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LISA SMITH, COUNTY RECORDER
MADISON IOWA

Prepared by: Duane Gordon, Union State Bank, 201 West Court, Winterset, Iowa 50273

SUBORDINATION AGREEMENT

The undersigned Individual is the owner and holder of a mortgage (hereinafter collectively called the Mortgagee") made by Gary L. and Sarah Cochran (hereinafter called "Borrower") and recorded on the 6th day of September, 2005 in the office of the Madison County Recorder of the County of Madison, State of Iowa in Book 2005 of Mortgages, at Page 4311 and another mortgage recorded at the Madison County Recorders office on December 4, 2006 in book 2006 on page 5005 covering the following described premises (set forth legal description of property):

(TRACT 1)

Lot Three (3) of the Final Plat of Berglund Rural Estates Sub-District in the Northwest Quarter (1/4) of Section Thirty-two (32), in Township Seventy-seven (77) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa.

(TRACT 2)

All that part of Lot Four (4) lying North of the following described line: Beginning at a point on the East line of said Lot Four (4) 30 Feet South of the Northeast corner of said Lot Four (4), thence North 88°32' West 190.8 feet, thence North 58°37' West 316.5 feet to the Northeast corner of Lot Seven (7), thence West along the North line of said Lot Seven (7) a distance of 160.2 feet; and a tract of land described as follows, to-wit: Beginning at the Northeast corner of Lot Seven (7), thence West along the North line of said Lot Seven (7) a distance of 160.2 feet, thence South 20°12' East 464.8 feet to the Southeast corner of said Lot Seven (7), thence North 435.6 feet to the point of beginning; all in the Final Plat of Berglund Rural Estates Sub-District in the Northwest Quarter (1/4) of Section Thirty-Two (32), in Township Seventy-seven (77) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa.



The Borrower has applied for a secured loan in the amount of \$170,000 for a term of Thirty (30) years from Union State Bank (hereinafter called "Lender"). Lender has declined to make such a loan unless the undersigned subordinates its contract in the above described premises to lender.

Therefore, in order to induce Lender to make said loan to borrower, and in consideration of the consummation of said loan in reliance upon this Subordination Agreement, the undersigned hereby subordinates all right, title and interest under said outstanding contract of otherwise in and to the property described above as against said loan to be made by said Bank, in an amount not to exceed \$170,000 so that the mortgage executed by borrower to Lender shall grant a lien in said property superior to the outstanding contract of the undersigned, except as herein limited.

The mortgage shall otherwise remain in full force and effect, the subordination herein provided being limited in application to the original term of the proposed loan herein set forth.

This Subordination Agreement shall be of no force or effect unless the proposed loan from Lender to Borrower is completed with 60 days from date of this Subordination Agreement.

This Subordination Agreement shall be binding upon the successors and assigns of the undersigned and shall operate to the benefit of Lender, its successors and assigns.

NOTICE

ORAL OR IMPLIED CHANGES TO THIS OR ANY OTHER CREDIT AGREEMENT(S) (EXCEPT CONSUMER LOANS OR OTHER EXEMPT TRANSACTIONS) WITH THIS LENDER ARE NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON. IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE ALSO APPLIES TO ANY OTHER CREDIT AGREEMENTS (EXCEPT CONSUMER LOANS OR OTHER EXEMPT TRANSACTIONS) NOW IN EFFECT BETWEEN YOU AND THIS BANK.

The undersigned acknowledges receipt of a copy of this instrument.

Dated this 13th day of June, 2007.

Polk County Bank

By:

By:

ACKNOWLEDGMENT:

STATE OF IOWA)
) ss
COUNTY OF Polk)

On this 13th day of June, 2007, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Tim Rhoades, COO & Dan Hawkins, VP me personally known, who, being by me duly sworn, did say that they are the COO & VP respectively, of the corporation, executing the foregoing instrument, that (no seal) on behalf of the corporation by authority of its Board of Directors: that COO & VP acknowledged the execution of the instrument to be the voluntary act and deed of the corporation by it voluntarily executed.



Krissy Allen
NOTARY PUBLIC IN AND FOR THE STATE OF IOWA