DELAWARE COUNTY IOWA
FILED
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BOOK 2003 PAGE 4207
DEBORAH L. PEYTON
DELAWARE CO. RECORDER

CHG

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 the 15th day of April, 2002, in Book 2002, Page 1490 of the Delaware County Recorder's Office executed by Patrick K. Mescher and Marsha J. Mescher covering the following described real estate, to wit:

LOT FIVE (5) AND THE NORTH ONE-HALF (N 1/2) OF LOT SIX (6), BLOCK TWO (2), SEWARD'S ADDITION TO DUNDEE, IOWA ACCORDING TO PLAT RECORDED IN BOOK 1 PLATS, PAGES 109-110; AND THAT PART OF THE NORTHWEST QUARTER (NW 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION TWENTY SEVEN (27), TOWNSHIP NINETY (90) NORTH, RANGE SIX (6), WEST OF THE FIFTH P.M. DESCRIBED AS COMMENCING AT THE NORTHWEST CORNER OF SAID LOT FIVE (5), BLOCK TWO (2), SEWARD'S ADDITION TO DUNDEE, IOWA, AND RUNNING THENCE SOUTH ALONG THE WEST LINE OF SAID ADDITION NINETY NINE (99.0) FEET, THENCE WEST TO THE WEST LINE OF SECTION TWENTY SEVEN (27), THENCE NORTH NINETY NINE (99.0) FEET, THENCE EAST TO THE POINT OF BEGINNING.

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 $43,500.00 dated August 25, 2003 by Patrick K. Mescher and Marsha J. Mescher and First State Bank,
filed August 29, 2003 in Book 2003
Page 4205, assigned to Associated Mortgage, Inc.

Said Assignment of Mortgage dated August 25, 2003, executed by Patrick K. Mescher and Marsha J. Mescher, filed on August 29, 2003
in Book 2003, Page 4206, with the Delaware County Recorder's office.

Dated this 25th day of August, 2003

FIRST STATE BANK

By: _____
David R. Dudley, Executive Vice President

FIRST STATE BANK CORPORATE SEAL MANCHESTER

By: _____
Joseph Wiewel, President

STATE OF IOWA)
DELAWARE COUNTY) ss

On this 25th day of August, 2003, before me, the undersigned, a Notary Public in and for said County and State, personally appeared David R. Dudley and Joseph Wiewel, to me personally known, who being duly sworn, did say that they are the Executive 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 David R. Dudley 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.

SUSAN HEGGEMEIER NOTARIAL SEAL IOWA My Commission Expires 2-19-05

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Notary Public