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SECOND
REAL ESTATE MORTGAGE

THIS INSTRUMENT WITNESSETH, that 21ST CENTURY HEALTH SYSTEMS, an Indiana General Partnership, with its principal place of business at Floyd Knobs, Kentucky (hereinafter "Mortgagor"), MORTGAGE AND WARRANT to OLD NATIONAL BANK IN EVANSVILLE, a National Banking Association with its principal office at 420 Main Street, Evansville, Indiana (hereinafter called the "Bank"), real estate located in Lake County, State of Indiana, more particularly described on "Exhibit A" attached hereto and incorporated herein (the "Premises").

TOGETHER with all the easements, rights-of-way, licenses, privileges, and appurtenances thereunto belonging, and all the rents, issues and profits therefrom; and, also, all the right, title and interest of Guarantor, in the Premises hereinabove described; and all right, title and interest, if any of Guarantor in and to the land lying within any street or roadway adjoining the Premises;

TOGETHER with all buildings, structures and improvements now or hereafter erected thereon; and, also, all fixtures and articles of personal property of every kind and nature whatsoever, now or hereafter located in or upon or affixed to the said Premises, or any part thereof, and now owned or hereafter acquired by Guarantor, whether physically attached to the Premises or not;

TO HAVE AND TO HOLD the Premises with the privileges and appurtenances thereunto belonging, and all rents, issues and profits therefrom, unto Bank, its successors and assigns, forever, for the uses and purposes herein expressed. Guarantor covenants that at and until the execution and delivery of this Mortgage, Guarantor is lawfully possessed of the Premises, and holds the fee simple title to the same, and has good right and full power to mortgage and warrant the same in the manner and form written; and that the Guarantor does warrant and will defend the said Premises, to Bank, its successors and assigns against all claims and demands whatsoever.

THIS MORTGAGE IS GIVEN TO SECURE: (a) Complete and timely performance of the obligations of Guarantor as evidenced by a certain Unconditional Guaranty (the "Guaranty") executed by Guarantor of even date herewith and covering the Liabilities (as described therein), of Seu Heu Group Investors, a partnership; (b) Payments by Guarantor to Bank as herein provided of all sums expended or advanced by Bank pursuant to any term or provision of this Mortgage; and (c) Performance of each and every of the covenants, conditions and agreements contained in this Mortgage, the Guaranty, and in any other instrument executed in connection herewith (the "Security Agreements"). All sums payable herein shall be without relief from valuation and appraisal laws and with reasonable attorney's fees.

AND, GUARANTOR HEREBY COVENANTS AND AGREES THAT:

1. Guarantor will fully and completely perform each and every obligation contained in the Guaranty, at the times and in the manner therein provided.
2. Guarantor will pay all taxes, assessments and other similar charges levied upon the Premises before the same become delinquent and will promptly deliver to Bank receipts of the proper officers therefor. Upon request, Guarantor will pay to Bank, in addition to each payment required under the Notes, a sum estimated by Bank to be sufficient to enable Bank to pay at least thirty (30) days before they become delinquent all taxes, assessments and other similar charges levied against the Premises, and all insurance premiums on any policy or policies of insurance required hereunder. Such additional payments may be commingled with the general funds of Bank and no interest shall be payable in respect thereof. Upon demand by Bank, Guarantor will deliver and pay over to Bank such additional sums as are necessary to enable

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STATE OF INDIANA
LAKE COUNTY
RECORDED
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Bank to fully pay any of the items hereinabove mentioned. In the event of any default by Guarantor in the performance of any of the terms, covenants or conditions herein contained, or in the Notes or Security Agreements, Bank may apply against the indebtedness secured hereby, in such manner as Bank may determine, any funds of Guarantor then held by Bank under this paragraph.

3. In the event of default by Guarantor of any of its obligations contained herein to pay taxes, assessments or other similar charges, or to pay premiums on insurance and monthly utility charges, the Bank may pay the same (including any penalties, late charges or delinquency fees), and the amount so paid by Bank shall become immediately due and payable by Guarantor with interest at the rate of two percent (2.0%) per annum in excess of the rate provided in the Notes until paid, and shall be secured by this Mortgage.

4. In the event of the passage after the date hereof of any statute, ordinance or regulation increasing in any way the amount chargeable to Bank by federal, state or local agencies or authorities by reason of its ownership of this Mortgage, such increased amount shall be deemed to be additional principal payable by Guarantor to Bank with interest at the rate provided for in the Notes. Such increased amount shall be secured hereby.

5. Guarantor will procure, deliver to and maintain for the benefit of Bank during the continuance of this Mortgage a policy or policies of insurance insuring the buildings and improvements now existing or hereafter erected on the Premises against loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke and such other hazards, casualties and contingencies as Bank may designate. All policies of insurance required hereunder shall be in such form, companies and amounts as may be acceptable to Bank, and shall contain a mortgagee clause acceptable to Bank with loss payable to Bank. Guarantor will promptly pay, when due, any premiums on any policy or policies of insurance required hereunder, and will deliver to Bank renewals of such policy or policies at least ten (10) days prior to the expiration date(s) thereof; the said policies and renewals to be marked "PAID" by the issuing company or agent.

