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PREPARED BY AND

WHEN RECORDED MAIL
TO

Elizabeth H. Friedgut, Esq.
RUDNICK & WOLFE
203 North LaSalle Street
Chicago, Illinois 60601

209086A

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PROJECT NAME: ALDEN-NORTHMOOR NURSING CENTER
PROJECT LOCATION: CHICAGO, ILLINOIS

MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT (this "Agreement") dated the 19th day of February, 1999, is made by and between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust Agreement dated January 4, 1993 and known as Trust No. 116513-04 having its principal place of business at 120 South LaSalle Street, Chicago, Illinois 60603 (hereinafter referred to as the "Mortgagor") and CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS, an Illinois corporation having its principal place of business at 35 East Wacker Drive, 33rd Floor, Chicago, Illinois 60601 (hereinafter referred to as the "Mortgagee").

WITNESSETH:

WHEREAS, the Mortgagor is the owner of certain real property (the "Property") located in the City of Chicago, Cook County of the State of Illinois as further described in Exhibit A to this Agreement on which is constructed a certain nursing home facility known as Alden-Northmoor Nursing Center, FHA Project No. 071-43163 hereinafter referred to as the "Project".

WHEREAS, the Mortgagee is the holder of that certain Mortgage (the "Mortgage"), dated November 16, 1998, executed and delivered by Mortgagor to Mortgagee and recorded against the Property on November 18, 1998 as Document No. 08043293 of the Land Records of Cook County, Illinois (the "Official Records"). The Mortgage is held by the Mortgagee as security for the repayment of that certain Mortgage Note, dated November 16, 1998, executed by the Mortgagor in favor of the Mortgagee in the original principal amount of Nine Million One Hundred Ninety Four Thousand Nine Hundred and 00/100 Dollars (\$9,194,900.00) (the "Note").

WHEREAS, the Note and the indebtedness evidenced thereby is insured by the Secretary of Housing and Urban Development (the "Secretary") under Section 223(a)(7) pursuant to Section 237 of the National Housing Act, as amended.

WHEREAS, the Mortgagor has executed a Second Mortgage Note in the original principal amount of One Million Nine Hundred Forty One Thousand Five Hundred and 00/100 Dollars (\$1,941,500.00) (hereinafter referred to as the "Second Note") and a Second Mortgage (hereinafter referred to as the "Second Mortgage"), each dated February 19, 1999, in favor of Cambridge Realty Capital Ltd. of Illinois, an Illinois corporation (hereinafter referred to as the "Second Mortgage") which Second Mortgage is being recorded against the Property concurrently herewith;

WHEREAS, the Mortgagor and Mortgagee mutually agree and desire to amend the terms of the Note and Mortgage to evidence the consent of the Mortgagee to the creation of the lien of the Second Mortgage against the Property;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by the parties, it is agreed as follows:

1. The foregoing recitals are hereby incorporated by reference as if set forth fully herein. All capitalized terms not otherwise defined in this Agreement shall have the same meanings ascribed thereto in the Mortgage.
2. Mortgagee hereby consents to the creation of the lien of the Second Mortgage against the Property and agrees not to exercise its option to accelerate the maturity of the Note by reason of the creation of such subordinate lien.
3. Mortgagee hereby acknowledges that the Mortgage and Note are current in all respects.
4. The Note and Mortgage are hereby amended to incorporate the following provision: Mortgagor and Mortgagee thereby acknowledge and agree that a default under the Second Note and the Second Mortgage given in connection with any operating loss loan pursuant to Section 223(d) of the National Housing Act shall constitute a default under the Note and

the Mortgage and shall entitle Mortgagee to exercise all of its rights and remedies against Mortgagor thereunder.

5. Nothing in this Agreement shall waive, compromise, impair or prejudice any right the Secretary may have to seek judicial recourse for any breach of the Regulatory Agreement for Multifamily Housing Projects dated November 16, 1998 (hereinafter referred to as the ("Regulatory Agreement")), among Mortgagor, Alden-Northmoor Associates Limited Partnership, an Illinois limited partnership and the Owner of one hundred percent (100%) of the beneficial interest in the Mortgagor (the "Beneficiary") and the Secretary that may have occurred prior to or may occur subsequent to the date of this Agreement. In the event that the Secretary initiates an action for breach of the Regulatory Agreement and recovers funds, either on the Secretary's own behalf or on behalf of the Project or the Mortgagor or the Beneficiary, those funds may be applied, at the discretion of the Secretary, to payment of the delinquent amounts due under the Mortgage.
6. NOTHING HEREIN CONTAINED shall in anyway impair the Note or the security now held for said indebtedness, or alter, waive, annul, vary or affect any provision, condition or covenant therein, except the manner of default, as herein provided, nor affect or impair any rights, powers or remedies, under the said Note or Mortgage, it being the intent of the parties that the terms and provisions of said Note and Mortgage, shall continue in full force and effect except as modified hereby.
7. Notwithstanding anything herein contained, if any one or more of the provisions of this Agreement shall for any reason whatsoever be held to be illegal, invalid, or unenforceable in any respect, such illegality, invalidity, or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such illegal, invalid, or unenforceable provision had never been contained herein.
8. The Mortgage, as amended by this Agreement, may not be further modified except by an instrument in writing executed by each of the parties hereto.
9. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.
10. This Agreement may be executed in any number of counterparts and all counterparts shall be construed together and shall constitute but one agreement.

