

**EXHIBIT B**  
**MODIFICATIONS TO SECURITY INSTRUMENT**

The following modifications are made to the text of the Security Instrument of which this Exhibit is a part:

**ADDENDUM**  
**(Louisiana)**

*HUD Project No.* \_\_\_\_\_  
*HUD Project Name:* \_\_\_\_\_

The title of the Security Instrument is modified as follows: **HEALTHCARE ACT OF MORTGAGE, PLEDGE OF LEASES AND RENTS AND SECURITY AGREEMENT (LOUISIANA).**

**The first 4 introductory paragraphs of the Security Instrument are deleted and replaced as follows:**

**BE IT KNOWN** that on and as of this \_\_\_\_\_ day of \_\_\_\_\_, and at the location set forth below, before the undersigned notary public, duly commissioned and qualified in and for the jurisdiction wherein this instrument has been executed, and in the presence of the undersigned competent witnesses, personally came and appeared:

\_\_\_\_\_ organized and existing under the laws of the \_\_\_\_\_ as mortgagor (collectively, together with its successors and/or assigns, "**Borrower**"), having its principal place of business in \_\_\_\_\_ Parish, Louisiana.

Mailing Address:

\_\_\_\_\_

Tax ID No.:        XX-XXX\_\_\_\_\_,<sup>1</sup>

represented herein by its \_\_\_\_\_ organized and existing under the laws of \_\_\_\_\_, duly authorized pursuant to resolutions, a certified copy of which is annexed hereto. Borrower, being first duly sworn, declared that Borrower hereby grants and enters into this instrument as follows:

THIS HEALTHCARE ACT OF MORTGAGE, PLEDGE OF LEASES AND RENTS AND SECURITY AGREEMENT, WHICH, FOR AS LONG AS THE LOAN IS INSURED OR HELD BY HUD, SHALL BE DEEMED TO BE THE MORTGAGE AS DEFINED BY PROGRAM OBLIGATIONS (this "**Security Instrument**"), is made and granted by

<sup>1</sup> Last four numbers of Tax ID.

Borrower to and for the benefit of \_\_\_\_\_, as Lender (together with its successors and/or assigns, "**Lender**"), a \_\_\_\_\_ organized and existing under the laws of the \_\_\_\_\_ whose principal address is \_\_\_\_\_.

Borrower, in consideration of the Indebtedness and the security interest created by this Security Instrument, irrevocably mortgages, pledges, grants, conveys and assigns to Lender and Lender's successors and assigns, with power of sale, the Mortgaged Property, including the Land located in \_\_\_\_\_ Parish, State of Louisiana and described in Exhibit A, attached to and incorporated in this Security Instrument, to have and to hold the interest in the Mortgaged Property unto Lender and Lender's successors and assigns.

TO SECURE TO LENDER the repayment of the Indebtedness evidenced by the Note from Borrower payable to Lender dated as of the date of this Security Instrument, and maturing on \_\_\_\_\_ in the principal amount of \_\_\_\_\_ Dollars (US \$ \_\_\_\_\_) (the "**Loan**"), and all renewals, extensions and modifications of the Indebtedness, and the performance of the covenants and agreements of Borrower contained in this Security Instrument and the Note. The maximum amount secured by this Security Instrument is  $\$[\text{loanamt} * 1.5]$  (the "**Maximum Amount Secured**"). Amount inserted equals face amount of note plus 50% to cover costs of interest, protective advances, meeting requirements of Louisiana Civil Code Article 3288.

Borrower represents and warrants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, pledge, convey and assign and create a security interest in the Mortgaged Property, and that the Mortgaged Property is unencumbered except for easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy issued to Lender contemporaneously with the execution and recordation of this Security Instrument and insuring Lender's interest in the Mortgaged Property. Borrower covenants that Borrower shall warrant and defend generally such title to the Mortgaged Property against all claims and demands, subject to said easements and restrictions.

