

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MICHAEL W. CARTER
RECORDER

RECORDATION REQUESTED BY:

Civitas Bank
126 E. 4th Street
Michigan City, IN 46360

WHEN RECORDED MAIL TO:

Civitas Bank
126 E. 4th Street
Michigan City, IN 46360

SEND TAX NOTICES TO:

RICHARD E. GRAHAM and CLAUDIA L.
GRAHAM
334 W. 84TH DR.
MERRILLVILLE, IN 46410

Document is

SUBORDINATION AGREEMENT - LEASE

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION OF LEASE AGREEMENT dated July 12, 1999 is entered into between RICHARD E. GRAHAM and CLAUDIA L. GRAHAM, HUSBAND AND WIFE ("Borrower"); RICHARD E. GRAHAM D/B/A ELEY-GRAHAM FINANCIAL SERVICES ("Lessee") and Civitas Bank ("Lender").

LEASE. Lessee has executed one or more leases dated 05-01-1999 of the following described property (the "Subordinated Lease").

REAL PROPERTY DESCRIPTION. The Lease covers the following described real property (the "Real Property") located in LAKE County, State of Indiana:

LOT D-2 OF DAVIS ADDITION, A RESUBDIVISION OF LOT "D" COMMERCE PARK, A PLANNED BUSINESS CENTER, IN THE TOWN OF MERRILLVILLE, AS SHOWN IN PLAT BOOK 85, PAGE 39, IN LAKE COUNTY, INDIANA.

The Real Property or its address is commonly known as 340 W. 84TH DR., MERRILLVILLE, IN 46410.

REQUESTED FINANCIAL ACCOMMODATIONS. Borrower and Lessee each want Lender to provide financial accommodations to Borrower (the "Superior Indebtedness") in the form of (a) new credit or loan advances, (b) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (c) other benefits to Borrower. Now, therefore, Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower, and Lessee acknowledges receipt of valuable consideration for entering into this Agreement.

LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that its mortgage, deed of trust or other lien on the Real Property ("Lender's Lien") be and remain superior to Lessee's interest in the Subordinated Lease.

NOW THEREFORE THE PARTIES TO THIS AGREEMENT HEREBY AGREE AS FOLLOWS:

SUBORDINATION. All of Lessee's right, title and interest in and to the Subordinated Lease and the Real Property is hereby subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is hereby agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Lessee which would limit or qualify in any way the terms of this Agreement; (b) this Agreement is executed at Borrower's request and not at the request of Lender; (c) Lender has made no representation to Lessee as to the creditworthiness of Borrower; and (d) Lessee has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Lessee agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Lessee's risks under this Agreement, and Lessee further agrees that Lender shall have no obligation to disclose to Lessee information or material acquired by Lender in the course of its relationship with Borrower.

LESSEE'S WAIVERS. Lessee waives any right to require Lender: (a) to make, extend, renew, or modify any loan

For a/cmt. Bank see doc # 99058048
For Mortgage see doc # 99058047
For a/cmt. Bank see doc # 99058046
For Mortgage see doc # 99058045

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Chicago Title Insurance Company

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to Borrower or to grant any other financial accommodations to Borrower whatsoever; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (c) to resort for payment or to proceed directly or at once against any person, including Borrower; (d) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (e) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (f) to pursue any other remedy within Lender's power; or (g) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Agreement. In particular, without limitation, Lender may, without notice of any kind to Lessee, (a) make one or more additional secured or unsecured loans to Borrower; (b) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part thereof, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (d) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (e) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (f) apply such security and direct the order or manner of sale thereof, as Lender in its discretion may determine; and (g) assign this Agreement in whole or in part.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Agreement shall remain in full force and effect. Any default by Borrower under the terms of the Subordinated Lease also shall be a default under the terms of the Superior Indebtedness to Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of Indiana. If there is a lawsuit, Lessee and Borrower agree upon Lender's request to submit to the jurisdiction of the courts of Laporte County, State of Indiana. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana. No provision contained in this Agreement shall be construed (a) as requiring Lender to grant to Borrower or to Lessee any financial assistance or other accommodations, or (b) as limiting or precluding Lender from the exercise of Lender's own judgment and discretion about amounts and times of payment in making loans or extending accommodations to Borrower.

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by Lender, Borrower, and Lessee.

Attorneys' Fees; Expenses. Lessee and Borrower agree to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Lessee and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Lessee and Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement, and the covenants of Borrower and Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EACH PARTY TO THIS SUBORDINATION AGREEMENT - LEASE ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS.

BORROWER:

X *R. E. Graham*
RICHARD E. GRAHAM

X *Claudia L. Graham*
CLAUDIA L. GRAHAM

LESSEE:

X *R. E. Graham*
RICHARD E. GRAHAM D/B/A ELEY-GRAHAM FINANCIAL SERVICES

LENDER:

Civitas Bank
By: *C. Anne Brooks*
Authorized Officer

C. Anne Brooks

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Indiana)
) ss
COUNTY OF LAKE)

On this day before me, the undersigned Notary Public, personally appeared **RICHARD E. GRAHAM and CLAUDIA L. GRAHAM**, to me known to be the individuals described in and who executed the Subordination Agreement, and acknowledged that they signed the Agreement as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 12th day of July, 1999.

By Debra Davis Residing at Porter Co
PRINTED NOTARY NAME: Debra Davis

Notary Public in and for the State of Indiana
My commission expires 9-9-06

INDIVIDUAL ACKNOWLEDGMENT
NOT OFFICIAL!

STATE OF _____)
) ss
COUNTY OF _____)

This Document is the property of
the Lake County Recorder!

On this day before me, the undersigned Notary Public, personally appeared **RICHARD E. GRAHAM D/B/A ELEY-GRAHAM FINANCIAL SERVICES**, to me known to be the individual described in and who executed the Subordination Agreement, and acknowledged that he or she signed the Agreement as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this _____ day of _____, 19____.

By _____ Residing at _____
PRINTED NOTARY NAME: _____

Notary Public in and for the State of _____
My commission expires _____

LENDER ACKNOWLEDGMENT

STATE OF Indiana)
) ss
COUNTY OF Lake)

On this 12 day of July, 1999, before me, the undersigned Notary Public, personally appeared C Anne Brooks and known to me to be the Vice President, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Debra Davis Residing at Porter County
PRINTED NOTARY NAME: Debra Davis

Notary Public in and for the State of Indiana
My commission expires 9-9-06

This Subordination Agreement was prepared by: C. ANNE BROOKS, VICE PRESIDENT

