

LISA SMITH. COUNTY RECORDER
MADISON COUNTY IOWA

Prepared by and return to: Nathan Barber, 666 Walnut Street, Suite 2000, Des Moines, IA 50309-3989, Phone 515-243-7100

MORTGAGE SUBORDINATION AGREEMENT

This agreement is dated as of June 24, 2009, between Pat Montross, a single person (the "Subordinating Mortgagee"), and Exchange State Bank (the "Bank").

A. The Subordinating Mortgagee holds a real estate mortgage dated February 6, 2009 (the "Subordinated Mortgage"), on land and buildings owned by the George L. Montross Trust (the "Mortgagor"), covering real property described as follows (the "Property"):

Commencing at the Southwest corner of Lot Six (6) in Block Seventeen (17) in the Original Town of Winterset, Madison County, Iowa, and running thence North 22 feet, thence East 70 feet, thence North 10 feet, thence East 50 feet, thence South 32 feet, thence West 120 feet to the place of beginning, together with all right, title and interest in and to the brick wall located on the North One-half of the South 2/3rds of Lot 6 commencing at a point 50 feet East of the Southwest corner thereof and running thence East 20 feet, thence North 10 feet, and all other wall or walls located on that part of the North 2/3rds of Lot 6 which adjoins the above described real estate,

Located in the Winterset, Iowa, County of Madison, State of Iowa:

The Subordinated Mortgage was recorded on February 6, 2009 in Book 2009, Page 342 of the Madison County, Iowa Records.

B. The Subordinated Mortgage secures (1) indebtedness of the Mortgagor to the Subordinating Mortgagee in an amount not to exceed \$175,000, (2) loans, advances, and other extensions of credit that the Subordinating Mortgagee may make to the Mortgagor after the date of this agreement, and (3) other obligations of the Mortgagor to the Subordinating Mortgagee that may arise after the date of this agreement, either pursuant to the terms of the Subordinated Mortgage or otherwise (collectively, with all

extensions, renewals, modifications, and amendments, plus all accrued and accruing interest, the "Subordinating Mortgagee's Debt").

C. Mortgagor wishes to provide or has provided Bank with a mortgage (as amended, renewed, and extended from time to time, the "Bank's Mortgage") on the Property, together with an assignment of rents and leases as more fully described in the Bank's Mortgage (collectively, the "Premises") to secure the Secured Debt (as defined in the Bank's Mortgage).

D. The Bank has asked the Subordinating Mortgagee to execute this agreement to subordinate the lien of the Subordinated Mortgage which secures the Subordinating Mortgagee's Debt to the lien of the Bank's Mortgage as to the Secured Debt. The Subordinating Mortgagee is willing to do so, subject to the terms and conditions of this agreement.

Therefore, the parties agree as follows:

Regardless of when the Subordinated Mortgage or the Bank's Mortgage is or was executed, filed, recorded, or registered, or when any advances were or are made, the Subordinating Mortgagee completely and unconditionally subordinates any and all right, title, liens, claims and interests she now has or hereafter acquires in and to the Premises. Subordinating Mortgagee agrees that her subordination shall apply to the full extent of the Secured Debt, including, without limitation, all principal advanced, all accrued and accruing interest thereon, and all attorneys' fees and costs incurred by the Mortgagee in connection with the Secured Debt or the Premises. Subordinating Mortgagee agrees that the Bank's Mortgage and any and all claims or liens hereafter acquired by Bank in and to the Premises are prior and superior to any right, title, claims, liens, or interest now held or hereafter acquired by the Subordinating Mortgagee in and to the Premises and subordinates the lien of the Subordinated Mortgage which secures the Subordinating Mortgagee's Debt to the lien of the Bank's Mortgage as to (a) the Secured Debt, and (b) all expenses and costs recoverable by the Bank under the terms of the Bank's Mortgage and secured by it.

If the Subordinated Mortgage or any other document executed by the Mortgagor as part of all or any portion of the Subordinating Mortgagee's Debt contains a clause prohibiting the Mortgagor from further mortgaging the Premises, the provisions of that clause are waived as to the Secured Debt and the Bank's Mortgage.

Without notice to or the consent of the Subordinating Mortgagee and without impairing or affecting this agreement, the Bank may take or refrain from taking any action regarding the Secured Debt that it deems appropriate, including without limitation (a) amending, modifying, extending or renewing the Secured Debt or changing any interest rate applicable thereto, (b) releasing, compromising, or settling any claim related to the Secured Debt, (c) forbearing or agreeing to forbear from enforcing any right or remedy related to the Secured Debt, including rights and remedies against any guarantor, surety or accommodation party of all or any part of the Secured Debt, (d) determining when and in what order payments and credits shall be made to the Secured Debt, or (e) substituting, releasing or exchanging all or any portion of any collateral for the Secured Debt, including the Premises. The Subordinating Mortgagee waives and agrees not to assert any rights or defenses with respect to any actions the Bank may take or refrain from taking with regard to the Secured Debt, the Bank's Mortgage, the Premises or other property now or hereafter securing any of the Secured Debt. The Subordinating Mortgagee agrees that all rights and interests of the Bank with regard to the Bank's Mortgage, the Secured Debt, the Premises or other property now or hereafter securing any of the Secured Debt or hereunder shall remain in full force and effect under this agreement irrespective of the lack or validity or enforceability of the

