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AND WHEN RECORDED MAIL TO: 2011 045251

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Citibank, N.A.  
Transaction Management Group/Post Closing  
390 Greenwich Street, 2<sup>nd</sup> Floor  
New York, New York 10013  
Attention: Joanne Marcino  
Citi # 10-7040355

FILED  
2011 AUG 22 AM 10:39

**OPTION SUBORDINATION AGREEMENT**

**THIS OPTION SUBORDINATION AGREEMENT** ("Agreement") dated as of the 1<sup>st</sup> day of August, 2011, is entered into by and among **AMERICAN HEARTLAND HOMES TWO LLC**, an Indiana limited liability company ("Borrower") and **HOMESTEAD ENTERPRISE HOUSING, INC.**, an Indiana corporation (the "Subordinator"), for the benefit of **CITIBANK, N.A.**, a national banking association (together with its successors and assigns, "Lender"). The date of this Agreement as set forth above is for reference purposes only, and this Agreement will not be effective and binding until the Closing Date (as defined by the Loan Agreement). Borrower and Subordinator agree as follows:

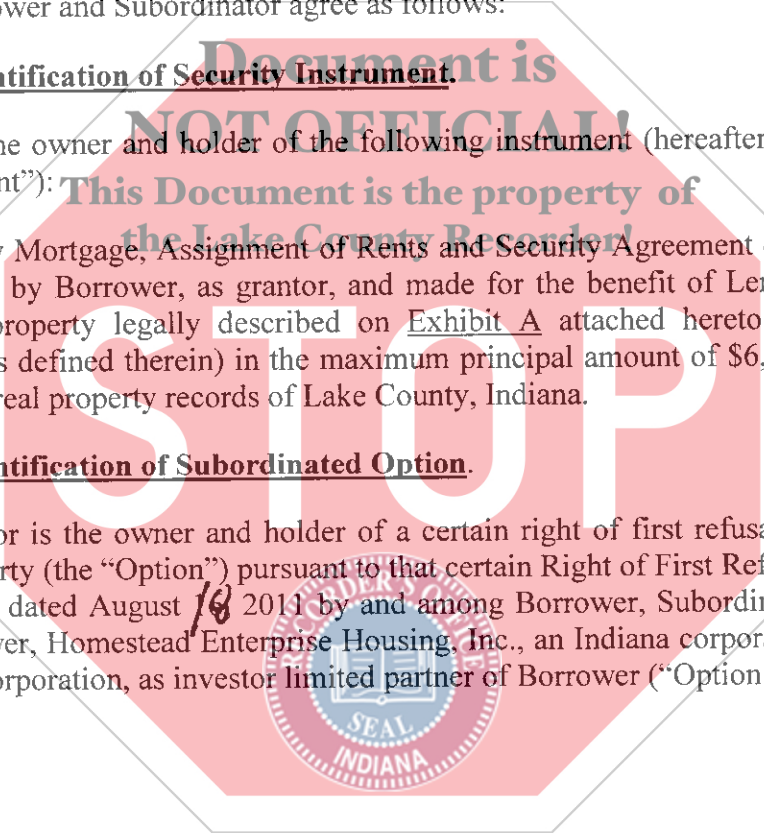
1. **Identification of Security Instrument.**

Lender is the owner and holder of the following instrument (hereafter referred to as the "Security Instrument"):

Multifamily Mortgage, Assignment of Rents and Security Agreement dated of even date herewith, executed by Borrower, as grantor, and made for the benefit of Lender, encumbering that certain real property legally described on Exhibit A attached hereto (the "Property"), securing a Note (as defined therein) in the maximum principal amount of \$6,250,000.00 and to be recorded in the real property records of Lake County, Indiana.

2. **Identification of Subordinated Option.**

Subordinator is the owner and holder of a certain right of first refusal and/or option to purchase the Property (the "Option") pursuant to that certain Right of First Refusal And Purchase Option Agreement dated August 18 2011 by and among Borrower, Subordinator, as managing member of Borrower, Homestead Enterprise Housing, Inc., an Indiana corporation, and TRGHT Inc., a Delaware corporation, as investor limited partner of Borrower ("Option Agreement").



