

SUBORDINATION AGREEMENT

4042 Lake Falls
498319 plg

Whereas, Jay R. Hamby and Teralyn A. Hamby
(hereinafter called the "debtor"), is desirous of borrowing money
and otherwise acquiring the extension of credit from
Lake Federal Savings & Loan, located in 7048 Kennedy Ave.
Hammond, Indiana 46323 (hereinafter called the
"Lender". And whereas, the lender, as a condition to it loaning
money to the debtor, has demanded that the undersigned as a
creditor of the debtors, subordinate his or their debt or claim
to the debt or claim of the Lender.

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NOW THEREFORE, as an inducement to said lender to loan money
and/or extend credit to said debtor, and in consideration of
a mortgage loan to be made to said Debtor by said Lender, the
undersigned agrees that a certain mortgage of the Debtor to the
undersigned creditor, which shall be evidenced by a Real Estate
Mortgage dated June 20, 1995, in the amount of \$18,205.20 and as
identified as document # 95036693 as recorded in Lake County,
Indiana; shall be and is hereby subordinated to the mortgage debt
of said lender. Mortgage of said lender shall be evidenced by a
mortgage document dated JUNE 19, 1998,* in the amount of
\$ 89,000.00 on property located at 3255 170th Place, Hammond,
Indiana, and legally described as : recorded June 25, 1998, Doc. # 98047848

Lot 6, Parrish Park Third Subdivision, as shown in Plat Book 065, page 28,
Lake County, Indiana.

Commonly described as follows: 3255 170th Place, Hammond, Indiana 46323

Moreover, the undersigned agrees that this agreement and
subordination provided for herein shall be equally effective in
case of the death, incompetency, dissolution, liquidation or
insolvency of, or the institution of bankruptcy or receivership
proceeding against the Debtor, or the administration or the
property or affairs of said Debtor arising from or in the
connection with bankruptcy, receivership, liquidation, assignment
or other like proceedings, and in any case, said Lender shall be
subrogated to, and entitled to file claims for, the and other
liabilities of said Debtor to the undersigned, and shall be
entitled to all dividends or other payments made therein, to be
taken and applied by said Lender as payment in gross upon its
said debts and liabilities until the same shall have been paid in
full, provided, however, that upon the full payment of the debts
and liabilities of said Lender, the undersigned shall be

Chicago Title Insurance Company

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subrogated (to the extent such dividends and other payments are applied on the debts and liabilities of said Lender) to the debts and liabilities of said Lender and entitled to all dividends and other payments thereafter made thereon.

Dated and executed at Hammond, Indiana, this
9th day of June, 1998

BANK CALUMET, NATL. ASSN. By:

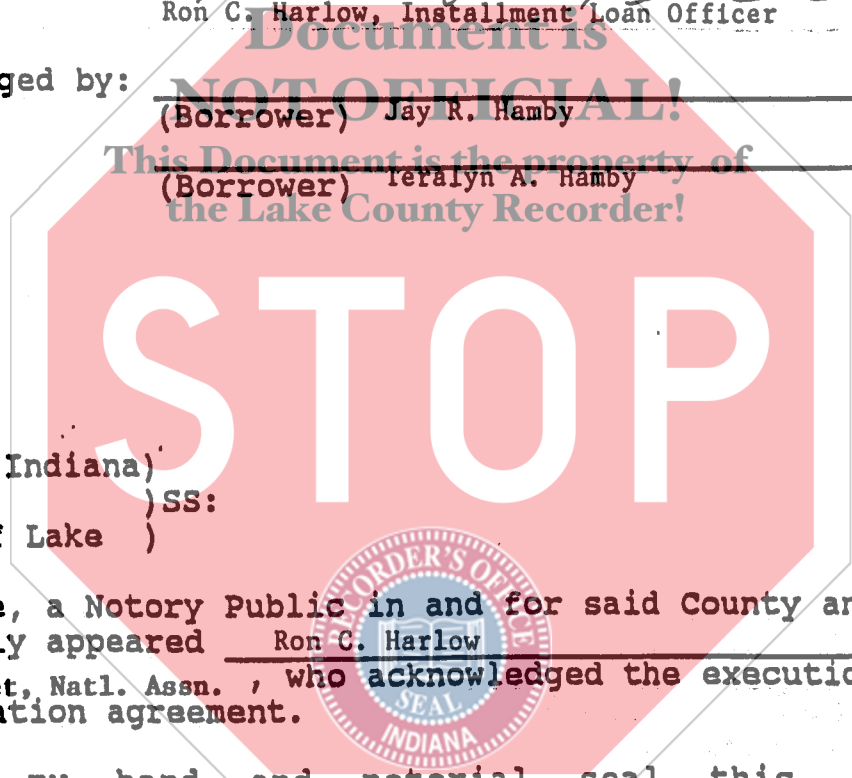
Ron C. Harlow
Ron C. Harlow, Installment Loan Officer

Acknowledged by:

Jay R. Hamby
(Borrower)

Teralyn A. Hamby
(Borrower)

This Document is the property of
the Lake County Recorder!

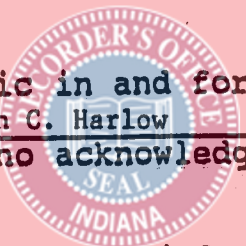


State of Indiana)

)SS:

County of Lake)

Before me, a Notary Public in and for said County and State personally appeared Ron C. Harlow of Bank Calumet, Natl. Assn., who acknowledged the execution of said subordination agreement.



Witness my hand and notarial seal this 9th day of June, 1998.
My commission expires February 12, 1999.
Resident of Lake County

Signature Janice M. Stewart (seal)

Printed Name Janice M. Stewart

