

3315 Rustic Lane, A P 46303

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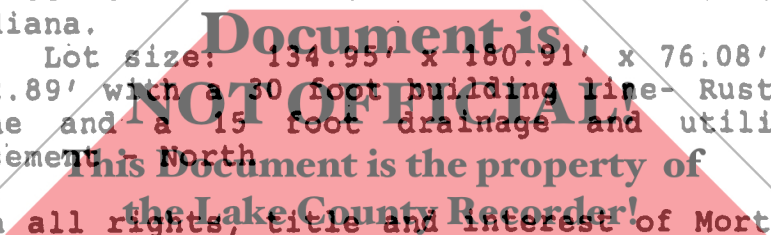
SECOND MORTGAGE

THIS INSTRUMENT ("Second Mortgage") WITNESSES: That Jonathan Doty and Linda Leslie Doty ("Mortgagor") in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby MORTGAGES and WARRANTS to J. B. Hook, Inc. ("Mortgagee"), the real estate ("Real Estate") and property located in Lake County, State of Indiana, more particularly described as follows:

Lot 969 in Lake of the Four Seasons, Unit 5, as shown in Plat Book 38, page 88, in the office of the Recorder of Lake County, Indiana.

Lot size: 134.95' x 180.91' x 76.08' x 142.89' with a 30 foot building line- Rustic Lane and a 15 foot drainage and utility easement North

STATE OF INDIANA/S.S. NO. LAKE COUNTY FILED FOR RECORD APR 9 2 25 PM '90 ROBERT WOODRUFF RECORDER



together with all rights, title and interest of Mortgagor in and to: (i) All rights, privileges, interest, tenements, hereditaments, easements and appurtenances in any way now or hereafter pertaining to the Real Estate ("Easements"); (ii) All buildings and other improvements of every kind and description now or hereafter placed on the Real Estate, together with all fixtures, machinery and other articles of personal property now or hereafter attached to or regularly used in connection with the Real Estate, and all replacements thereof ("Improvements"); (iii) All extensions, improvements, betterments, substitutions, replacements, renewals, additions and appurtenances of or to the Easements or Improvements ("Additions"); (iv) All rents, issues, proceeds, income and profits of the Real Estate, Easements, Improvements and Additions, including all payments made in connection with leases, subleases and other agreements affecting the Real Estate, Easements, Improvements or Additions ("Rents"); and (v) All awards, payments or proceeds of conversion, whether voluntary or involuntary, of any of the foregoing, including without limitation, all insurance, condemnation and tort claims (:Proceeds"). (Hereinafter, the Real Estate, Easements, Improvements, Additions, Rents, and Proceeds are referred to together as the "Mortgaged Property").

This Mortgage is given to secure the performance by the Mortgagor of the covenants and agreements contained in this Mortgage and to secure payment of an indebtedness evidenced by a certain promissory note ("Note"), dated December 1, 1989, executed and delivered by Jonathan and Linda Leslie Doty (hereinafter referred to jointly as "Borrower") to Mortgagee's assignor in the principal sum of fifteen thousand dollars (\$15,000) with repayment due upon the happening of any one of the following two events: (1) The termination of the employment of Johnathan Doty as Manager of the Colonial Nursing Home located at 119 North Indiana, Crown Point, Indiana (whether the termination of his

10.00

employment in that capacity is voluntary or involuntary, or by death, and whether that nursing home facility is owned by Geriatrics, Inc. or a successor or assignee); or (2) In the event Jonathan Doty terminates his ownership interest in the real estate located at 3315 Rustic Lane, Crown Point, Indiana (whether that alienation of interest occurs by death, sale of the Real Estate, as the result of bankruptcy or divorce, or in any other fashion).

Mortgagor hereby further covenants with the Mortgagee as follows:

1. Mortgagor covenants and agrees to promptly pay the debt as and when it becomes due, all without relief from valuation and appraisal laws and with attorney's fees.

2. Mortgagor shall (a) promptly repair, restore or rebuild the Mortgaged Property, or any portion thereof, which is damaged or destroyed; (b) keep the Mortgaged Property in good condition and repair, without waste, and free from encroachments and from mechanic's or materialman's lien or claims for lien not expressly subordinated to this mortgage; (c) pay when due any indebtedness which may be secured by a lien or charge on the Mortgaged Property, whether or not superior to the lien of this mortgage; (d) comply with all requirements of law and covenants and restrictions of record applicable to the Mortgaged Property or its use; (e) permit no change in or alteration of the design, structural character or general nature of the Real Estate and the Improvements without Mortgagee's prior written consent (which consent shall not be withheld unreasonably); and (f) permit Mortgagee to enter upon and inspect the Mortgaged Property at all reasonable times.

3. Mortgagor warrants that Mortgagor had legal title to the Mortgaged Property, is legally entitled to execute this mortgage, and the only prior mortgage lien on the property was conveyed to Fleet Mortgage Corp. at the time the Mortgagor purchased the Property in 1989.

4. Mortgagor will keep the Mortgaged Property insured against loss by fire, extended casualty, vandalism, malicious mischief and such other hazards as reasonably may be required from time to time by Mortgagee, in companies acceptable to Mortgagee, and shall name Mortgagee as an additional insured as its interest may appear.

5. Mortgagor will pay and discharge or cause to be paid and discharged when due, and before any penalty attaches, all taxes, general and special assessments, water and sewer rents or assessments and all other governmental and municipal charges and impositions of any kind imposed upon or assessed against Mortgagor or the Mortgaged Property, or any part thereof, or arising in respect of the occupancy, use or possession thereof.

