

SUPPLEMENTAL MORTGAGE MODIFICATION AGREEMENT

THIS SUPPLEMENTAL MORTGAGE MODIFICATION AGREEMENT made, entered into and dated November 26, 2008, by and between **HOBART RETIREMENT L.C.**, an Indiana limited liability company, having an office and place of business at 315 W. Jefferson Blvd., South Bend, Indiana 46601 (hereinafter referred to as the "Mortgagor") and **RED MORTGAGE CAPITAL, INC.**, an Ohio corporation, having an office and place of business at Two Miranova Place, 12th Floor, Columbus, Ohio 43215 (hereinafter referred to as the "Mortgagee").

WITNESSETH:

WHEREAS, the Mortgagee is the owner and holder of a certain Supplemental Mortgage Note of the Mortgagor, dated as of June 1, 2007 with Allonge #1 attached, in the original principal sum of \$4,724,500.00, with interest at the rate of Six and Seventy hundredths per centum (6.70%) per annum on the unpaid balance until paid, payable to the Mortgagee or order (which said Supplemental Mortgage Note as modified by Allonge #2 of even date herewith is hereinafter referred to as the "Note"); and

WHEREAS, the Note is secured by a Supplemental Mortgage (hereinafter referred to as the "Mortgage") given by the Mortgagor for the benefit of the Mortgagee, dated as of June 1, 2007, and recorded June 21, 2007, in the Lake County Recorder's Office, (the "Recorder's Office") as Instrument No. 2007050814, which Mortgage encumbers the lands, premises and property situate, lying and being in the County of Lake, State of Indiana, and more particularly described in Exhibit "A" attached hereto and to the Mortgage); and

WHEREAS, the terms and provisions of the Note are incorporated by reference into the Mortgage; and

WHEREAS, the Mortgagor is lawfully seized and possessed of fee simple title to the real property described in the Mortgage; and

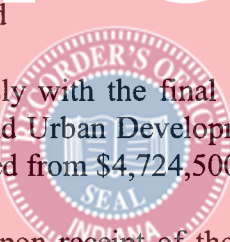
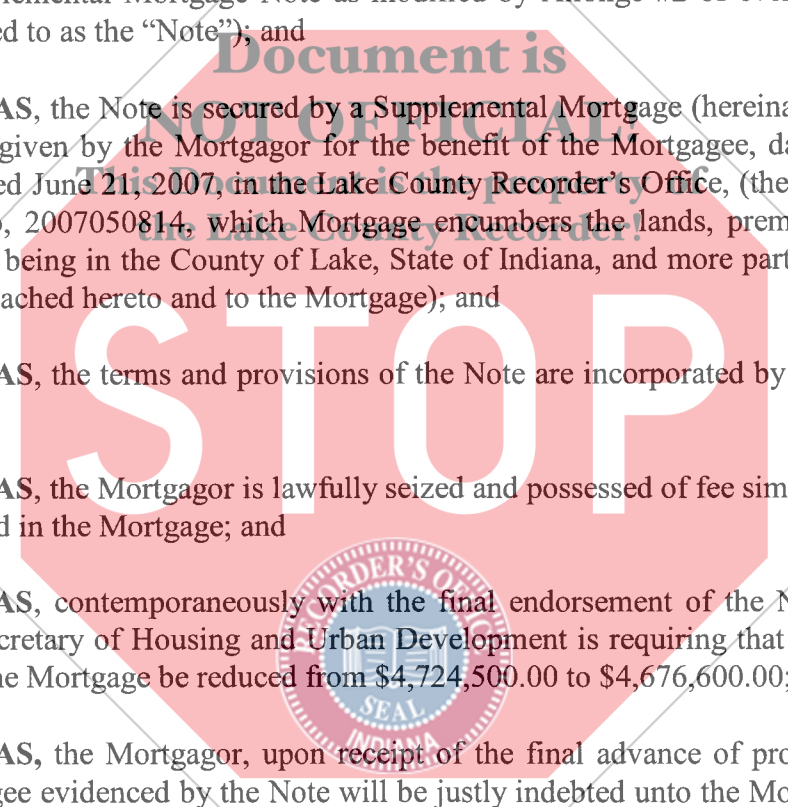
WHEREAS, contemporaneously with the final endorsement of the Note for mortgage insurance, the Secretary of Housing and Urban Development is requiring that the principal sum of the Note and the Mortgage be reduced from \$4,724,500.00 to \$4,676,600.00; and

