

Capital Advance Program  
Instructions for the Preparation of  
Mortgage, Deed of Trust,  
or Security Deed

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0470  
(exp. 11/30/2006)

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Under Section 202 of the Housing Act of 1959 or Section 811 of the National Affordable Housing Act

Public reporting burden for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2502-0470), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Do not send this form to the above address.

This information collection is necessary to ensure that viable projects are developed. It is important to obtain information from applicants to assist HUD in determining if nonprofit organizations initially funded continue to have the financial and administrative capacity needed to develop a project and that the project design meets the needs of the residents. The Department will use this information to determine if the projects meet statutory requirements, ensuring the continued marketability of the projects. This information is required in order to obtain benefits. This information is considered non-sensitive and no assurance of confidentiality is provided.

Use the current FHA corporate mortgage, deed of trust, or security deed form applicable to the jurisdiction in which the mortgage premises are located to prepare the Section 202 or Section 811 mortgage, deed of trust or security deed.

Appropriate modifications will be needed to show that the Secretary of Housing and Urban Development is making a capital advance rather than insuring a loan and to delete all references to mortgage insurance. A sample form is shown below and on the following pages showing these changes and others (note especially paragraphs 10, 19 and 20) pertinent to the special features of the Section 202 or Section 811 program.

Sample Mortgage Form:

This Indenture, made this 5th day of December, 2007, between ANEPA 78 Phase VI, Inc. organized and existing under the laws of Indiana and the United States of America acting by and through the Secretary of Housing and Urban Development, hereinafter referred to as Mortgagee.

Witnesseth: That whereas the Mortgagor is justly indebted to the Mortgagee in the principal (capital advance amount) sum of Five Million Eighty-One Thousand Two Hundred Dollars (\$ 5,081,200), evidenced by its note of even date herewith, said principal being payable provided in said note with a final maturity of 11/1/2048, which note is identified as being secured hereby by a certificate thereon. Said note and all of its terms are incorporated herein by reference and this conveyance shall secure any and all extensions thereof, however evidenced.

Now, Therefore, the said Mortgagor, for the better securing of the payment of the said principal sum of money and the performance of the covenants and agreements herein contained, does by these presents Convey, Mortgage, and Warranty unto the Mortgagee, successors or assigns, the following-described real estate situate, lying, and being in the Town of Merrillville

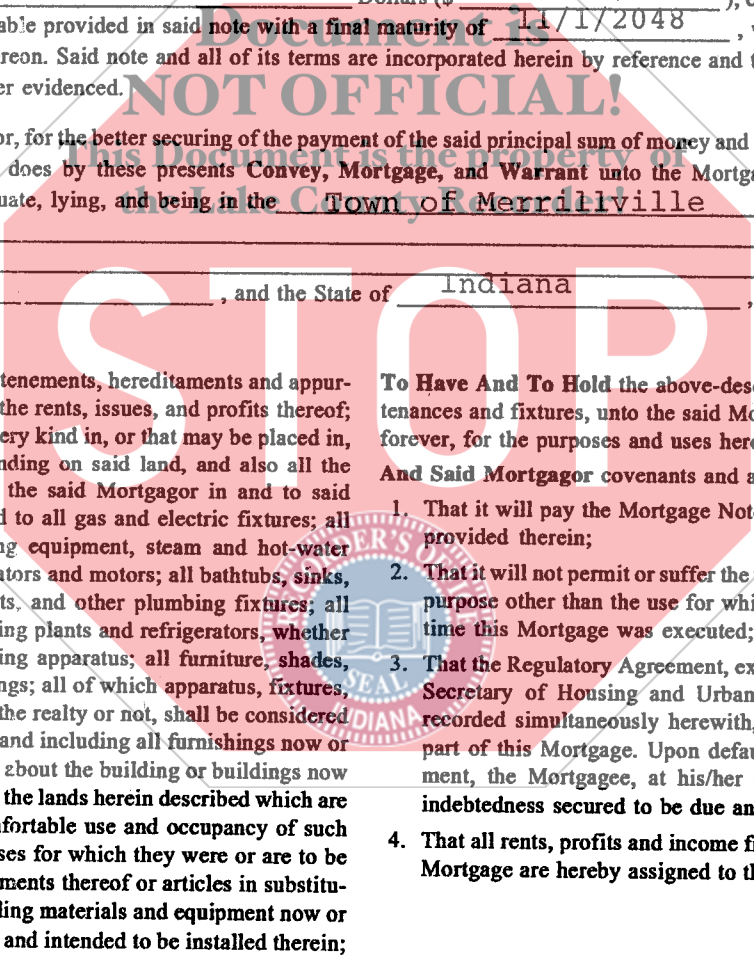
, in the County of Lake, and the State of Indiana, to wit:

