

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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SUBORDINATION AND INDEMNIFICATION AGREEMENT

THIS SUBORDINATION AND INDEMNIFICATION AGREEMENT is effective as of the 17th day of August, 1999, by and between BANK ONE TRUST COMPANY, NA, as Personal Representative in proceedings pending In the Matter of the Supervised Estate of Frank P. Orban, deceased, Estate No. 45C01-9801-ES-011, in the Lake Circuit Court (hereinafter referred to as "Personal Representative"), and MERCANTILE NATIONAL BANK OF INDIANA, a national banking association, a United States corporation, its successors and/or assigns (hereinafter referred to as "Bank").

MORRIS W. CARTER
RECORDER

Holo
Nichols 99d04659

WHEREAS, on May 25, 1999, an Order was entered in the estate proceedings authorizing transfer of Lots 17 to 31, both inclusive, in Block 14 in Hoffman's Third Addition to Hammond, as per plat thereof, recorded in Plat Book 1 page 99, in the Office of the Recorder of Lake County, Indiana to Pamela Nichols, sole heir of said estate, subject to the return of said property to the Personal Representative if needed to pay debts, claims, taxes or costs of administration; and

Key # 34-119.20

WHEREAS, Bank is prepared to make a loan to Pamela Nichols in the amount of \$170,000.00, secured by a first mortgage on the afore-described property; and

WHEREAS, Pamela Nichols agrees to indemnify and save harmless the Personal Representative for the payment of said debts, claims, taxes or costs of administration, if any; and

WHEREAS, the Personal Representative is willing to subordinate its interest and right of reconveyance to the first mortgage rights of the Bank in consideration of Pamela Nichols' Indemnification Agreement.

NOW THEREFORE in consideration of the mutual promises herein contained it is agreed as follows:

1. Bank agrees to loan the sum of \$170,000.00 to Pamela Nichols and take as security for said loan a first mortgage lien against the following described real estate: Lots 17 to 31, both inclusive, in Block 14 in Hoffman's Third Addition to Hammond, as per plat thereof, recorded in Plat Book 1 page 99, in the Office of the Recorder of Lake County, Indiana.

2. The Personal Representative agrees to subordinate its rights to reconveyance of the subject real estate if needed to pay debts, claims, taxes or costs of administration to the terms, conditions and provisions of the mortgage which will secure the repayment of a \$170,000.00 loan and to all renewals, modifications, replacements and extensions thereof.

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3. Pamela Nichols agrees to indemnify and save harmless Personal Representative from any and all claims, demands, debts, choses of action whatsoever including court costs and reasonable attorney fees arising out of its subordination of interest to the Bank.

4. Parties agree that this Agreement shall be binding upon their heirs, personal representatives and assigns.

IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year first above written.

BANK ONE TRUST COMPANY, NA, as Personal Representative of the Estate of Frank P. Orban, deceased

By: Mary J. Paschen
Mary J. Paschen,
Assistant Vice President

Pamela Nichols
Pamela Nichols

MERCANTILE NATIONAL BANK OF INDIANA

By: Richard J. Paskis
By: Richard J. Paskis
Its: Asst. Vice President

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public in and for said County and State, this 27th day of August, 1999, personally appeared: Mary J. Paschen, known to me to be the Assistant Vice President of Bank One Trust Company, NA and acknowledged the execution of the above Subordination and Indemnification Agreement. In witness whereof, I have hereunto subscribed my name and affixed my official seal.

Ellen Potrebic
Notary Public
Resident of Lake County

My Commission Expires:

4-29-00

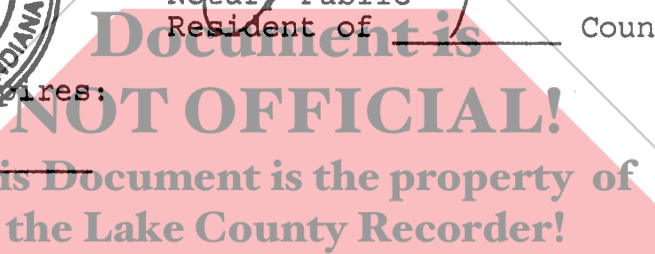
STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public in and for said County and State, this 17th day of ~~August~~^{Sept} 1999, personally appeared: Pamela Nichols and acknowledged the execution of the above Subordination and Indemnification Agreement. In witness whereof [Signature] hereunto subscribed my name and affixed my official seal.



[Signature]
Notary Public
Resident of _____ County

My Commission Expires: _____



STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public in and for said County and State, this 17th day of ~~August~~^{Sept} 1999, personally appeared: Richard J. Paskis, known to me to be the Asst. Vice President of Mercantile National Bank of Indiana and acknowledged the execution of the above Subordination and Indemnification Agreement. In witness whereof, I have hereunto subscribed my name and affixed my official seal.

[Signature]
Notary Public Garland L. Bullock
Resident of Lake County

My Commission Expires:
8-5-01

This instrument prepared by Herbert S. Lasser, Attorney at Law, 3700 East U.S. 30, Merrillville, IN 46410; phone: (219) 942-3710.