

**FIRST AMENDMENT TO
MORTGAGE, ASSIGNMENT OF LEASE AND SECURITY AGREEMENT**

THIS FIRST AMENDMENT is executed and delivered as of July 11, 2008 by **Daniel Senior Living of Inverness II, LLC** ("Borrower") in favor of **Southern States Bank** (the "Lender").

Recitals

A. Borrower executed and delivered to the Lender the Mortgage, Assignment of Leases and Security Agreement dated May 1, 2008 and recorded in Instrument Number 20080501000179730 in the Office of the Judge of Probate of Shelby County, Alabama (the "Original Mortgage").

B. The Original Mortgage secured, among other Obligations (as defined therein), the loan evidenced by the Borrower's Promissory Note dated May 1, 2008 in the original principal amount of \$942,500.00 (the "Original Loan"), the proceeds of which were used by Borrower to purchase the Project Site, as defined in the Original Mortgage. The Borrower has requested the Lender to modify and amend the Original Loan and to lend it an additional amount not to exceed \$2,967,231.00 (the "Additional Loan") to finance certain site and hardscape improvements on the Project Site, and the Lender has agreed to do so on the condition, among others, that the Original Mortgage be amended so that it secures the Additional Loan, as well as the Original Loan.

C. The Borrower and the Lender have entered into the Loan Agreement (the "Loan Agreement") of even date herewith under which the Lender has agreed, on the terms, for the purposes, and subject to the conditions contained therein, to modify and amend the Original Loan and make the Additional Loan in Advances, as defined in the Loan Agreement. To evidence the Borrower's renewal of Original Loan and the Additional Loan, the Borrower has executed and delivered its Amended and Restated Promissory Note (the "Restated Note") of even date herewith in the original principal amount of \$3,909,731.00 payable to Lender's order.

D. The Borrower has executed and delivered this First Amendment to amend the Original Mortgage to confirm that the Obligations secured by the Original Mortgage include the Additional Loan.

Agreement

NOW, THEREFORE, in consideration of the Recitals and to induce the Lender to make the Additional Loan on the terms, for the purposes, and subject to the conditions contained in the Loan Agreement, the Borrower hereby agrees as follows:

1. The Borrower hereby confirms, acknowledges, and agrees that (a) the Additional Loan is and shall be part of the Obligations, as defined in the Original Mortgage, (b) in addition to the Original Loan and other amounts secured thereby, the Additional Loan is and shall be secured by the Original Mortgage, as amended by this First Amendment, and (c) the Restated Note is secured by the Original Mortgage, as amended by this First Amendment.

2. The Original Mortgage is hereby amended to add the following new defined term:

First Amendment shall mean this First Amendment to Mortgage, Assignment of Leases and Security Agreement.

3. The Original Mortgage is hereby amended to amend the following defined terms in their entirety to have the meanings set out below:

Guaranty shall mean the Amended and Restated Guaranty Agreement dated July 11, 2008 executed and delivered by Daniel Realty Company, LLC to the Lender and other guaranty agreement(s), whether one or more than one, executed and delivered by the Guarantors with respect to the Obligations, as at any time amended, supplemented, or restated.

Loan Agreement shall mean the Loan Agreement between the Borrower and the Lender dated July 11, 2008.

Loan Documents shall mean the Note, the Loan Agreement, the Interest Rate Contracts (if any), the Security Documents, and all other documents, instruments, and agreements now or hereafter executed or delivered in connection with the Obligations.

Mortgage shall mean the Original Mortgage dated May 1, 2008 and recorded in Instrument Number 20080501000179730 in the Office of the Judge of Probate of Shelby County, Alabama, as amended by this First Amendment, as it may from time to time hereafter be supplemented, modified, or amended.

Note shall mean the Borrower's Amended and Restated Promissory Note dated July 11, 2008 in the original principal amount of \$3,909,731.00 payable to the order of Lender.

4. Lender agrees to release from the lien of the Mortgage any individual lot in the Project that is sold for its fair market value if Borrower pays Lender the greater of (i) the net proceeds of such sale (which shall in no event be less than 90% of the sales price of such lot), or (ii) \$105,000.00.

5. The Borrower hereby represents and warrants that no Event of Default, or occurrence that with the passage of time or the giving of notice or both would constitute an Event of Default, under the Original Mortgage has occurred. The representations and warranties made by the Borrower in the Mortgage are as true and correct on the date hereof as when initially made, except as any such representation or warranty expressly relates to another date. The Borrower hereby acknowledges and agrees that there are no offsets or defenses to the obligations set forth in the Original Mortgage, as hereby amended. Except as amended hereby, the Original Mortgage shall remain in full force and effect in accordance with its terms.

[Remainder of Page Intentionally Left Blank]

[Signatures and Acknowledgement Appear on the Following Page]

Signature Page of First Amendment to Mortgage, Assignment of Leases and Security Agreement

IN WITNESS WHEREOF, the Borrower has caused this instrument to be executed in its name, under seal, on and as of the date and year first above written.

**DANIEL SENIOR LIVING OF INVERNESS II, LLC
As Borrower**

By: **Daniel Management Corporation**

By [Signature] (L.S.)

Name John D. Gunderson

Its Sr. Vice President

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that John D. Gunderson, whose name as Sr. Vice President of Daniel Management Corporation, an Alabama corporation, in its capacity as Manager of Daniel Senior Living of Inverness II, LLC, an Alabama limited liability company, is signed to the foregoing Mortgage, Assignment of Leases and Security Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority executed the same voluntarily for and as the act of such corporation in its capacity as Manager of such limited liability company.

Given under my hand and seal this the 11th day of July, 2008.

[Signature]
Notary Public

NOTARIAL SEAL

My commission expires: **MY COMMISSION EXPIRES 2-11-09**

This instrument prepared by:
Edward J. Ashton
Walston, Wells & Birchall, LLP
1819 Fifth Avenue North, Suite 1100
Birmingham, Alabama 35203
(205) 2444-5200