In the event of any loss or damage, Guarantor will give immediate notice thereof to Bank, and Bank may thereupon make proof of such loss or damage, if the same is not promptly made by Guarantor. All proceeds of insurance, in the event of such loss or damage, shall be payable to Bank, and any affected insurance company is authorized and directed to make payment directly to Bank. Bank is authorized and empowered to compromise any claims for loss under any policy or policies of insurance. All such insurance proceeds may, at the sole discretion of Bank, be applied to the restoration, repair, replacement or rebuilding of the Premises, or in reduction of any indebtedness secured by this Mortgage. The delivery to Bank of any policy or policies of insurance hereunder, or renewals thereof, shall constitute an assignment to Bank of any unearned premiums thereon as further security for the payment of the Notes. In the event of foreclosure of this Mortgage or other transfer of title to the mortgaged Premises in extinguishment of the indebtedness secured hereby, all right, title and interest of Guarantor in and to any insurance policies then in force shall pass to the purchaser or grantee.

6. Guarantor will maintain the Premises in good condition and repair and will not commit or suffer any waste thereof, reasonable wear and tear excepted. Guarantor will comply with, or cause compliance with, all statutes, ordinances, regulations or requirements of any governmental authority relating to the Premises, and will promptly repair, restore, replace or rebuild any part of the Premises now or hereafter subject to the lien of this Mortgage which may be lost by any casualty, or as the result of any proceeding hereinafter referred to in paragraph 8 to the extent of condemnation proceeds released to Guarantor. None of the buildings, structures or improvements now or hereafter erected shall be removed, demolished or substantially or structurally altered in any respect without the prior written consent of Bank. Bank, or any person authorized by Bank, shall have the right to enter upon and inspect the Premises at all reasonable times. Guarantor will pay promptly when due all charges for utilities or services, including, but not limited to, electricity, gas and water.

7. Guarantor will not create or suffer to be created any further charge, lien or encumbrance upon the Premises, or any part thereof, except the lien hereof, and the lien of general and special taxes duly levied and assessed, without the prior written consent of Bank.

8. If all or any part of the Premises are damaged, taken or acquired, either temporarily or permanently, in any condemnation proceeding, or by the exercise of the right of eminent domain, or by the alteration of the grade of any street affecting the Premises, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the then remaining unpaid indebtedness secured hereby, is assigned to the Bank, who is empowered to collect and receive the same and the same shall be paid forthwith to Bank. Any award or payment so received by Bank may, at the option of the Bank, be retained and applied, in whole or in part, to the indebtedness secured hereby (whether or not then due and payable), in such manner as Bank may determine, or released, in whole or in part, to the Guarantor for the purposes of altering, restoring or rebuilding any part of the Premises which may have been altered, damaged or destroyed as a result of such taking, alteration or proceeding, but Bank shall not be obligated to see to the application of any amounts so released.

9. If Bank shall incur or expend any sums, including abstract fees, court costs and/or reasonable attorneys' fees, whether in connection with any action or proceeding or not, in the inception, documentation, administration or management of the loan secured hereby, or in order to sustain or defend the lien of this Mortgage and its validity and/or priority, or to protect or enforce any of Bank's rights hereunder, or to recover any indebtedness secured hereby, all such sums shall become immediately due and payable by Guarantor, with interest thereon at the rate of two percent (2%) per annum, in excess of the rate in the Notes, and shall be secured by this Mortgage.

10. Guarantor and Borrower will keep or cause to be kept proper books of record and accounts in accordance with generally accepted accounting principles consistently applied. Bank shall have the right to examine said books of record and accounts at such reasonable times as Bank may elect. Guarantor and Borrower shall furnish to Bank upon request, personal and financial statements in reasonable detail and prepared by an independent certified public accountant acceptable to Bank. In addition, Borrower shall furnish to Bank such other interim financial statements and other financial documentation as Bank may request, certified by Borrower in such form or forms as may be reasonably acceptable to Bank.

11. In the event that Bank: (a) grants any extension of time or forbearance with respect to the Notes; (b) takes other or additional security for the payment thereof; (c) waives or fails to exercise any right granted herein or under the Notes; (d) grants any release, with or without consideration, of the whole or any part of the security held for the payment of the Notes; (e) amends or modifies in any respect with the consent of Guarantor any of the terms and provisions hereof or of the Notes; then, and in such event, such act or omission to act shall not release Guarantor, or any co-makers, sureties or other guarantors of this Mortgage or of the Notes, under any covenants hereof or of the Notes, nor preclude Bank from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or any subsequent default and without impairing or affecting the lien or priority of this Mortgage.

12. Guarantor will not make, suffer or permit, without the written consent of the Bank: (a) any use of the Premises for any purpose other than that for which the same are now used or intended to be used; (b) any material alterations of the buildings, improvements or fixtures now or hereafter erected or located upon the Premises; (c) any purchase or conditional sale, lease or agreement under which title is reserved in the vendor of any such fixtures, apparatus, equipment or personal property to be placed in or upon any of the buildings or improvements on the Premises. Guarantor will execute

and deliver from time to time, such further instruments as may be requested by Guarantor to confirm the lien of this Mortgage or any fixtures described herein.

