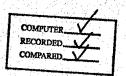
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PREPARED BY: K. WRIGHT 711 HIGH ST. DM IA 50392 PH . 557-9621

This instrument is made as of January 10, 2003, by Principal Residential Mortgage ("Lienholder"), a financial institution, having its principal place of business at Des Moines, IA.

## RECITALS

A. Lienholder is the holder of a note secured by a mortgage (the "Second Mortgage") on the Mortgaged Property, dated January 6, 2001, executed by Susan J. Stone and recorded on January 9, 2001 in Book 2001, at Page 90, in the real estate records of Madison County, IA, pertaining to the real estate located at 2919 Homestead Ave, Lorimor, IA 50149 and further described as follows (the "Mortgaged Property"):

Parcel "B" located in the Northwest Quarter (NW1/4) of the Northeast Quarter (NE 1/2) of Section Eight (8), Township Seventy-four (74) North, Range Twenty-eight (28) West of the 5th P.M., Madison County, Iowa, as shown in Plat of Survey filed in Book 1, Page 325 on May 31, 1985, in the Office of the Recorders of Madison Iowa.

B. 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. Susan J. Stone, 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:

- 1. 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, Incorporated pertaining to the Mortgaged Property and securing a note in an original principal amount not to exceed Eighty-four thousand six hundred Dollars (\$84,600.00), bearing interest at a rate not to exceed Six and one half percent (6.5%) per annum, and made primarily for the purpose of refinancing the First Mortgage Ioan.
- 2. 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 10th day of January,

Farmers & Merchants State Bank ("Lienholder")

Name:Tim J Title: Vice President

STATE OF	Iowa	)				
COUNTY OF	Madison	) ss.				
Tim J. Ret of Farmers & the foregoing in	Merchants States	e Bank and wh	personally known to being by me du	1	President	ured, me to
	STACI L. SHORT Commission Number 706	ed of said corpo	pration.	200 +1		

My Commission Expires:

Document prepared Principal Residential Mortgage, Inc. Sub-mrtg.dot

Notary Public