MERIDIAN TITLE CORPORATION  
HAS MADE AN ACCOMODATION  
RECORDING OF THIS DOCUMENT

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3. **Subordination.**

In consideration of benefits granted to Subordinator by Borrower, the receipt and sufficiency of which is hereby acknowledged, Subordinator hereby unconditionally subordinates the Option to (a) the lien, security interest and rights granted by the Security Instrument, (b) all advances or charges made or accruing under or secured by the Security Instrument, and (c) any extensions, modifications or renewals of the indebtedness secured by the Security Instrument.

4. **Waivers.**

Lender may, without notice to Subordinator hereunder, amend or modify the Security Instrument and all agreements executed in connection therewith or otherwise relating thereto (the "Related Documents"), release any or all parties liable for the indebtedness secured by the Security Instrument, and release all or any security for the indebtedness secured by the Security Instrument.

5. **Examination of Loan Documents.**

Subordinator acknowledges that prior to the execution of this Agreement, Subordinator has had the opportunity to request copies of and examine the terms of the Security Instrument. Subordinator hereby consents to and approves the Security Instrument. Subordinator acknowledges that Lender has no obligation to Subordinator to advance any funds under the Security Instrument or to insure that the funds are used for any specific purpose. Any application or use of the funds advanced by Lender for purposes other than those provided for in the Security Instrument shall not impair the effectiveness of this subordination in any way.

6. **Subordination Is a Condition to Loan.**

Lender requires as a condition to the making of the loan secured by the Security Instrument that Borrower and Subordinator enter into this Agreement.

7. **Entire Agreement.**

This Agreement constitutes the entire agreement between the parties hereto with regard to the subordination of the Option, as set forth in the Option Agreement, to the Security Instrument, and shall supersede and cancel any prior agreements regarding subordination including, but not limited to, those provisions, if any, contained in the Option Agreement which provide for the subordination of a lien or charge therefor to deed(s) of trust, deed(s) to secure debt or mortgage(s) to be thereafter executed.

8. **Authority to Complete Blanks.**

It is contemplated that this Agreement will be recorded in the real property records after the Security Instrument is recorded, and Subordinator specifically authorizes Lender or its agents to insert in this Agreement where indicated the actual recording dates and numbers of the Security Instrument and such insertions shall be binding upon Subordinator.

9. **Binding Agreement.**

This Agreement is entered into by Subordinator and is intended to bind Subordinator and any other present or future owners or holders of the indebtedness secured by the Security Instrument or parties asserting an interest in the Security Instrument or the indebtedness secured thereby. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Borrower and Lender.

10. **Counterparts.**

This Agreement may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

11. **Attached Exhibits.**

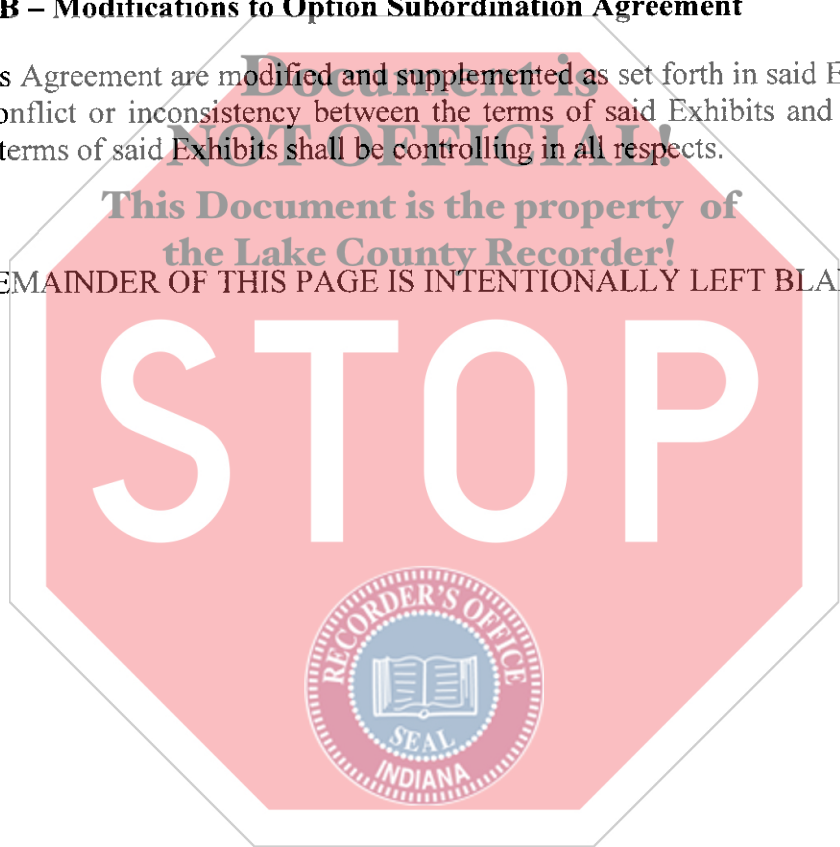
The following Exhibits are attached to this Agreement and are incorporated by reference herein as if more fully set forth in the text hereof:

