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LISA SMITH, COUNTY RECORDER  
MADISON IOWA

*mca*

Prepared by: Bob Douglas, Davis Law Firm, 666 Walnut Street, Suite 2500, Des Moines, Iowa 50309 (515)-288-2500

### SUBORDINATION

This Subordination is entered into this 9th of May, 2007, by First National Bank in Creston ("Subordinator") for the benefit of Iowa Bankers Mortgage Corporation, its successors and assigns ("Beneficiary").

### WITNESSETH:

WHEREAS, the Subordinator has previously received a mortgage from Donald R. Schulz and Patty Jo Schulz, husband and wife which is recorded in Book 2007, Page 1784 of the Madison County Recorder's Office ("Subordinated Mortgage"); and

WHEREAS, Beneficiary has entered into a transaction with Donald R. Schulz and Patty Jo Schulz, husband and wife, to refinance the first mortgage lien on the real estate but requires that its mortgage recorded in Book 2007, Page 2021 ("New Mortgage") be a first lien on the real estate; and

WHEREAS, Subordinator is agreeable to subordinating the Subordinated Mortgage to the lien of the New Mortgage;

NOW, THEREFORE, in and for the considerations set forth herein, receipt of which is acknowledge as being received and adequate by the Subordinator, the parties agree as follows:

1. Subordinator, being the present owner and holder of the Subordinated Mortgage does hereby COVENANT, STIPULATE, and AGREE with Beneficiary that the Subordinated Mortgage is hereby expressly SUBORDINATED AND MADE SECONDARY AND INFERIOR, to the New Mortgage, as if the New Mortgage had been filed in the Madison County Recorder's Office prior to the Subordinated Mortgage. This Agreement shall extend to any renewal, extension or rearrangement of all or any part of the debt secured by the New Mortgage, and notice of any such renewal, extension or rearrangement and the consent thereto by Subordinator, its successors or assigns shall not be necessary.

2. Subordinator stipulates and agrees that a foreclosure by the Beneficiary of its lien against all or any part of the real estate secured by the New Mortgage shall operate fully to

foreclose, extinguish and discharge all liens, mortgages, encumbrances, security interests and assignments created under, renewed or extended under or existing by virtue of the Subordinated Mortgage, and any purchaser at such foreclosure sale or sales or any grantee in a conveyance in lieu thereof shall take title to the property so sold free and clear of the Subordinated Mortgage.

3. This Agreement shall be binding upon both parties, their successors and assigns, including each and every subsequent owner and holder of the Subordinated Mortgage and the New Mortgage, and the terms hereof shall inure to the benefit of the Beneficiary, its successors and assigns, including, without limitation, each and every subsequent owner and holder of the New Mortgage, or any renewal, extension or rearrangement thereof.

IN WITNESS WHEREOF, the parties have executed this Subordination Agreement on the day and year first above stated.

First National Bank in Creston

By:

Rick Schmitz V.P.

Title: Rick Schmitz, Vice President

STATE OF IOWA                    )  
                                                  ) ss.  
COUNTY OF UNION                    )

On this 9th day of May, 2007, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Rick Schmitz to me personally known, who being duly sworn, did say that said person is a Vice President of said corporation executing the within and foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and that the said Vice President as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it and by said officer voluntarily executed.



Ruth Leiser  
Notary Public in and for the State of Iowa