

4. The terms "credit instrument" and "security instrument" appearing in the Agreement and the terms "Promissory Note or other debt instrument executed by the Applicant dated May 23, 1974" and "Mortgage, Deed of Trust or other security instrument executed by Applicant dated May 23, 1974" appearing in the Guarantee shall be construed as referring, respectively, to that certain Note executed by the Hospital on May 23, 1974, in the original principal amount of \$7,200,000.00, payable to Western, and to that certain Mortgage dated May 23, 1974 executed by the Hospital to secure said Note, as the same have been amended by the Note and Mortgage Modification Agreement of even date herewith, a copy of which is attached hereto and hereby further approved by the parties hereto.

5. The Secretary and the Hospital hereby acknowledge and approve the Assignment from Western to the County of the Agreement and the Guarantee, the Note and Mortgage herein identified, and all other documents, rights, title and interest pertaining to the loan identified in the Agreement and the Guarantee.

6. The Secretary hereby acknowledges, agrees and reaffirms that (a) the Agreement and the Guarantee, as herein modified, continue in full force and effect, and the Guarantee covers the full amount of the outstanding balance of the Note as of the execution hereof, and that to the best of her knowledge no defaults exist thereunder; (b) that the County is the "holder" of the loan identified in the Agreement and the Guarantee; (c) that the County is entitled to the benefit of the Secretary's guarantee and is entitled to receive interest subsidy payments as described in the Agreement and the Guarantee; and (d) that all conditions, requirements and regulations applicable to or recited in the Agreement or the Guarantee and/or applicable to the transfer to the County of the benefits of the Agreement and Guarantee, have been complied with fully.

7. Except as herein modified and amended, all of the terms, conditions, covenants and agreements of the Agreement and the Guarantee shall remain in full force and effect.