1. The wording of the second paragraph in the left hand corner of the title page is changed from "After recording return to:" to "After recording return a certified copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. The title to Section 4 to the Security Instrument is changed to read "**PLEDGE OF LEASES; LEASES AFFECTING THE MORTGAGED PROPERTY**" and Paragraphs (a) and (c) of Section 4 of the Security Instrument are amended and restated in their entirety to provide as follows:

(a) As part of the security for the Indebtedness, Borrower pledges to Lender all of Borrower's rights, title and interest in, to and under the Leases, and if and to the extent permitted by applicable law, the following provisions shall apply: (i) Lender shall have the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease. (ii) It is the intention of Borrower to establish a present, absolute and irrevocable pledge to Lender of all of Borrower's right, title and interest in, to and under the Leases. (iii) Borrower and Lender intend this pledge of the Leases to be immediately effective and to constitute an absolute present pledge. (iv) For purposes of giving effect to this absolute pledge of the Leases, and for no other purpose, the Leases shall not be deemed to be a part of the Mortgaged Property. However, if this present, absolute and unconditional pledge of Leases is not valid or enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Security Instrument create and perfect a pledge and lien on the Leases in favor of Lender, which lien shall be effective on the Effective Date of this Security Instrument.

(a) Borrower acknowledges and agrees that the exercise by Lender, either directly or by its designee, of any of the rights conferred under this Section 4 shall not be construed to make Lender a lender-in-possession of the Mortgaged Property so long as Lender, or an authorized agent of Lender, has not entered into actual possession of the Land and the Improvements. The acceptance by Lender of the pledge of the Leases pursuant to Section 4(a) shall not at any time or in any event obligate Lender to take any action under this Security Instrument or to expend any money or to incur any expenses. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property unless Lender is a lender-in-possession. Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender shall not (1) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (2) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (3) be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Security Instrument by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

3. Section 43 of the Security Instrument is amended and restated in its entirety to provide as follows:

**43. ACCELERATION; FORECLOSURE; CONFESSION OF JUDGMENT.**

(a) At any time during the existence of an Event of Default, Lender, at Lender's option, may accelerate the maturity of and declare the Indebtedness to be immediately due and payable, and may cause the Mortgaged Property and UCC Collateral to be immediately seized and sold, in whole, in part, or separately, whether in term of court or in vacation, under ordinary or executory process, in accordance with applicable

Louisiana law, to the highest bidder for cash, with or without appraisal, and without the necessity of making additional demand upon or notifying Borrower or placing Borrower in default, all of which are expressly waived. For purposes of foreclosure under the Louisiana executory process procedures, Borrower confesses judgment and acknowledges to be indebted to and in favor of Lender up to the full amount of the Indebtedness, including principal, interest, prepayment premiums, late charges, default interest, costs, expenses, collection attorneys' fees, and any additional sums that Lender may advance as provided under this Instrument. To the extent permitted under applicable Louisiana law, Borrower additionally waives: (a) the benefit of appraisal as provided in Articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure, and all other laws with regard to appraisal upon judicial sale; (b) the notice of seizure as provided under Articles 2293 and 2721 of the Louisiana Code of Civil Procedure; (c) the three (3) days' delay provided under Articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and (d) all other benefits provided under Articles 2331, 2722 and 2723 of the Louisiana Code of Civil Procedure and all other articles not specifically mentioned above. Borrower agrees that Lender shall have all of the additional enforcement rights and remedies of a secured party under the Louisiana Commercial Laws (Louisiana Revised Statutes, Title 10) and under the Uniform Commercial Code of any applicable state with respect to the UCC Collateral wherever located. Borrower further agrees that any declarations of fact made under an authentic act before a Notary Public in the presence of two witnesses, by a person declaring such facts to lie within his or her knowledge, shall constitute authentic evidence for purposes of executory process and also for purposes of Louisiana Revised Statutes, Title 9, Sections 3509.1 and 3504(b) (6), and Title 10, Section 9-508. Except as otherwise expressly provided in this Security Instrument, the Mortgaged Property is to remain specially mortgaged, affected, pledged and hypothecated unto and in favor of Lender and in favor of any and all future holder or holders of the Indebtedness until the full and final payment of all Indebtedness and obligations secured hereby, and Borrower is herein and hereby bound and obligated not to sell, alienate, mortgage or encumber the Property, or any part thereof, to the prejudice of this act, and not to permit or suffer the same to be so sold, alienated, deteriorated or encumbered