Bank's Mortgage, the Secured Debt or this agreement. The Subordinating Mortgagee agrees to fully cooperate with the Bank and not to delay, impede or otherwise interfere with the efforts of the Bank to secure payment from the assets which secure the Secured Debt including actions, proceedings, motions, orders, agreements or other matters relating to relief from automatic stay, abandonment of property, use of cash collateral and sale of the Bank's collateral free and clear of all liens.

Notice of acceptance by the Bank of this agreement is waived by the Subordinating Mortgagee, and this agreement is binding upon the Subordinating Mortgagee upon execution.

The Subordinating Mortgagee waives any right it may have to require the Bank to marshal any property the Bank may hold at any time as collateral for any of the Secured Debt. The Subordinating Mortgagee also waives any right it may have to require the Bank to proceed against any party who may be liable on any of the Secured Debt before proceeding against the Premises.

In any bankruptcy, liquidation, insolvency, receivership, or similar proceeding, whether at law or in equity, or pursuant to state or federal law, the Bank shall be entitled to receive payment in full of the Secured Debt from payments or other distributions made on account of the Secured Debt and on account of the Subordinating Mortgagee's Debt from the assets of the Mortgagor, (including interest after the commencement of any such proceeding at the rate(s) specified in the Secured Debt, whether or not such interest is an allowable claim in such proceeding) before the Subordinating Mortgagor is entitled to receive any payment or thing of value on account of the Subordinating Mortgagee's Debt.

The Subordinating Mortgagee represents and warrants to the Bank until termination of this agreement and the full and final payment of the Secured Debt that it has not, for any purpose, assigned or otherwise transferred the Subordinated Mortgage or all or any portion of the Subordinating Mortgagee's Debt to any third party. Any assignment or transfer so made by the Subordinating Mortgagee after the date of this agreement shall be made expressly subject to the terms of this agreement. The Subordinating Mortgagee also warrants that, to the best of the Subordinating Mortgagee's knowledge, the Mortgagor is not in default under all or any portion of the Subordinating Mortgagee's Debt as of the date of this agreement.

The person signing this agreement on behalf of the Subordinating Mortgagee warrants to the Bank that he or she has authority to do so on behalf of the Subordinating Mortgagee.

Any notices and demands under or related to this document shall be in writing and delivered to the intended party at its address stated herein, and if to the Bank, at its main office if no other address of the Bank is specified herein, by one of the following means: (a) by hand; (b) by a nationally recognized overnight courier service; or (c) by certified mail, postage prepaid, with return receipt requested. Notice shall be deemed given: (a) upon receipt if delivered by hand; (b) on the Delivery Day after the day of deposit with a nationally recognized courier service; or (c) on the third Delivery Day after the notice is deposited in the mail. "Delivery Day" means a day other than a Saturday, a Sunday or any other day on which national banking associations are authorized to be closed. Any party may change its address for purposes of the receipt of notices and demands by giving notice of such change in the manner provided in this provision.

Governing Law and Venue. This agreement shall be governed by and construed in accordance with the laws of the State of Iowa (without giving effect to its laws of conflicts). The Subordinating Mortgagee agrees that any legal action or proceeding with respect to any of its obligations under this agreement may be brought by the Bank in any state or federal court located in the State of Iowa, as the Bank in its

sole discretion may elect. By the execution and delivery of this agreement, the Subordinating Mortgagee submits to and accepts, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of those courts. The Subordinating Mortgagee waives any claim that the State of Iowa is not a convenient forum or the proper venue for any such suit, action or proceeding.

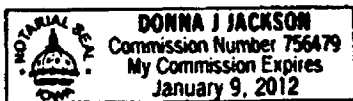
Subordinating Mortgagee: Pat Montross

By: Pat Montross
Pat Montross
Printed Name Title

Bank: Exchange State Bank
Exchange State Bank
By: Kendall S. Kerns EVP
Kendall S. Kerns Executive Vice President
Printed Name Title

STATE OF Iowa)
COUNTY OF Madison) SS:
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This instrument was acknowledged before me on this 24th day of June, 2009, by Pat Montross.



Donna J. Jackson
Notary Public in and for said State

STATE OF _____)
COUNTY OF _____) SS:
)

This instrument was acknowledged before me on this ___ day of _____, 20__, by _____ as _____ of Exchange State Bank.

Notary Public in and for said State