SUBORDINATION AGREEMENT FOR RENTAL REHABILITATION INSTALLMENT

This agreement entered into on this 29th day of October 19 97, by and between the City of Gary, Indiana acting through its designated agent, the Department of Housing Conservation Program (hereinafter called "City") and the undersigned lending institution (hereinafter called "Lender").

WITNESSETH:

WHEREAS, THERESA TERRETT (hereinafter called "Owner") is a successful Rental Rehabilitation applicant and has received title to certain property through the City's Rental Rehabilitation Program; said property being more particulary described as follows (hereinafter called "Property"):

Lot 8, Block 18, Junedale Subdivision, in the City of Gary, as shown in Plat Book 19, page 3, in Lake County, Indiana.

WHEREAS, Pursuant to the City's Rental Rehabilitation Homeowner's Agreement, THERESA TERRETT TO THE AGE AS an applicant under the City's Rental Rehabilitation Program, mustage meet specified qualifications for eligibility for the program one of which is to comply with certain conditions and terms under a Rental Property Rehabilitation Lien required under the program; and

WHEREAS, said title is a determinable fee based upon the conditions set out in the Rental Rehabilitation Homeowner Agreement mentioned above, which if not met shall cause the Property to revert immediately to the City; and

WHEREAS, Owner has requested financing from Lender in order to improve the Property; and

WHEREAS, the Lender desires to be in a superior position as to the Lender's interest in the Property over that of the City's interest pursuant to the determinable fee.

NOW, THEREFORE, in consideration of the mutual promises and covenants and conditions herein contained, the City and the Lender enter into the following:

TERMS OF AGREEMENT:

The City agrees and acknowledges that any interest in the Property which the City may now have pursuant to

1. Rental Rehab Lien recorded 12-23-91 under Document #91064971, and

2. Promissory Note, recorded 12-23-91 under Document #91064968

shall be junior and subordinated to any security interest the Lender now has or may hereafter acquire up to the amount of \$' 41,000.00 , plus any interest, cost of collection and attorney's fees.

IN WITNESS WHEREOF, the parties have set their hands and/or seals on the date last written.

HOLD FOR: THE TITLE SEARCH CO. 14: 400

"CITY OF GARY"

DARYL E. JAMES ---- Director

Housing Conservation

STATE OF INDIANA)

)SS:

COUNTY OF LAKE

Before me, a Notary Public, in and for said County and State on the 29th day of October, 1997, did personally appear Daryl

EN James and execute the above document and acknowledge same to be big free and voluntary act.

his free and voluntary act.

My Commission Expires:

NOTARY PUBLIC Velma E. Harris

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"LENDER-UNDERSIGNED"

Name Ford Consumer Finance Co.

By:

Title:

Connecticut

STATE OF THINAHA)

FOITHUM)SS:

COUNTY OF LAKE)

Before me, a Notary Public, in and for said County and State this 19th day of Novembu, 199, did personally appear and acknowledge

the above annexed document to be his/her free and voluntary act.

My Commission Expires:

LISA E. KETZ
NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 30, 1998

This instrument was prepared by: LLOYD B. FISHER, Attorney at Law