1. The following provisions are hereby added to the Security Instrument:

**FUTURE ADVANCES.** This Mortgage may secure future advances, and in accordance with Articles 3142 through 3175, and 3298 of the Louisiana Civil Code, and as to all Indebtedness and other obligations, present and future, secured by this Security Instrument, notwithstanding the nature of such obligations or the date they arise, this Security Instrument has effect between the parties from the time this Mortgage is executed, and as to third persons from the time this Security Instrument is filed for registry.

**INSURANCE PROCEEDS.** Mortgagor pledges to Lender the right to receive all proceeds of any insurance policies insuring against loss or damage to the Property in accordance with the provisions of Louisiana Revised Statutes 9:5386.

**RELEASE.** Upon payment of the Indebtedness in full, Borrower may request Lender in writing to provide Borrower with the Note marked "Canceled," or alternatively, at Lender's option, with a certificate sufficient to permit Borrower to cancel this Instrument from the public records. Borrower agrees that Lender may delay providing the foregoing to Borrower for up to 30 days following receipt of Borrower's written request. If Borrower requests Lender to perform the necessary services to cancel this Instrument from the public records, Borrower agrees to pay Lender's reasonable costs incurred in connection with such cancellation.

**MORTGAGE AND CONVEYANCE CERTIFICATES.** The production of Mortgage and conveyance certificates is waived by Lender and Borrower, who release me, Notary, from all liability for nonproduction.

**KEEPER OF MORTGAGED PROPERTY.** Pursuant to the provisions of Louisiana Revised Statutes, Title 9, Section 5136, Borrower and Lender covenant and agree that Lender shall have the right to designate a keeper of the Mortgaged Property at the time any seizure of the Mortgaged Property is effected and that Lender may designate itself or its employees, agents or independent contractors as such keeper. Borrower agrees that the reasonable fees of such a keeper shall be treated as a disbursement made under Section 12 and shall be secured by this Instrument. At no time has or will Borrower occupy the Mortgaged Property, or any portion of the Mortgaged Property, as its home.

**WAIVER OF TRIAL BY JURY.** BORROWER AND LENDER EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

#### **LOUISIANA TERMS.**

- A. All references to the Uniform Commercial Code (and words of similar import) shall also refer to and include the Louisiana Uniform Commercial Code, Louisiana Revised Statutes 10:1-101, et seq., and any and all provisions thereof corresponding to the Uniform Commercial Code.
- B. All references to a "receiver" or "trustee" or any person, entity or officer appointed for the purpose of administering and preserving the Property shall also mean, refer to and include a "keeper" under Louisiana Revised Statutes 9:5136, et seq.

- C. All references to “real property” shall include “immovable property” as that term is used in the Louisiana Civil Code, and any and all references to “personal property” or “Personalty” shall also include “movable property”.
- D. All references to “tangible property” shall include “corporeal property” and any and all references to “intangible property” shall include “incorporeal property”.
- E. The terms “fee estate”, “fee simple” or “fee title” with respect to property shall mean “ownership” as provided in Louisiana Civil Code Art. 477 unburdened by real rights in favor of others.
- F. The term “condemnation” will include “expropriation” as that term is used in Louisiana law.
- G. The term “easement” will include “servitude and advantages” as used in the Louisiana Civil Code.
- H. The term “building” will include “other constructions” as that term is used in the Louisiana Civil Code.
- I. The term “deed in lieu of foreclosure” will include “giving payment”, as that term is used in the Louisiana Civil Code.

EXHIBIT C - CERTIFICATE OF AUTHORIZATION OF BORROWER is added to the list of exhibits and incorporated into the Security Instrument

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**THE SECURITY INSTRUMENT SHALL BE PREPARED TO CONFORM TO THE REQUIREMENTS OF THE LOCAL FILING JURISDICTION IN WHICH THE DOCUMENT IS TO BE RECORDED AND FILED.**