COMM. BANK OF OELWEIN
P.O. BOX 71
OELWEIN, IA. 50662

DELAWARE COUNTY IOWA
FILED
1999 SP -8 PM 4: 15

149 3159
MISC

THIS DOCUMENT PREPARED BY: James C. Holmes of Holmes and Holmes, 222-3rd Street SE, Rm 314, Cedar Rapids, IA 52401-1515 319-365-6258

CONDITIONAL SUBORDINATION AGREEMENT

Agreement made between Guaranty Bank and Trust Company (mortgagee) and Community Bank of Oelwein (lender). The parties recite and declare that:

a. Mortgagee is the owner and holder of a certain note dated September 21, 1998, in the principal sum of One Hundred Twenty-five Thousand Dollars ($125,000.00) secured by a mortgage for such sum made by Joel D. Reinert and Janet M. Reinert, husband and wife, to mortgagee recorded September 23, 1998, in Book 50, page 82, Delaware County, Iowa Recorder's Office, covering the following described real estate:

Lot Three (3) of West Commercial Subdivision, Part of the Northwest Quarter (NW¼) of the Northeast Quarter (NE¼) of Section Thirty-one (31), Township Eighty-nine North (T89N), Range Five West (R5W) of the Fifth Principal Meridian, City of Manchester, Delaware County, Iowa

b. Lender is about to loan Five Hundred Thousand Dollars ($500,000.00) on the note of Joel D. Reinert and Janet M. Reinert, husband and wife, secured by a mortgage on and covering the above described premises.

c. To induce lender to make such loan, it is necessary that the mortgage held by mortgagee be subordinated to the lien of the mortgage about to be made to lender as set forth above.

d. Mortgagee is willing to subordinate its lien on the above premises to the mortgage about to be made to lender if, and only if, the proceeds of lender's mortgage are applied: 1) to pay off any lien prior in order to mortgagee's lien, and/or 2) to pay to complete the construction of the buildings or any other improvements on the above premises.

For the reasons set forth above, and in consideration of lender paying mortgagee One Dollar ($1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, mortgagee hereby covenants, consents and agrees with lender that the above-mentioned mortgage held by mortgagee shall be subject and subordinate in lien to the lien of the mortgage about to be made to lender as stated above only to the extent that lender can show that the proceeds of its mortgage are applied: 1) to pay off any lien prior in order to mortgagee's lien, and/or 2) to pay to complete construction of the buildings or any other improvements on the above premises.

This agreement shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this agreement on this 7TH day of SEPTEMBER, 1999.

COMMUNITY BANK OF OELWEIN

By _____
Dan R. Crandall, Executive Vice Pres.

GUARANTY BANK AND TRUST COMPANY

By _____
Gary L. Williams, Vice-President

STATE OF IOWA)
: SS :
COUNTY OF FAYETTE)

This instrument was acknowledged before me on this 7th day of September, 1999, by Dan R. Crandall as Executive Vice President of Community Bank of Oelwein.

JAMES E. MUELLER
MY COMMISSION EXPIRES
11-24-01

_____
Notary Public in and for the State of Iowa

STATE OF IOWA)
: SS :
COUNTY OF LINN)

This instrument was acknowledged before me on this 7TH day of SEPTEMBER, 1999, by Gary L. Williams as Vice-President of Guaranty Bank and Trust Company.

BRIAN C. ROOD
MY COMMISSION EXPIRES
3/10/99

_____
Notary Public in and for the State of Iowa