Iowa Title + Escrow Services
103 Commercial St
Waterloo IA
50701

DELAWARE COUNTY IOWA
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BOOK 204 PAGE 3163
DEBORAH L. HEFTON
DELAWARE CO RECORDER
12.00

Prepared by: Community Plus Credit Union 1200 W. Main St. Manchester, IA 52057 (563) 927-6187

When Recorded, Mail to:
Community Plus Credit Union
808 Wilson Ave
Cedar Rapids, IA 52404

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into effective the 12th day of August, 2004, by Community Plus Credit Union Cedar Rapids, Iowa ("Creditor").

RECITALS

WHEREAS Daniel and Denise Hutchinson ("Debtor(s)") is/are the owner(s) of real estate legally described as follows:

> Lot Eleven (11) of Subdivision of Lots Eleven (11) and Twelve (12) of Iowa Land Company's Addition to Manchester, Iowa, according to plat recorded in Book 1 plats, Page 8

(the "Real Estate"); and

WHEREAS Creditor is the owner of a mortgage lien in favor of Creditor and against Debtor, dated April 26,2002 filed May 1, 2002 in the office of the Delaware County Recorder in Book 2002 page 1673, in the original amount of $4,870.00; and

WHEREAS the mortgage is not yet fully satisfied and remains a lien on the Real Estate (the "Lien"); and

WHEREAS PHH Mortgage Services Mount Laurel, NJ (the "Lender") has agreed to lend funds to the Debtors, evidenced by a note (the "Note") and secured by a mortgage on the Real Estate (the "Mortgage"), copies of which are attached hereto and made a part hereof by this reference, conditioned upon the making of this Agreement by Creditor; and

WHEREAS Creditor is willing, in order to induce Lender to take the aforesaid action, to subordinate all of Debtor's indebtedness and obligations to Creditor pursuant to the mortgage lien, to all indebtedness and obligations of Debtor to the Lender pursuant to the Note and Mortgage;

NOW, THEREFORE, for and in consideration of the premises and of the making by lender to Debtor of the Loan, and for other good and valuable consideration, the receipt and sufficient of which are hereby acknowledged, Creditor agrees as follows:

1. Creditor hereby subordinates the Lien to the security interest of Lender pursuant to the Mortgage.

2. Creditor agrees that he will not seek to enforce the Lien or exercise any of his remedies against the Real Estate, including, without limitation, foreclosure or any other action or proceeding to sell or gain possession of the Real Estate for satisfaction of the Mortgage Lien, until all of Debtors' indebtedness to the Lender pursuant to the Note has been fully

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paid with interest, or until the Lender has first exercised any remedies against the Real Estate that Lender may have available to it pursuant to the Mortgage.

3. Creditor agrees that all of his right, title, and interest in and to the Real Estate and all proceeds derived by Creditor by recourse to such Real Estate shall be, in the first instance, for the benefit of Lender up to the amount of Debtors' indebtedness pursuant to the Note plus interest and collection cost, and thereafter, for the benefit of Creditor.

4. Creditor acknowledges and agrees that the priorities specified in this Agreement regarding the security interests in the Real Estate apply notwithstanding the time or order of attachment or perfection of such security interest or the time or order of the filing of financing statements evidencing the same.

5. The Lender shall not be deemed to have made a waiver of any right hereunder unless it is in writing and signed by or in behalf of the Lender.

6. Notice of acceptance by the Lender of this Agreement is hereby waived by the Creditor, and this Agreement and all of its terms and provisions shall be immediately binding upon the Creditor from the date of execution hereof.

7. Creditor agrees to execute all necessary documents, if any, to subordinate his Lien of the Real Estate to the Lender's interest therein.

8. This Agreement shall be governed by and construed in Accordance with the laws of the State of Iowa.

9. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Creditor and the Lender and their respective heirs, successors, and permitted assigns.

IN WITNESS WHEREOF, Creditor has executed this Agreement as of the day first above written.

Rae Dugan
Manager of Community Plus Credit Union

STATE OF IOWA)
COUNTY OF Delaware)

On this 13th day of August 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared T Rae Dugan, to me personally known, who being by me duly sworn, did say that she is the Mortgage loan mgr of said Corporation; that said foregoing Subordination Agreement was signed on behalf of said Corporation by the authority of its Board of Directors; and that the said Manager acknowledged the execution of the foregoing Subordination Agreement to be the voluntary act and deed of said Corporation, by it and by him voluntarily executed.

LINDSAY STRUBLE
Commission Number 721612
My Commission Expires
March 27, 2006

Lindsay Struble
Notary Public in and for the State of Iowa