

SUBORDINATION

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WHEREAS, James Hardy and Lula B. Hardy, hereinafter referred to as "Borrowers", are presently indebted to the U. S. Small Business Administration, an agency of the Government of the United States of America, hereinafter referred to as "SBA", as evidenced by that certain promissory Note executed by said Borrowers in favor of SBA dated November 17, 2008, in the original principal amount of \$71,200.00, which was subsequently decreased to \$55,000.00; and,

WHEREAS, the said Note is secured by, among other things, that certain Mortgage executed by James Hardy and Lula B. Hardy, husband and wife, in favor of the Administrator of the SBA, dated November 17, 2008, and recorded on December 2, 2008, as Document Number 2008 081188, in the Office of the Recorder of LAKE County, Indiana; and,

WHEREAS, said Borrowers are desirous of obtaining an additional loan in the amount of \$170,600.00, from Citimortgage, Inc., hereinafter referred to as "Lender", for the purpose of financing Borrowers' first Mortgage; and,

WHEREAS, the Lender requires the Borrowers to secure said loan with a Mortgage on the real estate described herein below, to wit:

Lots 88 and 89 in Brookwood, in the Town of Merrillville, as per plat there recorded in Plat Book 27, Page 42, in the office of the Recorder of Lake County, Indiana.

More commonly known as 6336 Cleveland Street, Merrillville, Indiana 46410-3125.

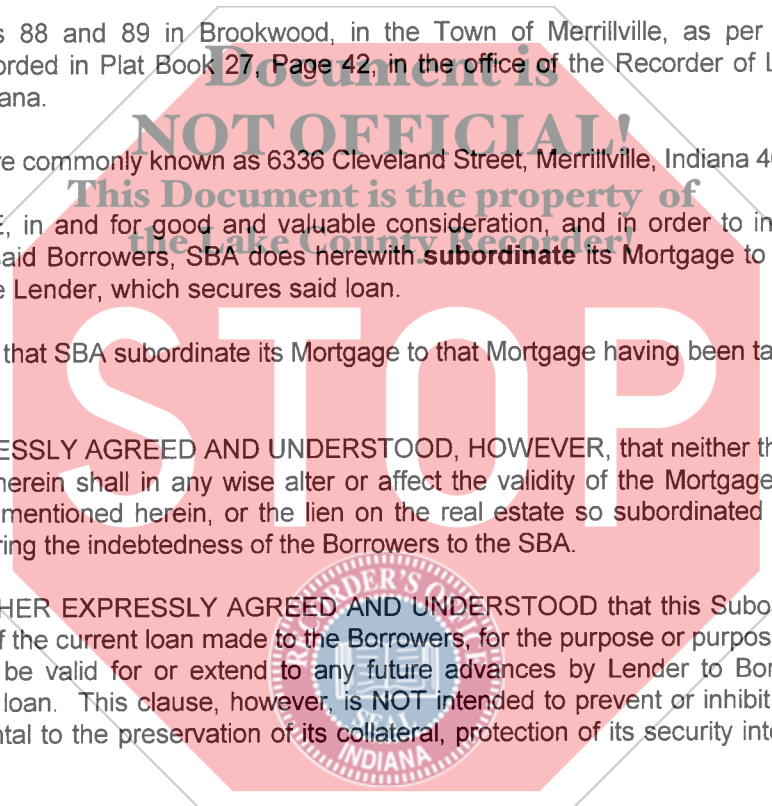
NOW THEREFORE, in and for good and valuable consideration, and in order to induce said Lender to make said loan to said Borrowers, SBA does herewith subordinate its Mortgage to that Mortgage taken or to be taken by the Lender, which secures said loan.

and further requests that SBA subordinate its Mortgage to that Mortgage having been taken or to be taken by said Lender.

IT IS EXPRESSLY AGREED AND UNDERSTOOD, HOWEVER, that neither this Subordination nor anything contained herein shall in any wise alter or affect the validity of the Mortgage or the amendments thereto of SBA first mentioned herein, or the lien on the real estate so subordinated herein, or any other collateral securing the indebtedness of the Borrowers to the SBA.

IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD that this Subordination is to extend only to the amount of the current loan made to the Borrowers, for the purpose or purposes expressly set forth herein; and will not be valid for or extend to any future advances by Lender to Borrowers, on the Note evidencing Lender's loan. This clause, however, is NOT intended to prevent or inhibit advances by Lender for expenses incidental to the preservation of its collateral, protection of its security interest, collection of its debt, and/or the like.

IN WITNESS WHEREOF, the Administrator has caused this Subordination agreement to be executed by Terry J. Miller, Center Counsel, pursuant to the delegation of authority contained in Delegation of Authority, No. 12-D, Revision 3, Redelegation of Disaster Assistance, published in the Federal Register, Vol. 58, No. 206, page 57891, October 23, 1993.



2009 06 4 2 10
2009 SEP 22 AM 8:17
RECORDED

STATE OF INDIANA
LAKE COUNTY RECORDER
FILED FOR RECORDING
MICHAEL A. BROWN

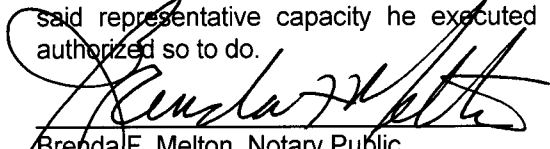
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KAREN G. MILLS, ADMINISTRATOR
U.S. Small Business Administration

By Terry J. Miller
Terry J. Miller, Center Counsel

STATE OF ALABAMA
COUNTY OF JEFFERSON

Personally appeared before me, the undersigned authority in and for the said county and state, on August 24, 2009, within my jurisdiction, the within named Terry J. Miller, who acknowledged that he is Center Counsel, Birmingham Disaster Loan Servicing Center of the U. S. Small Business Administration, and that in said representative capacity he executed the above and foregoing instrument, after first having been authorized so to do.


Brenda F. Melton, Notary Public

My Commission expires: May 11, 2013.

This instrument prepared by:

Terry J. Miller, Center Counsel
SBA Disaster Loan Servicing Center
801 Tom Martin Drive, Suite 120
Birmingham, AL 35211



HARDY

IN

FIRST AMERICAN ELS
SUBORDINATION AGREEMENT



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the Lake County Recorder!**

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