



Document 2012 1155

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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

PREPARED BY AND RETURN TO: Charter Bank, 455 6th Street, PO Box 550, Waukee, IA 50263 ph: (515) 987-1000

**SUBORDINATION AGREEMENT
(Real Estate)**

The undersigned is the owner and holder of a note and mortgage (hereinafter collectively called the "Mortgage") made by Richard Arnold and Cynthia Arnold, as Husband and Wife (hereinafter called "Borrowers") and recorded on the 12th day of June, 2007 in the office of the Madison County Recorder of the County of Madison, State of Iowa in Book 2007 of Mortgages, at Page 2385 and covering the following described premises (set forth legal description of property):

Lot Sixteen (16) of Prairie Ridge Estates located in the North Half (1/2) of the Northeast Quarter (1/4), the Southwest Quarter (1/4) of the Northeast Quarter (1/4), and the Northeast Quarter (1/4) of the Northwest (1/4) of Section Twenty (20), Township Seventy-seven (77) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa, together with the undivided percentage interest in the general common elements as set forth in the Declaration of Association for Prairie Ridge Estates Association filed in Book 2002, Page 2126 of the Madison County Recorder's Office

The Borrower has applied for a secured loan in the amount of \$152,229.32 for a term of 1 Year from Charter Bank (hereinafter called "Bank"). Bank has declined to make such a loan unless the undersigned subordinates its mortgage in the above described premises to Bank.

The proceeds of this proposed loan will be used for the following purposes:

Rate and Term Refinance

Therefore, in order to induce Bank 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 mortgage or otherwise in and to the property described above as against said loan to be made by said Bank, in an amount not to exceed \$152,229.32, so that the mortgage to be executed by Borrower to Bank shall grant a mortgage in said property superior to the outstanding Real Estate contract of the undersigned and superior to the indebtedness secured thereby, except as herein limited.

Bank may renew or extend the time of payment or otherwise alter the terms of any of the indebtedness of Borrower to Bank and may deal with the security in any way desired by Bank without impairing or affecting this Subordination Agreement and with out incurring any liability thereby.

This Subordination Agreement shall be binding upon the successors and assigns of the Bank 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.

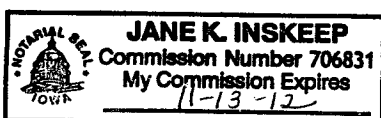
Dated this 20th day of April, 2012.

Charter Bank

by: Greg W. Grote
Greg W. Grote, Assistant Vice President

STATE OF IOWA)
COUNTY OF DALLAS) ss:

On this 20th day of April, 2012, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Greg W. Grote, to me personally known, who, being by me duly sworn, did say that he is the Assistant Vice President, of the corporation, executing the foregoing instrument, 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; that the Assistant Vice President, acknowledged the execution of the instrument to be the voluntary act and deed of the corporation by it voluntarily executed.



Jane K. Inskeep
Notary Public in and for the State of Iowa