

MICHELLE UTSLER, COUNTY RECORDER  
MADISON IOWA

*LNCA*

Prepared by: Linda Navrkal, First State Bank Iowa, 201 N. 3<sup>rd</sup> St., P.O. Box 200, Polk City, IA 50226 515984-7100

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

SUBORDINATION AGREEMENT

The following agreement is made this October 12, 2005, by and between Paul D. Ferguson and Gayle Ferguson, herein referred to as "Mortgagor", Earlham Savings Bank, herein referred to as "Mortgagee"; and First State Bank Iowa, herein referred to as "Lender".

WHEREAS, Mortgagor executed a mortgage in favor of the Earlham Savings Bank that was recorded on February 9, 2004 in Book 2004, Page 584 of the records of Madison County, Iowa, for the following described real estate:

Lots One (1) and Two (2) of Eastern Red Cedar Subdivision, a Replat of parcel "D" with exception of Parcel "J" of said Parcel "D", located in Section Three (3), Township Seventy-six (76), North, Range Twenty-seven (27), West of the 5<sup>th</sup> P.M., Madison County, Iowa



Mortgagor is now obtaining a loan in the amount of \$256,000.00 from Lender which will also be secured by a mortgage on the real estate described above. To induce Lender to make this loan, the mortgage to the Lender will, as a result of this subordination agreement, have priority over the mortgage of Mortgagee to Mortgagee described above.

Mortgagee is willing and agreeable to subordinate the lien of its mortgage described above to the mortgage to be executed by Mortgagor to Lender insofar as it encumbers the above described real estate, in order that Mortgagor may obtain a loan from and execute a mortgage to Lender.

NOW, THEREFORE, it is agreed as follows:

As an inducement to Lender to grant the loan to Mortgagor, Mortgagee herein does hereby subordinate the above described mortgage in favor of Mortgagee to the loan and mortgage in favor of Lender that is being recorded in Madison County, Iowa currently with this subordination agreement. The parties hereto further declare that the lien of the mortgage in favor of Lender shall be, and is in all respects, a lien prior and superior to the lien of the mortgage in favor of Mortgagee herein, so far as it relates to the above described real estate.

This agreement inures to the benefit of and is binding on all parties hereto and to their successors and assigns.

Paul D. Ferguson  
Paul D. Ferguson Mortgagor

Earlham Savings Bank, Mortgagee  
By James L. Adkins - Vice President  
Gayle L. Ferguson  
Gayle L. Ferguson Mortgagor

First State Bank Iowa, Lender  
Thomas J. Friedman  
By: Thomas J. Friedman, Market President

Personal Acknowledgment

STATE OF IOWA )  
COUNTY OF Polk ) ss.

This instrument was acknowledged before me on October 12, 2005 by Paul D. Ferguson  
and Gayle L. Ferguson

NOTARY PUBLIC  
Linda Navrkal

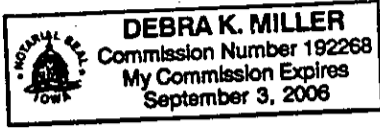


Corporate Acknowledgmet

STATE OF IOWA )  
COUNTY OF Madison ) ss.

This instrument was acknowledged before me on 10-12-05 by James L. Adkins, the  
Vice President of Earlham Savings Bank

Debra K. Miller

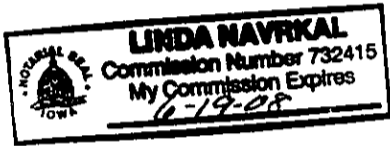


NOTARY PUBLIC

Corporate Acknowledgement

STATE OF IOWA )  
COUNTY OF Polk ) ss.

This instrument was acknowledged before me on 10-12-05 by Thomas J. Friedman, the  
Market President of Frist State Bank Iowa



NOTARY PUBLIC

Linda Navrkal