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THIS MODIFICATION AGREEMENT is entered into between The Linden House of Hobart, Inc. ("Owner") and the Secretary of Housing and Urban Development ("Lender") to amend the Mortgage Note given by Owner to Lender on the 29th day of October, 1997, in the amount of \$3,407,600 which was secured by a mortgage of even date which was recorded on the 29th day of October, 1997, in the Office of the Recorder of Lake County, Indiana as Instrument #9773855 as follows:

(1) The face amount of the Note and Mortgage is amended to read \$3,355,600.

All other terms of the Note and Mortgage remain the same.

Nothing in this Modification Agreement shall waive, compromise, impair or prejudice any right the Secretary of HUD may have to seek judicial recourse for any breach of the Regulatory Agreement that may have occurred prior to or may occur subsequent to the date of this Modification Agreement. In the event that the Secretary of HUD initiates an action for breach of the Regulatory Agreement and recovers funds, either on the Secretary's behalf or on behalf of the project or the mortgagor, those funds may be applied, at the discretion of the Secretary of HUD, to payment of the delinquent amounts due under the mortgage or as a partial prepayment of the mortgage debt.

AWYERS TITLE INS. CORP.

FE PROFESSIONAL CENTER
SUITE 215
CROWN POINT. IN 46:317

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| The Linden House of Hobart, Inc. (Owner) | Secretary of Housing and Urban Development (Lender) |
|---|---|
| By: Develop Title: Secretary Date: 7-19-99 | By: Willis E. Sly Title: Chief, Project Management Date: 8/10/99 |
| COUNTY OF Lake NO STRICIAL! On this Document is the property of day of July 1999, before me appeared when the state that he/she is the Secretary of The Linden House of Hobart, Inc., and that he/she executed this Modification Agreement in his/her official capacity. | |
| MY COMMISSION EXPIRES: OVERLEAL MARY W. LAWLOR NOTARY PUBLIC - NDIANA Ny Comm. Expires 5-19-00 STATE OF INDIANA | Notary Public Mary W. Lawlor Printed Name Resides in LAKE County |
| On this /o day of Augustin who heir | |
| the Chief, Pto. My. of the Indiana O Urban Development and that he/she exertis/her official capacity. MY COMMISSION EXPIRES: DANIEL J. ADAMS, Notary Public Commission (Spires: 1172 2000) | ffice of the Department of Housing and ecuted this Modification Agreement in Notary Public Printed Name |
| Resident of Marion County | Resides in County |

THIS DOCUMENT WAS PREPARED BY SHAWN S. MAGEE

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