WHEREAS, the Mortgagor, upon receipt of the final advance of proceeds of the loan from the Mortgagee evidenced by the Note will be justly indebted unto the Mortgagee in the full sum of \$4,676,600.00, and the outstanding principal balance, after the final advance has been funded, is \$4,676,600.00.

NOW, THEREFORE, in consideration of the premises and the sum of **TEN DOLLARS (\$10.00)** in hand paid by each of the parties hereto to the other (the receipt and

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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
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MICHAEL A. BROWN
RECORDER



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sufficiency of which by each of the parties hereto from the other is hereby acknowledged), the parties hereto, for themselves and their respective heirs, executors, administrators, successors and assigns, hereby covenant and agree as follows:

1. The second paragraph appearing at the top of page two of the Mortgage is hereby amended by deleting the loan amount of "FOUR MILLION SEVEN HUNDRED TWENTY-FOUR THOUSAND FIVE HUNDRED AND 00/100THS DOLLARS (\$4,724,500.00)" and inserting, in lieu thereof, the loan amount of "FOUR MILLION SIX HUNDRED SEVENTY-SIX THOUSAND SIX HUNDRED AND 00/100THS DOLLARS (\$4,676,600.00)."

2. Nothing herein contained shall in any manner whatsoever impair the Note or the security of the Mortgage now held for the indebtedness evidenced by the Note or alter, waive, annul, vary or affect any provision, covenant or condition of the Note, the Mortgage, that certain Supplemental Regulatory Agreement by and between the Mortgagor and the Secretary of Housing and Urban Development dated as of June 1, 2007, and recorded June 21, 2007, in the Record Office as Instrument No. 2007050815 (as amended by that certain First Amendment to Supplemental Regulatory Agreement for Multifamily Projects of even date herewith, hereinafter referred to as the "Regulatory Agreement") except as specifically modified and amended herein, nor affect or impair any rights, powers or remedies under the Note, the Mortgage, or the Regulatory Agreement, it being the intent of the parties hereto that all of the terms, covenants, conditions and agreements of the Note, the Mortgage, and the Regulatory Agreement shall continue and remain in full force and effect, except as modified hereby.


3. All of the terms, covenants, conditions and agreements hereof shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

[SEE ATTACHED COUNTERPART SIGNATURE PAGES]



