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DELAWARE COUNTY IOWA
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DEBORAH BYTTON
DELAWARE CO RECORDER
8.00

North American Mtg Co.
P.O. Box 808031
Petaluma, CA
94975-8031

Recording Requested by:

Return to:
Prepared by:
North American Mortgage Company®
2170 Northpoint Parkway
Santa Rosa, CA 95407

Attn.: Closing/Funding

SUBORDINATION AGREEMENT

Loan No: 5484932-708

Notice: This Subordination Agreement may result in your security interest in the property becoming subject and of lower priority than the lien of some other or later security instrument.

THIS AGREEMENT, made this 2nd day of December, 1998, by THOMAS E. RAVE AND AMY S. RAVE, owner of the land hereinafter described and hereinafter referred to as "Owner" and PREFERRED CREDIT CORPORATION, present owner of the Mortgage and Note first hereinafter described and hereinafter referred to as Junior Lienholder.

WITNESSETH

WHEREAS, THOMAS E. RAVE AND AMY S. RAVE executed that certain Promissory Note dated October 24, 1997, in the amount of Thirty Thousand Dollars ($30,000.00) in favor of PREFERRED CREDIT CORPORATION, which Promissory Note is secured by that certain Mortgage dated October 24, 1997, and executed by THOMAS E. RAVE AND AMY S. RAVE, as Trustor for the benefit of PREFERRED CREDIT CORPORATION, as Beneficiary, which Mortgage was recorded on November 10, 1997, in the County of Delaware, State of Iowa, in Book 137, L.M., at Page 20, covering property described as:

> **The East three hundred twenty (320) feet of the West nine hundred eighty-eight (988) feet of the North two hundred eighty-five (285) feet of the Northwest Quarter (NW 1/4) of the Southeast Quarter (SE 1/4) of Section Sixteen (16), Township Eighty-Seven (87) North, Range Three (3), West of the Fifth P.M.**

WHEREAS, Owner has executed, or is about to execute a Mortgage and Note in the amount of $95,000.00, dated 12-30-98, in favor of NORTH AMERICAN MORTGAGE COMPANY®, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Mortgage is to be recorded concurrently herewith; and

WHEREAS, it is the intent and desire of the parties hereto that the Mortgage last herein above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Mortgage first above mentioned; and

NOW, THEREFORE, in consideration of promises and other valuable consideration, receipt of which is hereby acknowledged, and in order to carry out the intent and desire of the parties hereto, it is hereby declared, understood and agreed that said Mortgage last described above shall be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Mortgage first above described. Beneficiary of the Mortgage first herein described declares and acknowledges that he hereby intentionally waives, relinquishes and subordinates the priority and superiority of the lien or charge of such Mortgage, in favor of the lien or charge upon said land of the Mortgage last described above, and that he understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made, and as part and parcel thereof, other obligations have been and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment, and subordination.

IN WITNESS WHEREOF, PREFERRED CREDIT CORPORATION, Beneficiary, and THOMAS E. RAVE AND AMY S. RAVE, Owner, have caused this Subordination Agreement to be executed.

PREFERRED CREDIT CORPORATION

By _____
Title SERVICING OFFICER

_____
THOMAS E. RAVE

_____
AMY S. RAVE

State of TEXAS

County of HARRIS

On 12-9-98, before me, TAM THU LE, a Notary Public, personally appeared RICHARD McCABE, personally known to me (or proved to me on the basis of satisfactory evidence) 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.

Signature Tam Thu Le (seal)

TAM THU LE
Notary Public, State of Texas
My Commission Expires
January 20, 2002

State of IOWA

County of Dubuque

On December 30 1998, before me, Vicki Maiers, a Notary Public, personally appeared THOMAS E AND AMY S RAVE, personally known to me (or proved to me on the basis of satisfactory evidence) 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.

Signature Vicki Maiers (seal)

Vicki Maiers

VICKI MAIERS
Iowa
NOTARIAL SEAL