

REC \$ 10⁰⁰
AUD \$
R.M.F. \$

FILED NO: 3627

BOOK 2003 PAGE 3627

2003 JUN 23 PM 2:05

COMPUTER	<input checked="" type="checkbox"/>
RECORDED	<input checked="" type="checkbox"/>
COMPARED	<input checked="" type="checkbox"/>

CC
CC

MICKI UTSLER
RECORDER

Preparer: Farmers & Merchants State Bank, 101 W. Jefferson, PO Box 29, Winterset, IA 50273 (515) 462-4381, IOWA

SUBORDINATION AGREEMENT

WHEREAS, Leo Hensley and Judy Hensley, husband and wife, (hereinafter called "Borrower") granted to Farmers and Merchants State Bank, a mortgage in the principal amount of \$30,000.00, dated August 7, 2002 and filed August 13, 2002, in Mortgage Record 2002, Page 3949 of the Recorder's Office of Madison County, Iowa, covering and encumbering the following described real estate:

Parcel "H" located in the Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4) of Section Three (3), Township Seventy-Six (76) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa, as shown in Corrected Plat of Survey Filed in Book 3, Page 297 on July 24, 1998, in the Office of the Recorder of Madison County, Iowa, and Corrected by Affidavit filed in Book 45, Page 241 on July 30, 1998.

WHEREAS, the Borrower has applied for a secured loan in the amount of \$122,998.00 for a term of 336 months from Washington Mutual Bank, FA (hereinafter called "Lender"). Washington Mutual Bank, FA has declined to make such loan unless the undersigned Bank subordinates its mortgage in the above-described property to Lender.

NOW THEREFORE, in order to induce Lender to make said loan to Borrower, and in consummation of said loan in reliance upon this Subordination Agreement, Farmers and Merchants State Bank does hereby subordinate its mortgage described above recorded in Mortgage Record 2002, Page 3949 of the Recorder's Office of Madison County, Iowa, in favor of Washington Mutual Bank, FA, in an amount not to exceed \$124,000.00, so that the mortgage to be executed by Borrower to Lender shall grant a lien in said property superior to the outstanding mortgage of Farmers & Merchants State Bank, except as herein limited.

IN ALL OTHER respects said mortgage of Farmers and Merchants State Bank and its priority position as to all other liens on said property, not specifically mentioned herein shall remain in full force and effect.

THIS SUBORDINATION AGREEMENT shall be of no force or effect unless the proposed loan from the Lender to the Borrower is completed within 60 days from the date of this agreement and the proceeds are used to pay off the Mortgage dated May 7, 2001 in Book 2001, Page 1830 of the Recorder's Office of Madison County, Iowa.

THIS SUBORDINATION AGREEMENT shall be binding upon the successors and assigns of the undersigned Bank and shall operate to the benefit of the Lender, its successors and assigns.

Dated this 6th day of June, 2003.

FARMERS & MERCHANTS STATE BANK

By: Tim J. Rethmeier, VP
Tim J. Rethmeier
Vice President

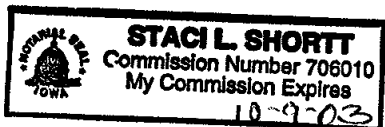


STATE OF IOWA, COUNTY OF MADISON, ss:

On this 6th day of June, 2003, before me, the undersigned, a Notary Public in and for the State, personally appeared Tim J. Rethmeier to me personally known, who being by me duly sworn, did say that they are the Vice President of the corporation executing the within and foregoing instrument to which this is attached, that (the seal affixed thereto is the seal of the) corporation; that the instrument was signed (and sealed) on behalf of the corporation by authority of its Board of Directors; and that Tim J. Rethmeier as officer acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.

Staci Shortt
Notary Public in and for said State.

Acknowledgment: For use in the case of corporations



Escrow File No.: 1016467VT

EXHIBIT "A"

THE FOLLOWING REAL PROPERTY IN THE CITY OF WINTERSET, COUNTY OF MADISON, STATE OF IOWA, TO-WIT:

PARCEL "H" LOCATED IN THE SOUTHEAST QUARTER (SE 1/4) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION THREE (3), TOWNSHIP SEVENTY-SIX (76) NORTH, RANGE TWENTY-SEVEN (27) WEST OF THE 5TH P.M., MADISON COUNTY, IOWA, AS SHOWN IN CORRECTED PLAT OF SURVEY FILED IN BOOK 3, PAGE 297 ON JULY 24, 1998, IN THE OFFICE OF THE RECORDER OF MADISON COUNTY, IOWA, AND CORRECTED BY AFFIDAVIT FILED IN BOOK 45, PAGE 241 ON JULY 30, 1998.

BY FEE SIMPLE DEED FROM LOUIS G. VAN DAELE, TRUSTEE OF THE LOUIS VAN DAELE REVOCABLE TRUST UNDER TRUST AGREEMENT DATED JULY 30, 1998 AS SET FORTH IN DEED BOOK 142 AT PAGE 800 RECORDED ON 8/1/2000, MADISON COUNTY RECORDS.