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues, and profits thereof; and all apparatus and fixtures of every kind in, or that may be placed in, any building now or hereafter standing on said land, and also all the estate, right, title, and interest of the said Mortgagor in and to said premises; including but not limited to all gas and electric fixtures; all radiators, heaters, furnaces, heating equipment, steam and hot-water boilers, stoves and ranges; all elevators and motors; all bathtubs, sinks, water closets, basins, pipes, faucets, and other plumbing fixtures; all mantels and cabinets; all refrigerating plants and refrigerators, whether mechanical or otherwise; all cooking apparatus; all furniture, shades, awnings, blinds, and other furnishings; all of which apparatus, fixtures, and equipment, whether affixed to the realty or not, shall be considered real estate for the purposes hereof; and including all furnishings now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the lands herein described which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, and all renewals or replacements thereof or articles in substitution therefor; together with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein;

To Have And To Hold the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee, successors and assigns, forever, for the purposes and uses herein set forth.

And Said Mortgagor covenants and agrees:

1. That it will pay the Mortgage Note at the times and in the manner provided therein;
2. That it will not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Mortgage was executed;
3. That the Regulatory Agreement, executed by the Mortgagor and the Secretary of Housing and Urban Development, which is being recorded simultaneously herewith, is incorporated in and made a part of this Mortgage. Upon default under the Regulatory Agreement, the Mortgagee, at his/her option, may declare the whole indebtedness secured to be due and payable;
4. That all rents, profits and income from the property covered by this Mortgage are hereby assigned to the Mortgagee for the purpose of



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discharging the debt hereby secured. Permission is hereby given to Mortgagor so long as no default exists hereunder, to collect such rents, profits and income for use in accordance with the provisions of the Regulatory Agreement;

5. That upon default hereunder Mortgagee shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom;
  6. That at the option of the Mortgagor the principal balance secured hereby may be adjusted on terms acceptable to the Mortgagee if partial prepayment results from an award in condemnation in accordance with provisions of paragraph 8 herein, or from an insurance payment made in accordance with provisions of paragraph 7 herein, where there is a resulting loss of project income;
  7. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Mortgagee, and all such insurance shall be evidenced by standard Fire and Extended Coverage Insurance policy or policies, in amounts not less than necessary to comply with the applicable Coinsurance Clause percentage, but in no event shall the amounts of coverage be less than eighty per centum (80%) of the insurable values or not less than the principal sum of the Mortgage, whichever is the lesser, and in default thereof the Mortgagee shall have the right to effect insurance. Such policies shall be endorsed with standard Mortgagee Clause with loss payable to the Mortgagee, as interest may appear, and shall be deposited with the Mortgagee;
- That if the premises covered hereby, or any part thereof shall be damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company, to the extent of the principal sum remaining, shall be paid to the Mortgagee, and, at his/her option, may be applied to the debt or released for the repairing or rebuilding of the premises;
8. That all awards of damages in connection with any condemnation for public use or injury to any of said property are hereby assigned and shall be paid to Mortgagee, and Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittance thereof and to appeal from any such award;
  9. That it is lawfully seized and possessed of said real estate in fee simple and has good right to convey same;
  10. To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; that it will not make any structural alterations to the building without the written consent of the Mortgagee; to pay to the Mortgagee, or deposit in an escrow account acceptable to the Mortgagee, as hereinafter provided, until the final maturity date, a sum sufficient to pay all taxes and special assessments that heretofore or hereafter may be lawfully levied, assessed or imposed by any taxing body upon the said land, or upon the Mortgagor or Mortgagee on account of the ownership thereof to the extent that provision has not been made by the Mortgagor for the payment of such taxes and special assessments as hereinafter provided in subparagraph 17;
  11. In case of the refusal or neglect of the Mortgagor to make such payments, or to satisfy any prior lien or encumbrances, or to keep said premises in good repair, the Mortgagee may pay such taxes, assessments, and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in the Mortgagee's discretion he/she may deem necessary for the proper preservation thereof, and any moneys so paid or expended shall become so much

additional indebtedness, secured by this Mortgage, to be paid out of the proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagor, and shall bear interest at the rate to be specified by the Mortgagee from the date of advance until paid, and shall be due and payable on demand;

