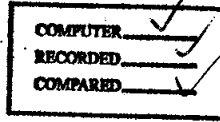


REC \$ 5<sup>00</sup>  
AUD \$  
R.M.F. \$ 1<sup>00</sup>



CC

Prepared by: Steven D. Geiger, Principal Residential Mortgage, Inc., 2829 Westown Pkwy, Suite 330, West Des Moines, Iowa 50266 515-221-7900

**SUBORDINATION OF MORTGAGE**

This instrument is made as of August 15, 2002, by Iowa State Savings Bank ("Lienholder"). Lienholder is the holder of a note secured by a mortgage (the "Second Mortgage") on the Mortgaged Property, dated April 3, 2002, executed by Daniel F. Wells and Denna M. Wells and recorded on April 17, 2002 in Book 2002, at Page 1816, as Instrument 001816, in the real estate records of Madison County, Iowa, pertaining to the real estate located at 1765 Earlham Rd, Winterset, Iowa 50273 and further described as follows (the "Mortgaged Property"):

Parcel "C" located in the Southeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Twelve (12), Township Seventy-six (76) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa, as shown in Plat of Survey filed in Book 2, Page 526 on December 12, 1994 in the Office of the Recorder of Madison County, Iowa.



The Second Mortgage held by Lienholder is junior and subordinate to a mortgage (the "First Mortgage") held by Principal Residential Mortgage, Inc. on the Mortgaged Property. Daniel F. Wells and Deena M. Wells, the owner ("Owner") of the Mortgaged Property desires to refinance the First Mortgage loan on the Mortgaged Property.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lienholder agrees as follows:

The Second Mortgage held by Lienholder shall be subject and subordinate to a new mortgage ("New Mortgage") securing a loan originated by Principal Residential Mortgage, Inc. pertaining to the Mortgaged Property and securing a note in the amount of One Hundred Fifty-nine Thousand Five Hundred and Seventy-five Dollars (\$159,575), filed on the 27 day of August, 2002, in Book 2002, Page 4199, in the office of the Madison County, Iowa recorder.

Lienholder acknowledges that Principal Residential Mortgage, Inc. is relying on this instrument in making the loan secured by the New Mortgage. Lienholder agrees that the New Mortgage shall have the same validity, priority, and effect as if executed, delivered and recorded prior to the date of the Second Mortgage, provided, however, that nothing in this instrument shall in any way alter, change or modify the terms and conditions of the Second Mortgage, or in any way release or affect the validity or priority of the Second Mortgage, except as provided herein.

Entered into this 15th day of August, 2002.

Iowa State Savings Bank  
(Lienholder)

By: Lee McNichols  
Name: LEE McNICHOLS  
Title: Sr VP @ Cashier

By: Linda L. Clark  
Name: V-PRES LINDA L. CLARK  
Title: V. PRESIDENT

STATE OF IOWA )  
 ) ss.  
COUNTY OF UNION )

On this 15th day of August, 2002, before me, a Notary Public, personally appeared Lee McNichols and Linda L. Clark, to me personally known to be the Sr. Vice President and Vice President of Iowa State Savings Bank, and who being by me duly sworn, subscribed their name to the foregoing instrument as an officer of said corporation and acknowledged the execution of such instrument as the voluntary act and deed of said corporation.

My Commission expires: 02-03-05

Joann Moore  
Notary Public

