known, who being by me duly sworn, did say that they are the Vice President of the corporation executing the within and foregoing instrument to which this is attached, that (the seal affixed thereto is the seal of the corporation; that the instrument was signed (and sealed) on behalf of the corporation by authority of its Board of Directors; and that Phillip J. Clifton as officer acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them



[Signature]  
Notary Public in and for said State.

Acknowledgment: For use in the case of corporations