12. It is expressly provided, however (all other provisions of this Mortgage to the contrary notwithstanding), that the Mortgagee shall not be required nor shall he/she have the right to pay, discharge, or remove any tax, assessment, or tax lien upon or against the premises described herein or any part thereof or the improvements situated thereon, so long as the Mortgagor shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessments, or lien so contested and the sale or forfeiture of the said premises or any part thereof to satisfy the same, but in the event of a tax contest, the Mortgagee shall deposit with the Mortgagee an amount estimated by the Mortgagee sufficient to satisfy all taxes, penalties, interest, and costs which may reasonably accrue during such contest;
13. That it will not voluntarily create or permit to be created against the property subject to this Mortgage any lien or liens inferior or superior to the lien of this Mortgage and further that it will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any all buildings now being erected or to be erected on said premises;
14. That the improvements about to be made upon the premises above described and all plans and specifications comply with all municipal ordinances and regulations made or promulgated by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of applicable fire rating or inspection organization, bureau, association, or office. In the event the Mortgagor shall at any time fail to comply with such rules, regulations, and ordinances which are now or may hereafter become applicable to the premises above described, after due notice and demand by the Mortgagee, thereupon the principal sum and all arrears of interest and other charges provided for herein, shall at the option of the Mortgagee become due and payable;
15. The Mortgagor covenants and agrees that so long as this Mortgage and the said note secured hereby are outstanding, it will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color, national origin, sex, familial status, handicap, age, or creed, unless permitted by the Housing Act of 1959 or the National Affordable Housing Act and the HUD regulations promulgated thereunder.
16. That the funds to be advanced herein are to be used in the construction of certain improvements on the lands herein described, in accordance with a Capital Advance Agreement between the Mortgagor and Mortgagee dated December 5, 2007,<sup>20</sup> which Capital Advance Agreement (except such part or parts thereof as may be inconsistent therewith) is incorporated herein by reference to the same extent and effect as if fully set forth and made a part of this Mortgage; and if the construction of the improvements to be made pursuant to said Capital Advance Agreement shall not be carried out with reasonable diligence, or shall be discontinued at any time for any reason other than strikes or lock-outs, the Mortgagee, after due notice to the Mortgagor or any subsequent owner, is hereby invested with full and complete authority to enter upon said premises, employ watchmen to protect



- such improvements from depredation or injury and to preserve and protect the personal property therein, and to continue any and all outstanding contracts for the erection and completion of said buildings, to make and enter into any contracts and obligations wherever necessary, either in his/her own name or in the name of the Mortgagor, and to pay and discharge all debts, obligations, and liabilities incurred thereby. All such sums so advanced by the Mortgagee (exclusive of portions of the principal of the indebtedness secured thereby) shall be additionally secured by this Mortgage and shall be due and payable on demand with interest at the rate to be specified by the Mortgagee. The principal sum and other charges provided for herein shall, at the option of the Mortgagee or holder of this Mortgage and the note securing the same, become due and payable on the failure of the Mortgagor to keep and perform any of the covenants, conditions, and agreements of said Capital Advance Agreement. This covenant shall be terminated upon completion of the improvements to the satisfaction of the Mortgagee and the making of the final payment as provided in said Capital Advance Agreement;
17. The Mortgagor, will pay to the Mortgagee as required, until the final maturity date, a sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by the Mortgage, plus the premiums that will next become due and payable on policies of fire and other property insurance covering the premises covered hereby, plus water rates, taxes, and assessments next due on the premises covered hereby (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, water rates, taxes and special assessments shall become due.
  18. Any excess funds accumulated under the preceding paragraph remaining after payment of the items therein mentioned shall be credited to subsequent payments of the same nature required thereunder; but if any such item shall exceed the estimate therefor the Mortgagor shall without demand forthwith make good the deficiency. Failure to do so before the due date of such item shall be a default hereunder. If the property is sold under foreclosure or is otherwise acquired by the Mortgagee after default, any remaining balance of the accumulations under the preceding paragraph shall be credited to the principal of the Mortgage as of the date of commencement of foreclosure proceedings or as of the date the property is otherwise acquired; and
  19. That the Mortgagee shall have the right to inspect the mortgaged premises at any reasonable time.
  20. That so long as the Mortgage and Note secured hereby are outstanding, it will not (a) rent dwelling accommodations in the mortgaged premises in excess of the rates approved by the Mortgagee or for periods of less than one month; (b) rent the premises as an entirety; (c) rent the premises or any part thereof to any persons for the purpose of subleasing; (d) rent the premises or permit its use for hotel or transient purposes; (e) require of any tenant as a condition of occupancy life-lease contracts, fees or other payments over and above those for rents, utilities, and collateral services.
  21. **In The Event of default in making any payment provided for herein or in the note secured hereby for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant herein stipulated, then the whole of said principal sum shall, at the election of the Mortgagee, without notice, become immediately due and payable, in which event the Mortgagee shall have the right immediately to foreclose this Mortgage;**
  22. **And In Case Of Foreclosure of this Mortgage by said Mortgagee in any court of law or equity, a reasonable sum shall be allowed for the solicitor's fees of the complainant, not to exceed in any case five percentum (5%) of the amount of the principal indebtedness found to be due, and the stenographer's fees of the complainant in such proceeding, and costs of minutes of foreclosure, master's fees, and all other costs of suit, and also for all outlays of documentary evidence and the cost of a complete abstract of title for the purpose of such foreclosure; and in case of any other suit, or legal proceeding, instituted by the Mortgagee to enforce the provisions of this Mortgage or in case of any suit or legal proceeding wherein the Mortgagee shall be made a party thereto by reason of this Mortgage, its costs and expenses, and the reasonable fees and charges of the attorneys or solicitors of the Mortgagee, so made parties, for services in such suit or proceedings, shall be further lien and charge upon said premises under this Mortgage, and all such expenses shall become so much additional indebtedness secured hereby and be allowed in any decree foreclosing this Mortgage;**
  23. **And There Shall Be Included in any decree foreclosing this Mortgage and be paid out of the proceeds of any sale made in pursuance of any such decree: (1) All the costs of such suit or suits, advertising, sale, and conveyance, including attorney's, solicitors', and stenographers' fees, outlays for documentary evidence and cost of said abstract and examination of title; (2) All the moneys advanced by the Mortgagee, if any, for any purpose authorized in the mortgage, with interest on such advances at the rate specified by the Mortgagee, from the time such advances are made; (3) All the accrued interest remaining unpaid on the indebtedness hereby secured; (4) All the said principal sum. The over-plus of the proceeds of sale, if any, shall then be paid as the court may direct;**
  24. **A Reconveyance of said premises shall be made by the Mortgagee to the Mortgagor on full payment of the indebtedness aforesaid, the performance of the covenants and agreements herein made the Mortgagor, and the payment of the sums owed under the terms of the said note.**
  25. **It is Expressly Agreed that no extension of the time for payment of the debt hereby secured given by the Mortgagee to any successor in interest of the Mortgagor shall operate to release, in any manner, the original liability of the Mortgagor;**
  26. **The Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its own behalf and on behalf of each and every person except decree or judgment creditors of the Mortgagor acquiring any interest in or title to the premises subsequent to the date of this Mortgage;**
  27. **The Covenants Herein Contained shall bind, and the benefits and advantages shall inure to, the successors and assigns of the respective parties hereto. Wherever used, the singular number shall be plural, the plural the singular, and the use of any gender shall be applicable to all genders.**

