

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2003 075608

SUBORDINATION AGREEMENT

2003 JUL 22 2:18 PM

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Whereas, Ralph D. Diaz and Susan L. Diaz (herein called the "Debtor (s)"), are desirous of borrowing money to refinance their property located at 130 S. Broad Street, Griffith, IN 46319 from HFS Bank, FSB (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, their, or its 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 (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 is evidenced by a Real Estate Mortgage dated February 10, 2003 in the amount of \$97,900.00 and as identified as document #2003-024339 as recorded on March 7, 2000 in Lake County, Indiana, shall be and is hereby subordinated to the mortgage debt of said Lender on the property located at 130 S. Broad Street, Griffith, IN 46319 and legally described as:

PLEASE REFER TO THE ATTACHED EXHIBIT "A".

Moreover, the undersigned agrees that this agreement and subordination provided for herein shall be equally effective in case of the death, incompetence, dissolution, liquidation or insolvency of, or the institution of bankruptcy or receivership proceeding against the Debtor(s), or the administration of 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, this 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 surrogated 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 payments thereafter made thereon.

Dated and executed at HFS BANK, F.S.B. Hobart, Indiana this 16th day of July, 2003.

Creditor:

Recorded 7/22/2003 Document # _____

By:

Richard C. Sauerman, Vice President



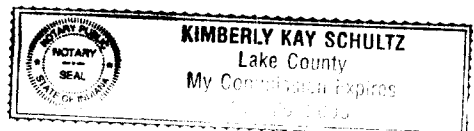
State of Indiana)
) SS:
County of Lake)

Before me, a Notary Public in and for said County and State personally appeared Richard C. Sauerman, Vice President of HFS Bank, F.S.B., who acknowledged the execution of said subordination agreement.

Witness my hand a notarial seal this 21th day of February, 2003.

My Commission expires _____
Resident of _____ County.

Signature [Signature]
Printed Name _____



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“EXHIBIT A”

THAT PART OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 9 WEST OF THE 2ND PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT A POINT 373.90 FEET SOUTH AND 20.0 FEET WEST OF THE NORTHEAST CORNER THEREOF; THENCE SOUTH PARALLEL TO THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 95.8 FEET, THENCE WEST AT RIGHT ANGLES TO SAID EAST LINE A DISTANCE OF 136.0 FEET; MORE OR LESS TO A POINT ON THE EAST RIGHT OF WAY LINE OF THE C AND E RAIL ROAD COMPANY; THENCE NORTHWESTERLY ALONG SAID EAST RIGHT OF WAY LINE A DISTANCE OF 110.88 FEET; THENCE EAST AT RIGHT ANGLES TO THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 191.79 FEET TO THE POINT OF BEGINNING, ALL IN THE TOWN OF GRIFFITH, IN LAKE COUNTY, INDIANA. MORE COMMONLY KNOWN AS 130 S. BROAD, GRIFFITH, INDIANA 46319

