

3 FILE No. 502003

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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] **2005 000871** **2005 SEP 26 PM 2:10**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Harrison C. Smith, Esq.
Krooth & Altman LLP
1850 M Street, N.W., Suite 400
Washington, D.C. 20036
PH (202) 293-8200
FX (202) 872-0145
see on size attachment

MICHAEL A. BROWN
RECORDER

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME				
ST. JOHN HOUSING ASSOCIATES, L.P.				
OR	1b. INDIVIDUAL'S LAST NAME			
	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
200 East Randolph Drive, Suite 2100		Chicago	IL	60601
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
		limited partnership	Illinois	<input checked="" type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S LAST NAME			
	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME				
REILLY MORTGAGE GROUP, INC.				
OR	3b. INDIVIDUAL'S LAST NAME			
	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
2010 Corporate Ridge, Suite 1000		McLean	VA	22102
				COUNTRY
				USA

4. This FINANCING STATEMENT covers the following collateral:

See Exhibit "B" attached hereto and made a part hereof for a description of collateral.

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable) [ADDITIONAL FEE]		All Debtors		Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA						

Filed in the Office of the Recorder, Lake County, Indiana

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
ST. JOHN HOUSING ASSOCIATES, L.P.		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

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11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME						
OR	11b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any		
				<input type="checkbox"/> NONE		

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME						
OR	SECRETARY OF HOUSING AND URBAN DEVELOPMENT					
	12b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
151 N. Delaware Street			Indianapolis	IL	46204-2526	USA

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

See Exhibit "A" attached hereto and made a part hereof for a description of real property.

"St. John Homes"
FHA Project No. 073-12010

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

EXHIBIT A

LEGAL DESCRIPTION

STATE OF INDIANA
LAKE COUNTY
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PARCEL I:

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***THE SOUTH 125 FEET OF THE NORTH 165 FEET OF THE WEST 150 FEET OF THE EAST 180 FEET OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 36 NORTH, RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE CITY OF GARY, LAKE COUNTY, INDIANA.

MICHAEL A. BROWN
RECORDER

PARCEL II:

PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 36 NORTH, RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE CITY OF GARY, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: BEGINNING IN A LINE PARALLEL TO AND 200 FEET WEST OF THE EAST LINE OF SAID NORTHWEST QUARTER AT A POINT 185 FEET SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE SOUTH, ON SAID 200 FOOT PARALLEL LINE, 1202 FEET; THENCE WEST, AT RIGHT ANGLES, 40 FEET, MORE OR LESS, TO A LINE THAT IS PARALLEL TO AND 20 FEET NORTH OF THE NORTH RIGHT OF WAY LINE OF THE 100 FOOT WIDE PENN-CENTRAL RAILROAD; THENCE NORTHWESTERLY, ON SAID 20 FOOT PARALLEL LINE, 490 FEET, MORE OR LESS, TO THE EAST LINE OF 60 FOOT WIDE VIRGINIA STREET; THENCE NORTH, ON THE EAST LINE OF VIRGINIA STREET, 6 FEET; THENCE EAST, AT RIGHT ANGLES, 58 FEET TO A POINT OF CURVE; THENCE NORTHEASTERLY, ON A CURVED LINE OF 255 FOOT RADIUS AND CONVEX TO THE SOUTHEAST, TO A POINT ON A LINE THAT IS PARALLEL TO AND 315 FEET WEST OF THE EAST LINE OF SAID NORTHWEST QUARTER; THENCE NORTH, ON SAID 315 FOOT PARALLEL LINE, 643 FEET, MORE OR LESS, TO A LINE PARALLEL TO AND 185 FEET SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE EAST, ON SAID 185 FOOT PARALLEL LINE, 115 FEET TO THE POINT OF BEGINNING.

