

**SUBORDINATION AGREEMENT**

162-18685 Pd

2002 010765

2002 JAN 31 10:09:58

Whereas, PAUL R. JOHNSON AND BONNIE JOHNSON, HUSBAND AND WIFE

hereinafter called the "Debtor (s)", is desirous of borrowing money and otherwise acquiring the extension of credit from SAND RIDGE BANK, located in HIGHLAND, INDIANA (hereinafter called the "Lender"). And whereas, the Lender, as a condition to it loaning money to the Debtor(s), has demanded that the undersigned as a creditor of the Debtor(s), subordinate his or their debt or claim to the debt or claim of the Lender.

NOW THEREFORE, as an inducement to said Lender to loan money and/or extend credit to said Debtor(s), and in consideration of a mortgage loan to be made to said Debtor(s) by said Lender, the undersigned agrees that a certain mortgage of the Debtor(s) to the undersigned creditor, which shall be evidenced by a Real Estate Mortgage dated APRIL 28, 1997, in the amount of \$ 25,000.00 and as identified as Document # 97029799 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 JANUARY 24, 2002, in the amount of \$ 35,000.00, on the property located at 330 N. Arbogast Ave., Griffith, In 46319 and legally described as:

LOTS 9 and 10 IN BLOCK <sup>5</sup> IN THE TOWN OF GRIFFITH, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 2, PAGE 45, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

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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(s), or the administration or the property or affairs of said Debtor(s) 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(s) 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 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 SECURITY FEDERAL BANK & TRUST this 4th day of JANUARY, 2002.

By: KEVIN DUNN, EXECUTIVE VICE PRESIDENT

Chicago Title Insurance Company

492010-2002  
Free

12-11-02

Acknowledged by: Paul R. Johnson  
(Borrower)  
Bonnie Johnson  
(Borrower)

State of INDIANA            )  
                                      ) SS:  
County of LAKE            )

Before me, a Notary Public in and for said County and State personally appeared PAUL R. JOHNSON  
& BONNIE JOHNSON of \_\_\_\_\_  
who acknowledged the execution of said subordination agreement.

Witness my hand and notarial seal this 24TH day of JANUARY, 20 02.

My commission expires: 7-20-06  
Resident of LAKE County.

Signature Michelle L. Banasiak

Printed Name MICHELLE L. BANASIAK

