

Chicago Title Insurance Company

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MORTGAGE HOLDER
SUBORDINATION AGREEMENT

This Subordination Agreement is made and entered into as of July 1, 2000 by Dean V. White and John M. Peterman (the "Mortgage Holder") and is for the benefit of Mercantile National Bank of Indiana (the "Lender").

WHEREAS, Mortgage Holder is the holder of a mortgage dated September 30, 1999 and recorded March 4, 1999 as Document Number 9901984 in the Office of the Recorder of Lake County, Indiana, from Stoneridge Homes at Cobblestones, Inc. an Indiana corporation (the "Mortgage"); and

WHEREAS, Lender has agreed to provide construction financing to Stoneridge Homes at Cobblestone, Inc. ("Stoneridge") with respect to improvements to be placed on real estate subject to the Mortgage; and

WHEREAS, the Mortgage Holder is willing to subordinate its interest in the Mortgage to construction mortgages for the benefit of the Lender.

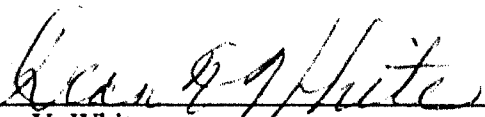
NOW THEREFORE, for Ten Dollars (\$10.00) and other fair and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Mortgage Holder, Mortgage Holder agrees as follows:


The interest of Mortgage Holder in real estate legally described as follows:

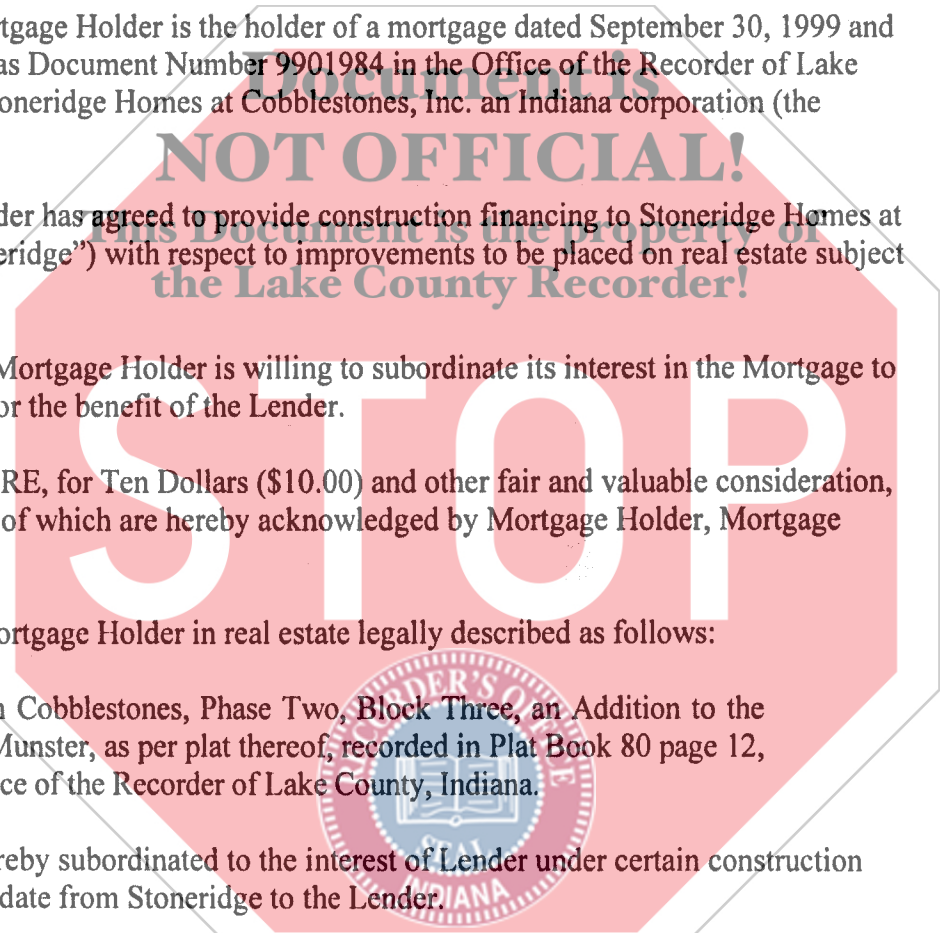
Lot 158 in Cobblestones, Phase Two, Block Three, an Addition to the Town of Munster, as per plat thereof, recorded in Plat Book 80 page 12, in the Office of the Recorder of Lake County, Indiana.

(the "Real Estate"), is hereby subordinated to the interest of Lender under certain construction mortgages dated of even date from Stoneridge to the Lender.

NOW THEREFORE, the Mortgage Holder has signed this Subordination Agreement as of the date where first above written.


Dean V. White


John M. Peterman



12.00
/m
cf

STATE OF INDIANA)
)
COUNTY OF LAKE)

SS:

Before me the undersigned, a Notary Public for the above county and state personally appeared Dean V. White and acknowledged the execution of the foregoing instrument this 7th day of February 2000.

Dayna L. Gouwens
Notary Public

My Commission Expires: 5/11/2007
My Resident County: Lake

Printed Name: Dayna L. Gouwens

Document is the property of the Lake County Recorder!

STATE OF INDIANA)
)
COUNTY OF LAKE)

SS:

Before me the undersigned, a Notary Public for the above county and state personally appeared John M. Peterman and acknowledged the execution of the foregoing instrument this 11th day of February 2000.

Dayna L. Gouwens
Notary Public

My Commission Expires: 5/11/2007
My Resident County: Lake

Printed Name: Dayna L. Gouwens

STOP



C4271:502-013100

This instrument prepared by and when recorded should be returned to Carol Ann Bowman, 1000 East 80th Place, Suite 700 North, Merrillville, Indiana 46410.