In Witness Whereof, the Mortgagor has caused its corporate seal to be hereunto affixed and these presents to be signed by its President and attested by its \_\_\_\_\_ on the day and year first above written, pursuant to authority given by resolution duly passed by \_\_\_\_\_ of said corporation.  
[Corporate Seal]

By Dino Manolopoulos  
Dino Manolopoulos, President

Attest

State of Indiana )  
County of Lake )  
)  
)

I, MAUREEN LEE DRESH, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Dino Manolopoulos and \_\_\_\_\_, personally known to me to be the same persons whose names are respectively as President and Secretary of AHEPA 78 Phase VI, Inc.

\_\_\_\_\_, subscribed to the foregoing instrument, appeared before me in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with corporate seal, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.  
Given under my hand and notarial seal, this 5th 29th day of November, 20 07.

Document is NOT OFFICIAL

This Document is the property of the Lake County Recorder!

[Seal] Maureen Lee Dresh  
Notary Public MAUREEN LEE DRESH

My commission expires MARCH 29, 2012

I AFFIRM, UNDER PENALTY OF PERJURY, THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT, UNLESS REQUIRED BY LAW.

Robert H. Gullick  
ROBERT H. GULLICK

PREPARED BY ROBERT H. GULLICK, ATTORNEY AT LAW.



EXHIBIT A

Part of the SW ¼ of the NE ¼ of Section 21, Township 35 North, Range 8 West of the 2<sup>nd</sup> P.M. in Lake County, Indiana, described as follows: Beginning at a point on the West line of said NE ¼, 450 feet North of the Southwest corner thereof; thence North 00 degrees 45 minutes 40 seconds West, along said West line, 238.00 feet; thence North 90 degrees 00 minutes 00 seconds East, parallel To the South line of said NE ¼: 1162.08 feet: thence North 45 degrees 00 minutes 00 seconds East, 13.26 feet: thence North 00 degrees 42 minutes 45 seconds West, parallel to the East line of the SW ¼ of said NE ¼ 130.82 feet: thence N 89 degrees 48 minutes 25 degrees East, 152.99 feet to the East line of the SW ¼ of the NE ¼ thence South 00 degrees 42 minutes 45 seconds East along said East line, 184.22 feet to the centerline of Merrillville Road, thence South 31 degrees 45 minutes 56 seconds West along said centerline, 228.74 feet; thence North 90 degrees 00 minutes 00 seconds West, 1201.54 feet to the point of beginning, containing 7.456 acres more or less.

Also known as Lot 1 in the secondary Plat of AHEPA 78 Phase VI dated 2007-09-24 recorded on 12-14-07 in Plat Book 102 Page 33  
In the Office of the Recorder of Lake County, Indiana.

