

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MARGARETTE CLEVELAND
RECORDER

SUBORDINATION AGREEMENT

THIS AGREEMENT, made this 30th day of April, 1996, by **Vito J. Sgambelluri and Lillian Sgambelluri**, owner(s) of the land hereinafter described and hereinafter referred to as "Owner", and **UNITED STATES OF AMERICA DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**, the holder of a certain mortgage or deed of trust first described below and hereinafter referred to as "Mortgagee";

WITNESSETH

THAT WHEREAS Owner did execute a mortgage or deed of trust dated Nov. 14, 1991 in favor of Mortgagee, covering the following described real property and improvements:

Part of the south half of the southeast quarter of the northwest quarter of section 4, Township 35 north, range 8 west of the 2nd P. M., in Lake County, Indiana; described as follows: beginning at a point which is 187.83 feet south of the north line and 647.60 feet east of the west line; thence east parallel to the north line 100 feet; thence south parallel to the west line 195.76 feet; thence west 100 feet to a point which is 647.60 feet east of the west line and 384.04 feet south of the north line; thence north 197.21 feet to the place of beginning.

commonly known as **Mortgagor Address:**

959 W. 56th Pl.
Merrillville, IN 46410

to secure a note in the sum of \$13,000.00, dated Nov 14, 1991 in favor of Mortgagee, which mortgage or deed of trust was recorded on Dec 5, 1991, as Document Number 91062330, of the official records of Lake County, IN, being HUD Section 312 Loan No. 8046856, and

WHEREAS, Owner has executed, or is about to execute, a deed of trust or mortgage and note in the sum of \$59,000.00 in favor of Citizens Financial Services* here after referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust or mortgage is to be recorded concurrently therewith; and

*Mortgage recorded May 7, 1996, as Document No.

WHEREAS, it is a condition precedent to obtaining said loan that the deed of trust or mortgage so described shall be a first lien on said described property, superior to the lien of the Mortgagee; and

WHEREAS, Lender is willing to make said loan provided that the Mortgagee will specifically and unconditionally subordinate its lien in favor of the Lender in the amount so described above; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender shall make such loan to the Owner; and Mortgagee is willing to allow the new loan so provided to be a superior lien above Mortgagee's interest in said property

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Mtg # 96030237

Chicago Title Insurance Company

1687

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Lender to make the loan so described above, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust or mortgage securing the note in favor of Lender, and any renewals or extensions thereof, shall be unconditionally and at all times a lien on the subject property, prior and superior to the lien or charge of Mortgagee's deed of trust or mortgage.
- (2) That Lender would not make its loan without this subordination agreement.
- (3) That this agreement shall constitute the whole and only agreement of the parties with regard to the subordination of the lien or charge of the deed of trust or mortgage first mentioned above to the lien in favor of Lender and shall supersede and cancel, but only insofar as it affects the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the deed of trust or mortgage of Mortgagee which provide for its subordination to another deed of trust or mortgage other than Lender's and which the proceeds from Lender's loan shall be used to satisfy.

Mortgagee declares, agrees and acknowledges that:

- (a) it consents to and approves all provisions in the note and deed of trust or mortgage in favor of Lender, and all agreements, including but not limited to any loan or escrow arrangements, for disbursement of the proceeds of such loan;
- (b) Lender in making disbursements under such loan is under no obligation or duty to, nor has Lender represented that it will, see to the application of any proceeds of such loan except to the extent specifically provided in this agreement or for disbursements which shall be used to satisfy the current first mortgage lien which Lender's loan shall replace;
- (c) it intentionally and unconditionally waives, relinquishes and subordinates the lien of the Mortgagee in favor of the lien to be imposed by the Lender and understands that in reliance thereon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being made by Lender, and certain monetary and other obligations are being entered into by the Owner and Lender which would not otherwise be made or entered into except in reliance upon this subordination agreement.

IN WITNESS THEREOF, the parties have set their signatures and seals the day and date indicated.

AS TO MORTGAGEE:
Signed, sealed & delivered
in the presence of:

Carole A. Dewey

THE UNITED STATES OF AMERICA, by
and through the Secretary of THE
DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

This Document is the property of
Lake County Recorder!
By *[Signature]*
William D. Hanson

AS TO OWNER:

Vito J. Sgambelluri
Vito J Sgambelluri



Lillian Sgambelluri
Lillian Sgambelluri

