

REC \$ 10.00
AUD \$ _____
R.M.F. \$ 100

FILED NO. 3054
BOOK 136 PAGE 230

96 MAY -7 PM 2: 52

COMPILED
RECORDED
COMPARED

MICHELLE UTSLER
RECORDER
MADISON COUNTY, IOWA

Prepared by Union State Bank, 201 West Court, Winterset, Iowa 50273

SUBORDINATION AGREEMENT

The undersigned is the owner and holder of a Real Estate Contract (hereinafter collectively called the contract) made by Janiece A. Schman A/K/A Janiece Ricklefs and Wade A. Schman (hereinafter called "Borrower") and recorded on the 20th day of June, 19 94 in the office of the Madison County Recorder of the County of Madison, State of Iowa in Book 133 of Deeds, at Page 87 and covering the following described premises (set forth legal description of property):

See Attached Exhibit A

The Borrower has applied for a secured loan in the amount of \$ 15,000.00 for a term of 48 months from Union State Bank (hereinafter called "Bank"). Bank has declined to make such a loan unless the undersigned subordinates its contract in the above described premises to Bank.

The proceeds of this proposed loan will be used for the following purposes: for the construction of a personal dwelling on the property.

Therefore, in order to induce Bank to make said loan to borrower, and in consideration of the consummation of said loan in reliance upon this Subordination Agreement, the undersigned hereby subordinates all right, title and interest under said outstanding contract of otherwise in and to the property described above as against said loan to be made by said Bank, in an amount not to exceed \$ 15,000.00, so that the mortgage to be executed by borrower to Bank shall grant a mortgage in said property superior to the outstanding contract the undersigned and superior to the indebtedness secured thereby, except as herein limited.

Bank may renew or extend the time of payment or otherwise alter the terms of any of the indebtedness of Borrower to Bank and may deal with the security in any way desired by Bank without impairing or affecting this Subordination Agreement and without incurring any liability thereby.

This Subordination Agreement shall be binding upon the successors and assigns the undersigned contract sellers and shall operate to the benefit of Lender, its successors and assigns.

NOTICE

ORAL OR IMPLIED CHANGES TO THIS OR ANY OTHER CREDIT AGREEMENT(S) (EXCEPT CONSUMER LOANS OR OTHER EXEMPT TRANSACTIONS) WITH THIS LENDER ARE NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON. IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE ALSO APPLIES TO ANY OTHER CREDIT AGREEMENTS (EXCEPT CONSUMER LOANS OR OTHER EXEMPT TRANSACTIONS) NOW IN EFFECT BETWEEN YOU AND THIS BANK.

The undersigned acknowledges receipt of a copy of this instrument.

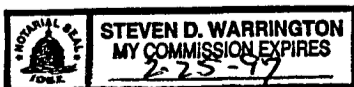
Dated this 7th day of May, 19 96

By: Michael W. Lathrum By: Arleen L. Lathrum
Michael W. Lathrum Arleen L. Lathrum

ACKNOWLEDGEMENT:

STATE OF Iowa, COUNTY OF Madison)SS. On this 7th day of May, 1996 before me, a Notary Public in the state of Iowa, personally appeared Michael W. Lathrum and Arleen L. Lathrum to me known to be the person(s) named in and who executed the foregoing instrument, and acknowledged that Michael L. Lathrum and Arleen L. Lathrum executed the same as their voluntary act and deed.

My commission expires:



Steven D. Warrington
(Notary Public)

Exhibit A

Legal Description:

Parcel "C" located in the Northwest Quarter ($\frac{1}{4}$) of the Southwest Quarter ($\frac{1}{4}$) of Section Seventeen (17) and in the East Half ($\frac{1}{2}$) of the Southeast Quarter ($\frac{1}{4}$) of Section Eighteen (18), in Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa, more particularly described as follows:

Beginning at the East Quarter Corner of Section Eighteen (18), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa; thence, along the North line of the Northwest Quarter ($\frac{1}{4}$) of the Southwest Quarter ($\frac{1}{4}$) of Section Seventeen (17), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa, North $85^{\circ}35'34''$ East 745.94 feet; thence South $04^{\circ}19'33''$ East 701.70 feet; thence South $00^{\circ}30'03''$ West 614.66 feet to the South line of said Northwest Quarter ($\frac{1}{4}$) of the Southwest Quarter ($\frac{1}{4}$); thence, along said South line, South $85^{\circ}44'52''$ West 799.25 feet to the Southwest Corner of said Northwest Quarter ($\frac{1}{4}$) of the Southwest Quarter ($\frac{1}{4}$); thence along the East line of the Southeast Quarter ($\frac{1}{4}$) of the Southeast Quarter ($\frac{1}{4}$) of Section Eighteen (18), Township Seventy-five (75) North, Range Twenty-six (26) West of the 5th P.M., South $00^{\circ}15'02''$ West 285.22 feet; thence North $87^{\circ}49'18''$ West 116.56 feet; thence North $02^{\circ}05'04''$ West 817.75 feet; thence North $88^{\circ}42'55''$ East 105.57 feet; thence North $06^{\circ}35'52''$ West 237.16 feet; thence North $20^{\circ}04'26''$ West 103.06 feet; thence North $02^{\circ}46'54''$ East 439.12 feet to the North line of the Northeast Quarter ($\frac{1}{4}$) of the Southeast Quarter ($\frac{1}{4}$) of said Section Eighteen (18); thence North $85^{\circ}50'01''$ East 89.24 feet to the Point of Beginning. Said Parcel "C" contains 27.733 Acres, including 0.133 Acres of County Road Right of Way