PARCEL III:

PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 36 NORTH, RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE CITY OF GARY, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: BEGINNING IN A LINE PARALLEL TO AND 385 FEET WEST OF THE EAST LINE OF SAID NORTHWEST QUARTER AT A POINT 185 FEET SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE SOUTH ON SAID 385 FOOT PARALLEL LINE 647 FEET TO A POINT OF CURVE; THENCE SOUTHWESTERLY, ON A CURVED LINE OF 185 FOOT RADIUS AND CONVEX TO THE SOUTHEAST, FOR A DISTANCE OF 289 FEET TO A POINT OF TANGENT; THENCE WEST ON SAID TANGENT 58 FEET, MORE OR LESS, TO THE EAST LINE OF 60 FOOT WIDE VIRGINIA STREET; THENCE NORTH, ON THE EAST LINE OF VIRGINIA STREET, 833 FEET, MORE OR LESS, TO A LINE PARALLEL TO AND 185 FEET SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE EAST, ON SAID 185 FEET PARALLEL LINE, 243 FEET TO THE POINT OF BEGINNING.***

STREET ADDRESS: 2173 Carolina Street, Gary, Indiana

KEY NUMBERS: 25-40-0060-0014, 25-40-0060-0015, 25-40-0060-0016

**EXHIBIT "B" TO SECURITY AGREEMENT
AND FINANCING STATEMENTS**

STATE OF INDIANA
LAKE COUNTY, INDIANA
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This Exhibit "B" is attached to, incorporated by reference in, and forms a part of certain Security Agreement and Financing Statements (collectively, the "Security Documents"), executed and delivered by the Debtor in connection with the financing of the Project (as hereinafter defined) in favor of **REILLY MORTGAGE GROUP, INC.**, a District of Columbia corporation (the "Secured Party").

RECORDED
RECORDER
RECORDED

This Exhibit "B" refers to the following collateral, which may be now or hereafter located on the premises of, relate to, or be used in connection with, the acquisition or refinancing, repair, ownership, management, and operation of a certain multifamily housing project known as "**St. John Homes**," FHA Project No. 073-12010 (the "Project"), located in Gary, Indiana, and owned by **ST. JOHN HOUSING ASSOCIATES, L.P.**, an Illinois limited partnership (the "Debtor"):

1. All income, rents, profits, receipts and charges from the Project.
2. All accounts including without limitation the following: Reserve Fund for Replacement, residual receipts, and special funds; ground rents, taxes, water rents, assessments and fire and other hazard-insurance premiums; accounts receivable; operating revenue; initial operating escrow; and escrow for latent defects.
3. All insurance and condemnation proceeds; and all inventories.
4. All materials now owned or hereafter acquired by the Debtor and intended for the construction, reconstruction, alteration and repair of any building, structure or improvement now or hereafter erected or placed on the property described in Exhibit "A" attached hereto (the "Property"), all of which materials shall be deemed to be included within the Project immediately upon the delivery thereof to the Project.
5. All of the walks, fences, shrubbery, driveways, fixtures, machinery, apparatus, equipment, fittings, and other goods and other personal property of every kind and description whatsoever, now owned or hereafter acquired by the Debtor and attached to or contained in and used or usable in connection with any present or future operation of the Project, including, by way of example rather than of limitation, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment and fixtures; fans and switchboards; all telephone equipment; all piping, tubing, plumbing equipment and fixtures; all heating, refrigeration, air conditioning, cooling, ventilating, sprinkling, water, power and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture installed or to be installed or used or usable in the operation of any part of the Project or facilities erected or to be erected in or upon the Property; and every renewal or replacement thereof or articles in substitution therefor, whether or not the same are now or hereafter attached to the Property in any manner; all except for any right, title or interest therein owned by any tenant (it being agreed that all personal property owned by the Debtor and placed by it on the Property shall, so far as permitted by law, be deemed to be affixed to the Property, appropriated to its use, and covered by each of the Security Documents to which this Exhibit is attached).