**Exhibit A – Legal Description**

**Exhibit B – Modifications to Option Subordination Agreement**

The terms of this Agreement are modified and supplemented as set forth in said Exhibits. To the extent of any conflict or inconsistency between the terms of said Exhibits and the text of this Agreement, the terms of said Exhibits shall be controlling in all respects.

**This Document is the property of  
the Lake County Recorder!**  
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IN WITNESS WHEREOF, Borrower and Subordinator have caused this Option Subordination Agreement to be signed and delivered by its duly authorized representative as of the date first set forth above. Borrower and Subordinator intend that this Option Subordination Agreement shall be deemed signed and delivered as a sealed instrument.

**BORROWER:**

**AMERICAN HEARTLAND HOMES TWO LLC,**  
an Indiana limited liability company

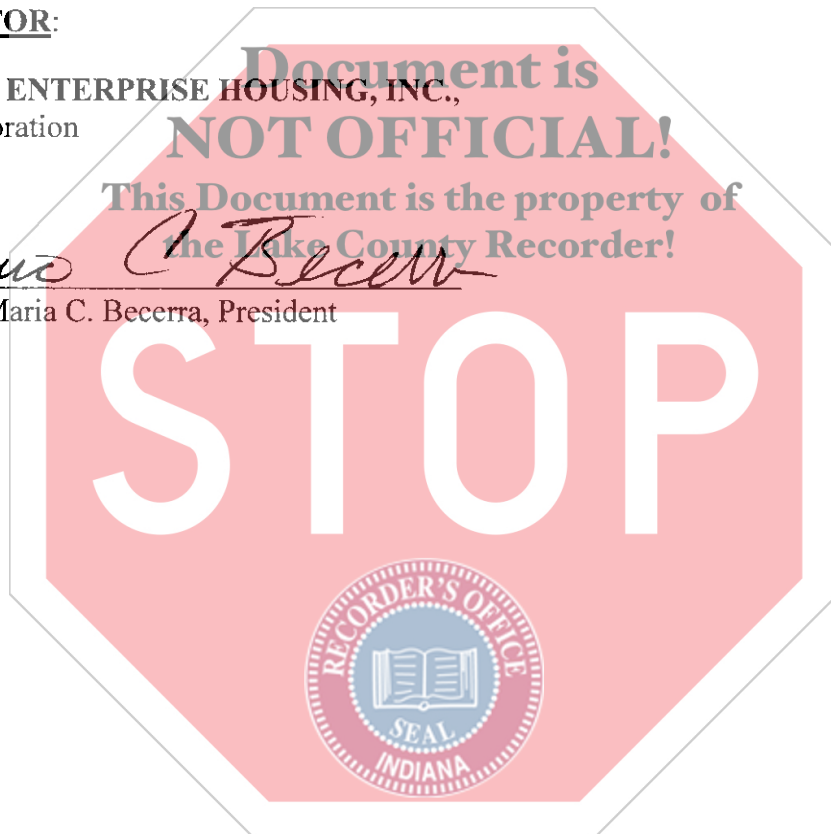
By: HEH AHH Two Inc., an Indiana corporation  
its managing member