6. Mortgagor shall not, without prior written consent of Mortgagee (which consent may be withheld without reasonable cause) lease, transfer, sell, contract to sell or in any way further

encumber all or any part of the Mortgaged Property.

7. If all or any part of the Mortgaged Property, is taken or damaged pursuant to an exercise, or the threat of exercise of the power of eminent domain, the entire proceeds of the award or compensation payable in respect of the part so taken or damaged are hereby assigned to and shall be paid to Mortgagee. The proceeds of any award or compensation actually received by the Mortgagee after deduction therefrom of all costs and expenses including reasonable attorneys' fees incurred by the Mortgagee in connection with the taking, at the Mortgagee's option, shall be applied, without premium, in part or entirely to payment of the Indebtedness or to restoration of the Mortgaged Property.

8. The failure to perform or violation of any covenant or agreement herein, or the failure to promptly repay the note upon the happening of a repayment event is a default of this mortgage. If the Mortgagor or either of them becomes the subject of an order for relief under the United States Bankruptcy Code, takes any action to obtain relief under the United States Bankruptcy Code, files an answer admitting bankruptcy or insolvency or in any manner is adjudged bankrupt or insolvent or in any manner is a default of this mortgage. Institution of proceedings to enforce any Prior Mortgage Lien or any other mortgage or lien upon all or any part of the Mortgaged Property is a default of this mortgage.

9. All expenses paid or incurred by or for the Mortgagee in connection with the foreclosure of this Mortgage for attorneys' fees, witnesses, appraisals, cost, and any other reasonably incurred expense of any kind shall be immediately be due and payable by Mortgagor and shall be recoverable under this mortgage as an indebtedness in the judgment for sale. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order: First, on account of all Advancements incident to the foreclosure and all costs; second, the indebtedness evidenced by the promissory note.

10. Upon the commencement of any proceeding to foreclose this Mortgage, Mortgagee shall be entitled forthwith to the appointment of a receiver, as a matter of right, without the giving of notice to any other party, without regard to the adequacy or inadequacy of any security for the Indebtedness and without requirement of any bond. Mortgagee shall be entitled to recover judgment either before or after or during the pendency of any proceeding for the enforcement of this Mortgage. The right of Mortgagee to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of this Mortgage, or the foreclosure of the lien of this Mortgage.

11. Each and every right, power and remedy conferred upon or reserved to Mortgagee in this Mortgage is cumulative and shall be in addition to every other right, power and remedy given in this Mortgage or now or hereafter existing at law or in equity. No delay or omission of Mortgagee in the exercise of any right, power

or remedy shall be construed to be a waiver of any event of default or any acquiescence therein.

12. In the event any provision of this mortgage is invalid, illegal or unenforceable, the remaining provisions shall be unaffected and the agreement and mortgage shall be read as though the invalid, illegal or unenforceable provisions had never been contained herein.

13. All notices under this Mortgage shall be in writing and shall be give in person or by registered mail addressed to Mortgagor at the following address: Jonathan and Linda Leslie Doty, 3315 Rustic Lane, Crown Pointe, Indiana; and to the Mortgagee at the following address: J. B. Hook, Inc., 4245 N. Meridian Street, Indianapolis, Indiana, or at such other place as the parties may, in writing, designate as the place for service of a notice.

14. This Mortgage shall (a) run with the land, (b) apply and extend to, be binding upon and inure to the benefit of Mortgagor, Mortgagor's heirs, administrators, successors and assigns and all persons claiming under or through Mortgagor, and the word "Mortgagor" shall include all such persons, and (c) shall apply and extend to, be binding upon and inure to the benefit of Mortgagee and Mortgagee's successors and assigns. The word "Mortgagee" shall include the successors and assigns of Mortgagee, and the holder or holders, from time to time, of the Note and any other indebtedness instruments.

15. All changes to this Mortgage must be in writing signed by the Mortgagee and, if this Mortgage is to be recorder, shall not be effective until recorded. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage this 1 day of December, 1989.

Mortgagor:

Jonathan Doty
Jonathan Doty

Linda Leslie Doty
Linda Leslie Doty

STATE OF INDIANA)

COUNTY OF LAKE)

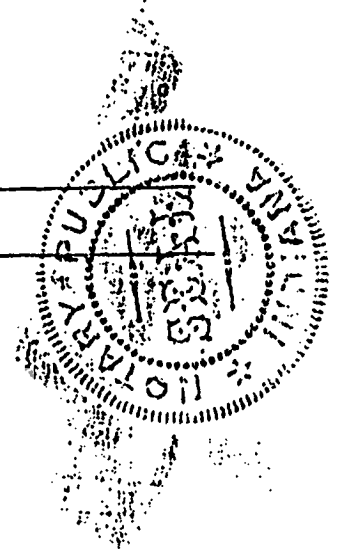
SS:

Before me, a Notary Public in and for the State of Indiana and a resident of Jackson County, Indiana, personally

appeared Jonathan Doty and Linda Leslie Doty who acknowledged execution of the foregoing mortgage as Mortgagor.

Witness my hand and Notarial Seal this 28th day of December, 1989.

Earla K. Gill
Signature
EARLA K. GILL
(Printed)



My commission expires: March 21, 1993



This instrument prepared by Michael A. Bergin, attorney at law.