DELAWARE COUNTY IOWA
FILED J
2004 JN -9 AM 9:31
BOOK 2004 PAGE 2063
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
16.00

PREPARED BY: Natalie L. Allen
First Federal Capital Bank
605 State Street La Crosse, WI 54601
608-796-4417

Parcel ID: 000630294108200

SUBORDINATION AGREEMENT

This Subordination Agreement is made this 14th day of May , 2004 , by and between PEOPLES STATE BANK ,
a corporation , with a place of business at 1218 WEST MAIN, MANCHESTER IA 52057
and First Federal Capital Bank , a corporation, with a place of business at 605 State Street ,
La Crosse, WI 54601 .

WHEREAS, DAVID W LAWSON AND SANDRA J LAWSON

"Borrower", executed and delivered to PEOPLES STATE BANK

a mortgage in the sum of FORTY FIVE THOUSAND & 00/100 Dollars
(U.S. $45,000.00) , dated 2/11/99 , and recorded on 2/17/99 , in Mortgage Book Volume 1999 ,
Page 554 , as Document in the records of Delaware County, Iowa ,
which mortgage is a lien on the following described real property in the State of Iowa .

THE EAST 42 FEET OF THE WEST 1/2 OF LOT 4, BURRINGTON'S ADDITION TO MANCHESTER, IOWA, ACCORDING TO PLAT RECORDED IN BOOK I L.D., PAGE 245.

Property Address: 304 E UNION, MANCHESTER, Iowa 52057

WHEREAS, the Borrower executed and delivered to First Federal Capital Bank, a mortgage in the sum of SEVENTY FOUR THOUSAND FIVE HUNDRED & 00/100 Dollars ,
(U.S. $74,500.00) , which mortgage is intended to be recorded in the records of Delaware County, Iowa .

WHEREAS, First Federal Capital Bank has required as a condition of its loan to Borrower that the lien of the mortgage executed by Borrower to PEOPLES STATE BANK be subordinated to the lien of the mortgage executed by Borrower to First Federal Capital Bank to which PEOPLES STATE BANK has agreed on the conditions provided herein.

NOW THEREFORE, intending to be legally bound hereby, the undersigned agree as follows:

1. That the lien of mortgage executed by the Borrower to PEOPLES STATE BANK is and shall be subordinated to the lien of the mortgage executed by the Borrower to First Federal Capital Bank , provided, however, that the lien of the mortgage to PEOPLES STATE BANK shall be subordinated to the lien of the mortgage to First Federal Capital Bank only to the extent that the lien of the mortgage to First Federal Capital Bank is, as a result of the Subordination Agreement, a validly perfect first lien security interest in the above-described property.

2. That the mortgage executed by the Borrower to PEOPLES STATE BANK is and shall be subordinated both in lien and payment to the mortgage executed by the Borrower to First Federal Capital Bank is, as a result of the Subordination Agreement, a validly perfect first lien security interest in the above described property.

3. That to the extent of the mortgage of First Federal Capital Bank is, as a result of this Subordination Agreement, a validly perfect first lien security interest in the above-described property, the lien of the mortgage executed by Borrower to First Federal Capital Bank shall not be affected or impaired by judicial sale under a judgment recovered under the mortgage made by the said Borrower to PEOPLES STATE BANK

but any such sale shall be subject to the lien of the said mortgage executed by the Borrower to First Federal Capital Bank , as well as any judgment obtained upon the bond or note secured thereby.

4. That First Federal Capital Bank shall notify PEOPLES STATE BANK in writing of any default under the terms of the mortgage executed by Borrower to First Federal Capital Bank .

IN WITNESS WHEREOF, the parties hereto have set their hands and seals hereto as of the date first above written.

PEOPLES STATE BANK N/K/A Citizens State Bank

By: Richard F. McMahon

Title: Assistant Vice President

STATE OF
COUNTY OF

On this 18 day of May, 2004, before me, the undersigned officer personally appeared _____, who acknowledged himself to be the Assistant Vice President of PEOPLES STATE BANK N/K/A Citizen State Bank and, being authorized to do so, executed the foregoing Subordination Agreement for the purpose therein contained by signing the name of the corporation by himself as .

IN WITNESS WHEREOF, I hereby set my hand and official seal.

Shelia D. Smith
Notary Public

SHELIA D. SMITH
Commission Number 196196
My Comm. Exp. 5-4-07

My Commission Expires

RETURN TO: Review, Packaging, & Shipping Dept
First Federal Capital Bank
P O Box 1868
La Crosse, WI 54602-1868

L116A