By: Maria C. Becerra  
Maria C. Becerra, President

**SUBORDINATOR:**

**HOMESTEAD ENTERPRISE HOUSING, INC.,**  
an Indiana corporation

By: Maria C. Becerra  
Maria C. Becerra, President

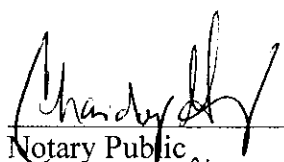


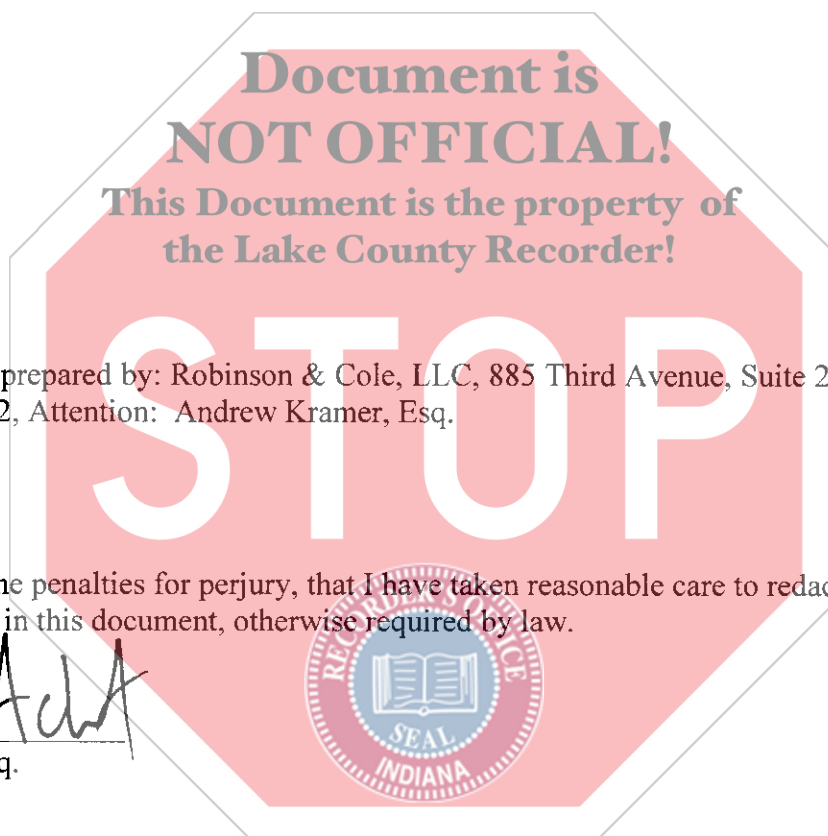
Acknowledgement

STATE OF INDIANA

COUNTY OF LAKE

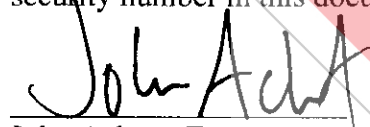
Before me, the undersigned, a Notary Public, in and for said County and State, this 17<sup>th</sup> day of August, 2011, personally appeared Maria Becerra of Homestead Enterprise Housing, Inc. and HEH AHH Two Inc., and acknowledged the execution of the foregoing Option Subordination Agreement on behalf of individually and on behalf of HEH AHH Two Inc. in its capacity as managing member of American Heartland Homes Two LLC.

  
\_\_\_\_\_  
Notary Public  
Print Name: Chasidy Gomez  
My commission expires:  
March 13, 2013



This instrument prepared by: Robinson & Cole, LLC, 885 Third Avenue, Suite 2800, New York, New York 10022, Attention: Andrew Kramer, Esq.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each social security number in this document, otherwise required by law.

  
\_\_\_\_\_  
John Achatz, Esq.

**Description of Property**

**Parcel 1**

All of Lot 11 in the Columbia Center Unit 4 (a Planned Unit Development) Addition to the City of Hammond, Indiana as recorded in the Lake County Recorder's Office in Plat Book 105 Page 11. Lying in the northwest quarter of the northeast quarter of Section 18, Township 36 North, Range 9 West, of the second principal meridian, in the City of Hammond, Lake County, Indiana, containing 2.811 acres more or less.

**Parcel 2**

All of Lot 12 in the Columbia Center Unit 5 (a Planned Unit Development) Addition to the City of Hammond, Indiana as recorded in the Lake County Recorder's Office in Plat Book 105 Page 12. Lying in the northwest quarter of the northeast quarter of Section 18, Township 36 North, Range 9 West, of the Second Principal Meridian, in the City of Hammond, Lake County, Indiana. Containing 1.320 acres more or less.



**EXHIBIT B**

Modifications To  
Option Subordination Agreement

The following modifications are made to the text of the Agreement that precedes this Exhibit:

None.

