

1st Fed Savg Bk In
545 Broadway
Gary, In. 46402
120418-84

SUBORDINATION AGREEMENT

771126

To FIRST FEDERAL SAVINGS BANK OF INDIANA, as mortgagee under mortgage dated AUGUST 21, 1984 and recorded 8/29/84, in Mortgage Record _____, page _____, as Document 770485 (hereinafter called the mortgage), covering the following described real estate situated in Lake County, Indiana to-wit:

Lot 3 and north 1/2 of Lot 4, in Block 7, in Subdivision of Blocks 2 to 7, both inclusive, in the Wooded Highlands Addition to Gary, as per plat thereof, recorded in Plat Book 27, page 60 in the Office of the Recorder of Lake County, Indiana.

STATE OF INDIANA/S.S. NO.
LAKE COUNTY
FILED FOR RECORD
SEP 5 8 45 AM '84
WILLIAM BRIDGMAN JR
RECORDER

TICOR TITLE INSURANCE
Crown Point, Indiana

In respect to the following provisions and conditions (hereinafter called right of first refusal and the condition of reverter) contained in restrictions contained in the Warranty Deed from City of Gary, Department of Redevelopment to GARRETT ENERGY HOMES, INC. dated June 11, 1984, and recorded 8/1/84, as Document No. 766973 and Book No. _____, page _____ in the Recorder's Office of Lake County, Indiana, affecting and conveying the above described real estate (hereinafter called restrictions and deed of conveyance) containing the following provisions:

- (a) "Grantee agrees and covenants with himself, his successors and assigns to proceed with the building of the structures in accordance with the Redevelopment Plan for the Small Farms Urban Renewal Project as Document No. 444271; that such construction shall commence within six (6) months of the date of this conveyance and that same shall be completed within twelve (12) months thereafter, provided that if a mortgage securing money loaned to finance the Improvements, or any part thereof, is insured by the Federal Housing Administration, then the aforesaid completion time shall not apply, but instead the construction of such Improvements or part thereof shall be completed within the time specified in the applicable Building Loan Agreement approved by the Federal Housing Administration; Provided further, that the construction of such Improvements or part thereof as are subject to the foregoing proviso shall in any event be completed within four years from the date of execution of such Building Loan Agreement. This condition and covenant shall be a covenant running with the land and shall remain in force until a Certificate of Completion shall have issued to grantee and recorded in the Recorder's Office of Lake County, Indiana. Upon the recording of such certificate, said covenant shall be of no further force and effect."
- (b) "Grantee, for himself and his successors and assigns and all his grantees, both immediate and remote, agrees that said real estate, when so improved as herein provided, shall be used only for occupancy as residence. It is further intended and agreed that this covenant shall run with the land for a period of twenty-five years from the date hereof."

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- (c) "Grantee, his successors and assigns agree that they will not effect or execute any agreement, lease, conveyance, or other instrument whereby the Property or any part thereof is restricted upon the basis of race, religion, color, or national origin in the sale, lease of occupancy thereof. Said Grantee, his successors and assigns agree that they will comply with all State and local laws, in effect from time to time, prohibiting discrimination or segregation by reason of race, religion, color or national origin in the sale, lease of occupancy of said Property; and it is intended and agreed that this covenant shall run with the land and that same shall be perpetual."
- (d) "All agreements and covenants provided herein shall be covenants running with the land and shall not in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided herein, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by, the Grantor, its successors and assigns and any successor in interest to the Grantee of the property, or any part thereof, and the owner of any other land (or of any interest in such land) in Small Farms Urban Renewal Project, No. Ind. R-67, which is subject to the land use requirements and restrictions of the Urban Renewal Plan for the Small Farms Urban Renewal Project, against the Grantor, its successors and assigns, to or of the property or any part thereof or any interest therein, and any party in possession or occupancy of the property or any part thereof."
- (e) "Grantor shall have the right to institute such actions or proceedings (both legal and equitable) as it may deem advisable for effectuating the purposes of said covenants, including also the right of executing and recording with the Recorder of Lake County, Indiana, a written declaration of the termination of all rights and title of the grantee (except for such individual parts or parcels sold, and subject to such mortgage, liens and leasehold interests theretofore created) and his successors in interest and assigns, in the property, and the reversioning of title thereto in the grantor; provided that any delay by the agency in instituting or prosecuting any such action or proceedings, or otherwise assert its rights hereunder, shall not operate as a waiver of such rights or to deprive it or limit such rights in any; nor shall any waiver in fact made by the grantor with respect to any specific default by the grantee be considered or treated as a waiver of the rights of the grantor with respect to any other defaults by the grantee."

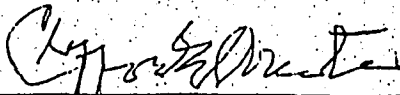
(f) "In the event grantee, his successors or assigns, shall breach or shall be in default or violation of any of the covenants hereinabove set forth, the grantor, at its option, may declare all rights in and to said property forfeited and title to same shall revert to grantor, and grantor shall have the right to re-enter and take possession of same."

This is to evidence that for and consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration, the receipt of which is hereby confessed and acknowledged, the undersigned, City of Gary, Department of Redevelopment, does hereby agree that in the event of the exercise of the option of first refusal and conditions of reverter as provided in said restrictions and deed that the purchase, and/or reverter resulting because of a breach thereof, shall be subject and a junior to the rights of the mortgage and indebtedness described and secured thereby.

IN WITNESS WHEREOF, the City of Gary, Department of Redevelopment by and through its Board of Redevelopment Commissioners has executed this instrument this 11th day of June, 19 84.

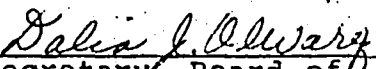
CITY OF GARY, DEPARTMENT OF REDEVELOPMENT

BY:



President, Board of Redevelopment
Commissioners
Clifford E. Minton

ATTEST:



Secretary, Board of
Redevelopment Commissioners
Dalia J. Olivarez

STATE OF INDIANA)
) SS
COUNTY OF LAKE)

I, Rowanda J. Anderson, a Notary Public in and for said County and State, do hereby certify that, Clifford E. Minton, as President and Dalia J. Olivarez, as Secretary, of the above named City of Gary, Department of Redevelopment, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, that they respectively signed and delivered said instrument as the free and voluntary act as such President and Secretary, respectively by the authority of the Board of Redevelopment Commissioners of the City of Gary, Department of Redevelopment for the uses and purposes therein set forth.

Dated this 11th day of June, 1984.

My Commission Expires:

Rowanda J. Anderson
Notary Public
ROWANDA J. ANDERSON
NOTARY PUBLIC, Lake County, Indiana
My commission expires April 14, 1987
Resident of Lake County, Indiana

This instrument prepared by: Julian B. Allen, Attorney at Law
2009 Broadway, Gary, Indiana 46407