6. All of the Debtor's right, title and interest in and to any and all judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation (collectively, the "Awards") heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of or in connection with, or in lieu of (i) any taking of the Property or any part thereof by the exercise of the power of condemnation or eminent domain, of the police power, or (ii) any change or alteration of the grade of any street, or (iii) any other injury or decrease in the value of the Property or any part thereof (including but not limited to destruction or decrease in value by fire or other casualty), all of which Awards, rights thereto and shares therein are hereby assigned to the Secured Party, who is hereby authorized to collect and receive the proceeds thereof and to give proper receipts and acquittances therefor and to apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured Party, of the indebtedness secured by the Security Documents.

7. All of the Debtor's right, title and interest in and to any and all payments, proceeds, settlements or other compensation heretofore or hereafter made, including any interest thereon, and the right to receive the same from any and all insurance policies covering the Property or any portion thereof, or any of the other property described herein.

8. The interest of the Debtor in and to all of the rents, royalties, issues, profits, revenues, income and other benefits of the Property, or arising from the use or enjoyment of all or any portion thereof, or from any lease or agreement pertaining thereto, and all right, title and interest of the Debtor in and to, and remedies under, all contract rights, accounts receivable and general intangibles arising out of or in connection with any and all leases and subleases of the Property, or any part thereof, and of the other property described herein, or any part thereof, both now in existence or hereafter entered into, together with all proceeds (cash and non-cash) thereof; and including, without limitation, all cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder.

9. All of the Debtor's rights, options, powers and privileges in and to (but not the Debtor's obligations and burdens under) any construction contract, architectural and engineering agreements and management contract pertaining to the construction, development, repair, operation, ownership, equipping and management of the Property and all of the Debtor's right, title and interest in and to (but not the Debtor's obligations and burdens under) all architectural, engineering and similar plans, specifications, drawings, reports, surveys, plats, permits and the like, contracts for construction, development, repair, operation, management and maintenance of, or provision of services to, the Property or any of the other property described herein, and all sewer taps and allocations, agreements for utilities, bonds and the like, all relating to the Property.

10. All intangible personal property, accounts, licenses, permits, instruments, contract rights, chattel paper and general intangibles of the Debtor, including but not limited to cash; accounts receivable; bank accounts; certificates of deposit; securities; promissory notes; rents; rights (if any) to amounts held in escrow; insurance proceeds; condemnation rights; deposits; judgments, liens and causes of action; warranties and guarantees.

11. The interest of the Debtor in any cash escrow fund and in any and all funds, securities, instruments, documents and other property which are at any time paid to, deposited with, under the control of, or in the possession of the Secured Party, or any of its agents, branches, affiliates, correspondents or others acting on its behalf, which rights shall be in addition to any right of set-off or right of lien that the Secured Party may otherwise enjoy under applicable law, regardless of whether the same arose out of or relates in any way, whether directly or indirectly, to the Project located upon the Property.

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12. The interest of the Debtor in and to any and all funds created or established and held by the Trustee pursuant to any indenture of trust or similar instrument authorizing the issuance of bonds or notes for the purpose of financing the Project located upon the Property.

13. All inventory, including raw materials, components, work-in-process, finished merchandise and packing and shipping materials.

14. Any and all of the above arising or acquired by the Debtor or to which the Debtor may have a legal or beneficial interest in on the date hereof and at any time in the future.

15. Any and all of the above which may become fixtures by virtue of attachment to Property.

16. The interest of the Debtor, as lessee, in any and all of the above which may be leased by the Debtor from others.

17. All of the records and books of account now or hereafter maintained by or on behalf of the Debtor and/or its agents and employees in connection with the Project.

18. All names now or hereafter used in connection with the Project and the goodwill associated therewith.

19. Proceeds, products, returns, additions, accessions and substitutions of and to any and all of the above.

20. Any and all other Collateral of the Debtor as defined in the Uniform Commercial Code adopted in the State.

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