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BOOK 2001 PAGE 4991

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SUBORDINATION AGREEMENT

MICKI UTSLER
RECORDER
MADISON COUNTY, IOWA

NOTICE: This Subordination Agreement results in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument.

THIS SUBORDINATION AGREEMENT, made this _____ day of August, 2001, by First American Bank, as assignee of Brenton Bank, N.A. (hereinafter referred to as "Beneficiary") present owner and holder of the Mortgage and note first hereafter described, in favor of Wells Fargo Home Mortgage, Inc., (hereinafter referred to as "Lender")

WITNESSETH

THAT WHEREAS, Matthew S. Heckman and Renne D. Heckman, (hereinafter referred to as "Owner") did execute a Mortgage dated January 31, 2001 to Brenton Bank, covering that certain real property described as follows:

Parcel B located in the Southwest 1/4 of the Northwest 1/4 and of the Northwest 1/4 of the Southwest 1/4 of Section 23, Township 76 North, Range 27 West of the 5th P.M., Madison County, Iowa, as shown in Plat of Survey filed in Book 3 at Page 18 on June 13, 1997, in the Office of the Recorder of Madison County, Iowa

to secure a note in the sum of \$25,112.00 dated January 31, 2001, in favor of Brenton Bank, which Mortgage was recorded February 20, 2001, in Book 2001, at Page 560, Official Records of said county, and

WHEREAS, Owner has executed, or is about to execute a Mortgage (hereinafter referred to as "Lenders Security Instrument") and note not to exceed the sum of \$161,000.00 dated August 13, 2001, in favor of Lender, payable with interest and upon the terms and conditions described therein, which Lenders Security Instrument is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said Lenders Security Instrument last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Mortgage first mentioned, Owner has requested Beneficiary to subordinate Beneficiary's lien to the lien about to be taken by the Lender; and

WHEREAS, Lender is willing to make said loan provided the Lenders Security Instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Mortgage first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Mortgage first above mentioned to the lien or charge of the Lenders Security Instrument in favor of the Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Lenders Security Instrument securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Mortgage first above mentioned.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- 1) That said Lenders Security Instrument securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Mortgage first above mentioned.
- 2) That Lender would not make its loan above described without this subordination agreement.
- 3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Mortgage first above mentioned to the lien or charge of the Lenders Security Instrument in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the lien instruments hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to another Mortgage or Mortgages.

Beneficiary declares, agrees and acknowledges that:

- 1) It consents to and approves (i) all provisions of the note and Lenders Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- 2) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor

has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or part;

- 3) It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Mortgage first above mentioned in favor of the lien or charge upon said land of the Lenders Security Instrument in favor of Lender above referred to and understands that in reliance upon, and in consideration of this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- 4) An endorsement has been placed upon the note secured by the Mortgage first above mentioned that said Mortgage has by this instrument been subordinated to the lien or charge of the Lenders Security Instrument in favor of Lender above referred to.

NOTICE: This Subordination Agreement contains a provision which allows the person obligated on your real property security to obtain a loan, a portion of which may be expended for other purposes than improvement of the land.

BENEFICIARY:
FIRST AMERICAN BANK

By John T. Ollendick
John Ollendick
Jan

STATE OF IOWA, COUNTY OF POLK) SS.

On this 1 day of August, 2001, before me, the undersigned, personally appeared John Ollendick and to me personally known, who being by me duly sworn did say that he is the Executive Vice President of said First American Bank. The said John Ollendick acknowledged the execution of said instrument to be the voluntary act and deed of said First American Bank, by it and by him voluntarily executed.

Malinda Brady
NOTARY PUBLIC

