DELAWARE COUNTY IOWA
FILED
2003 MY 30 PM 4:17
BOOK 2003 PAGE 2612
DEBORAH L. PEYTON
DELAWARE CO RECORDER
$ 0.00

D. GOEBEL, FIRST STATE BANK, BOX 439, MANCHESTER, IA 52057, 563-927-3814

SUBORDINATION AGREEMENT

Whereas, the undersigned is the holder of a certain real estate mortgaged filed on 28th day of February, 2002, in Book 2002, Page 734 of the Delaware County Recorder's Office executed by Daniel E. Mersch and Kathy S. Mersch, husband and wife covering the following described real estate, to wit:

LOT FIVE (5) OF WINDY HOLLOW A SUBDIVISION OF PART OF THE NEFR 1/4 AND PART OF THE SE 1/4, SECTION 4, T88N, R5W OF THE 5TH P.M., DELAWARE COUNTY, IOWA, ACCORDING TO PLAT RECORDED IN BOOK 2000, PAGE 1238.

First State Bank does hereby subordinate all its right, title and interest in the above described property in that certain mortgage to the mortgage with a stated amount of $150,000.00 dated May 23, 2003 by Daniel E. Mersch and Kathy S. Mersch and First State Bank,
filed May 30, 2003 in Book 2003
Page 2610, assigned to Associated Mortgage, Inc.
Said Assignment of Mortgage dated May 23, 2003, executed by Daniel E. Mersch and Kathy S. Mersch, filed on May 30, 2003
in Book 2003, Page 2611, with the Delaware County Recorder's office.

Dated this 23rd day of May, 2003

FIRST STATE BANK

By: Christine L Hughes
Christine L. Hughes, Senior Vice President

By:
Joseph Wiewel, President

STATE OF IOWA)
) ss.
DELAWARE COUNTY)

On this 23rd day of May, 2003, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Christine L. Hughes and Joseph Wiewel, to me personally known, who being duly sworn, did say that they are the Senior Vice President and President respectively, of said corporation executing the within and foregoing instrument; that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said Christine L. Hughes and Joseph Wiewel, as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation; by it and by them voluntarily executed.

Colleen Meyer
Notary Public in and for the State of Iowa

COLLEEN MEYER
NOTARIAL SEAL
Iowa
Comm. Exp.