**COUNTERPART SIGNATURE PAGE
TO
SUPPLEMENTAL MORTGAGE MODIFICATION AGREEMENT**

MORTGAGOR:
HOBART RETIREMENT L.L.C.
an Indiana limited liability company

By: 
Steven L. Garatoni
Sole Member

ACKNOWLEDGEMENT

STATE OF INDIANA

COUNTY OF St. Joseph

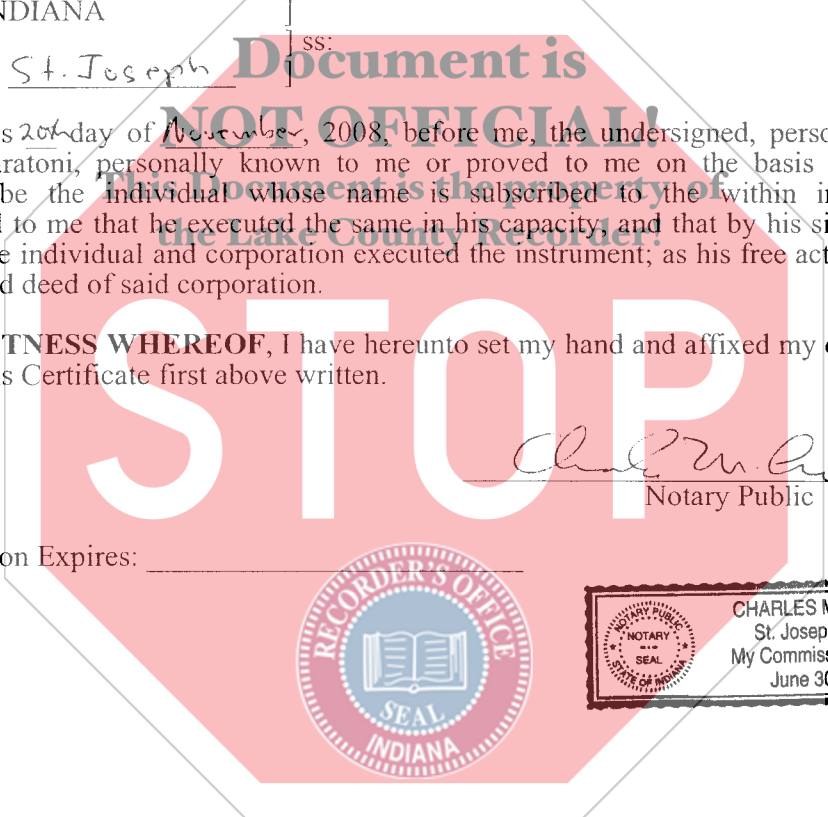
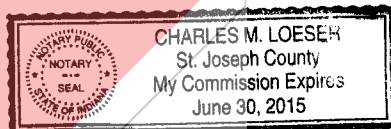
ss:

On this 20th day of November, 2008, before me, the undersigned, personally appeared Steven L. Garatoni, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual and corporation executed the instrument; as his free act and deed, and the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official the day and year in this Certificate first above written.


Notary Public

My Commission Expires: _____



COUNTERPART SIGNATURE PAGE
TO
SUPPLEMENTAL MORTGAGE MODIFICATION AGREEMENT

SECRETARY OF HOUSING AND URBAN
DEVELOPMENT, acting by and through the
Federal Housing Commissioner

By: Eileen R. Mitchell
Name: _____
Title: Authorized Agent, Director
Multifamily
Housing Center

ACKNOWLEDGEMENT

STATE OF INDIANA]
COUNTY OF Marion] ss:
]

On this 20th day of November, 2008, before me, the undersigned, personally appeared Eileen R. Mitchell, an Authorized Agent for the SECRETARY OF HOUSING AND URBAN DEVELOPMENT and his successors and assigns and acting through the Federal Housing Commission, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual and corporation executed the instrument, as his free act and deed, and the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official the day and year in this Certificate first above written.

MARIANNE CHRZANOWSKI
Notary Public, State of Indiana
Marion County, Comm. # 544511
My Commission Expires
October 30, 2013

Marianne Chrzanowski
Notary Public

My Commission Expires _____

Attachments: Exhibit A - Legal Description



Prepared By and Return To:
E. Joseph Knoll
Krooth & Altman LLP
1850 M Street, NW
Washington, DC 20036

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

Name Laura Kuckuck

EXHIBIT A
LEGAL DESCRIPTION

PARCEL 1: Lot 33 in Second Amended Final Development Plan of St. Mary Medical Center Campus, as per plat thereof, recorded in Plat Book 86 page 21, in the Office of the Recorder of Lake County, Indiana.

PARCEL 2: Non-exclusive easement rights for a perpetual storm water drainage easement created in Drainage Easement Agreement, dated July 22, 1999, recorded February 9, 2000 as Document No. 2000-009266, in the Office of the Recorder of Lake County, Indiana.