[INTENTIONALLY LEFT BLANK]

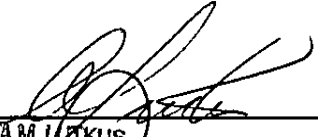
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IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed and attested in their behalf by their duly authorized officers as of the date of this Agreement.

MORTGAGOR:

SUBJECT TO THE EXCULPATORY PROVISIONS ATTACHED HERETO AND MADE A PART HEREOF


AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust Agreement dated as of January 4, 1993 and known as Trust No. 116513-04

By: 
Name: ANITA M. LUTKUS
Title: ASST. VP.

Property of Cook County Clerk's Office

MORTGAGEE:

**CAMBRIDGE REALTY CAPITAL
LTD. OF ILLINOIS**, an Illinois corporation

By: 

Andrew L. Erkes
President

Property of Cook County Clerk's Office

APPROVED:

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

By: Mary Anderson
Name: Director of Operations
Its Authorized Agent
Director of Operations

Property of Cook County Clerk's Office

STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid DO HEREBY CERTIFY THAT ANITA M. LUTKUS ASST. VP. of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under Trust Agreement dated as of January 4, 1993, as amended, and known as Trust No. 116513-04, personally known to me to be the ANITA M. LUTKUS ASST. VP. of said AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee aforesaid and whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he executed the foregoing instrument and caused the corporate seal of said AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee as aforesaid, to be affixed thereto as his free and voluntary act and as the free and voluntary act and deed of said AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 19 day of February, 1999.

Therese M. Lohse
Notary Public



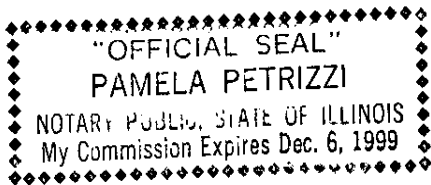
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Pamela Petrizzi, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Andrew L. Erkes, as President of Cambridge Realty Capital Ltd. of Illinois, an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that he, being thereunto duly authorized, signed and delivered said instrument as the free and voluntary act of said corporation and as his own free and voluntary act, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 19th day of February 1999.

Pamela Petrizzi
Notary Public

My commission expires:

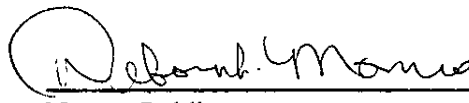


UNOFFICIAL COPY

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

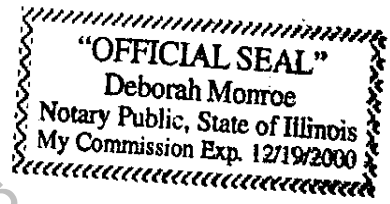
On this 23rd day of February, 1999 before me appeared Mary Anderson who, being duly sworn, did say that he is the duly appointed Authorized Agent and the person who executed the foregoing instrument by virtue of the authority vested in him and acknowledged the same to be his free and voluntary act and deed as Authorized Agent for and on behalf of the SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

IN TESTIMONY HEREOF, I have hereunto set my hand and affixed by Notarial Seal on the day and year last above written.



Notary Public

My Commission Expires: _____



**EXCULPATORY PROVISIONS FOR
ALDEN NORTHMOOR NURSING CENTER
FEDERAL HOUSING ADMINISTRATION
PROJECT NO. 071-15021**

This document is executed by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust Agreement dated as of January 4, 1993 and known as Trust No. 116513-04 in the exercise of the power and authority conferred upon and vested in said Trustee as such, and it is expressly understood and agreed that nothing in this document contained shall be construed as creating any monetary liability on said Trustee personally, to pay any indebtedness occurring thereunder, or any personal monetary liability on said Trustee with respect to the performance of any warranty or covenant, either expressed or implied, in said document (all such personal liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or security thereunder) except that the said Trustee shall be liable for funds or property of the project coming into its hand, which by the Regulatory Agreement for Multifamily Housing Projects, it is not entitled to retain.

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EXHIBIT A

LEGAL DESCRIPTION

LOT 36 (EXCEPT THE SOUTHEASTERLY 5 FEET THEREOF) AND ALL OF LOTS 37 TO 48 IN BLOCK 8 IN WILSON'S RESUBDIVISION OF BLOCKS 85, 86, 92, 93 AND 94 IN NORWOOD PARK, BEING A PART OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property Address: 5831 North Northwest Highway, Chicago, Illinois 60631

Permanent Real Estate Index Numbers: 13-06-409-017
13-06-409-018
13-06-409-019
13-06-409-020
13-06-409-021
13-06-409-022
13-06-409-023
13-06-409-024
13-06-409-025

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