13. The Guarantor will pay all filing and recording fees, assessments, costs or taxes, of this instrument as a real estate mortgage or security agreement on personal property, as may be deemed appropriate by the Bank, and for the refiling thereof at the time required by the laws of the state wherein the Premises are located. Guarantor authorizes the Bank to prepare financing statements, signed only by the Bank, covering the security interest of the Bank in the mortgaged property and to file such financing statement or statements in those public offices deemed necessary by Bank.

14. In the event of the expiration of five (5) days following the failure of Guarantor to honor any demand by Bank for payment under the Guaranty, or in the event of a failure to perform any of the covenants and conditions in this Mortgage, the Notes or the Security Agreements within ten (10) days of Borrower's receipt of Bank's written notice of such failure to perform; or in the event of any action in bankruptcy, receivership or reorganization filed by or against Guarantor, or any assignment or composition for the benefit of creditors made or entered into by Guarantor, or in the event of any judgment or proceeding entered or brought against Guarantor by or in favor of any third person affecting the Premises or to foreclose any lien thereon or of any judgment or any part thereof; then, and in any such event, at the option of Bank, without notice or demand, the entire indebtedness secured hereby shall become due, payable and collectible, and in addition to any other right to remedy which Bank may now or hereafter have at law or in equity, Bank shall have the right and power: (a) to foreclose upon this Mortgage and the lien hereon; (b) to apply without notice (the same being hereby expressly waived) for the appointment of a receiver to collect the rents and profits of said Premises and to preserve the security hereof, as a matter of right, either before or after any foreclosure sale without consideration of the value of the Premises as security for the amount due Bank, or the solvency of any person or persons liable for the payment of such amounts; the rents, issues and profits of the Premises, in any such event, being hereby assigned to Bank as additional security for the payment of such indebtedness; (c) to enter upon and take possession of the Premises with the irrevocable consent of Guarantor as evidenced by the execution of this Mortgage; and as Bank in possession, and without the appointment of any receiver or application being made therefor, to let the said Premises, either in Bank's name or Borrower's name, and receive all rents, issues and profits therefrom (which are due or become due), and to apply the same after the payment of all charges and expenses deemed by Bank to be necessary, to the indebtedness secured hereby; any action may be brought in Borrower's name to dispossess any tenant defaulting in the payment of rent to Bank or violating the terms of his occupancy, which right and power are effective and may be enforced either with or without any action to foreclose this Mortgage and without applying at any time for a receiver for the Premises.

15. Whenever used in this instrument, unless the context shall otherwise clearly require, the term "Notes" shall refer to the Notes described above, together with any extensions, modifications or renewals thereof; the term "person" shall include any individual, partnership, corporation, trustee, or unincorporated association; the singular shall include the plural, and the plural, the singular; the gender used shall include the other genders.

16. All of the terms, covenants, conditions and agreements herein set forth shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors in interest and assigns, as the case may be, of the parties hereto, and all persons claiming by, through or under them.

17. Guarantor shall not sell, transfer or otherwise dispose of all or any part of the Premises, by way of sale, transfer, installment sale, exchange or lease, without the express written consent of the Bank. Such consent shall be granted by the Bank if, prior to such sale, transfer or disposal, Borrower grants to Bank a security interest in property owned by

Guarantor, real, personal or intangible, with a value, established by independent appraisal or recognized market price, in the case of securities, equal to or exceeding the percentage value of the original principal amount of the Notes which equals the percentage of Guarantor's ownership interest in Borrower.

18. This Mortgage shall also secure: (a) the repayment of all extensions and renewals of each, and of any, of the Notes; and (b) the repayment of any and all other indebtedness of the Guarantor to the Bank now existing or hereafter created or however arising, and regardless of whether such Guarantor is primarily or secondarily liable to the Bank in connection with such indebtedness; provided, however, that the Bank is not obligated to make any further loans or advancements to the Guarantor, or any of them.

19. Guarantor warrants and represents that, to the best of Borrower's knowledge and belief, and after due inquiry and investigation, there are no hazardous or toxic materials, including, without limitation, gasoline, petroleum products, explosives, radioactive material, polychlorinated biphenyls, or related or similar materials, asbestos or asbestos-containing materials, or any other substance or material defined as hazardous or toxic by any federal, state or local law, ordinance or regulation ("Hazardous Materials"), except those in compliance with all applicable federal, state and local laws, ordinances and regulations. Guarantor further covenants that neither Guarantor, nor any other prior owner or occupant of the Premises has received any notice or advice from any source alleging any violation of any such law, ordinance or regulation respecting Hazardous Materials on, from or affecting the Premises. The Bank, at Borrower's sole cost and expense, shall be entitled to inspect the Premises, and shall be entitled to conduct appropriate tests, including soil borings, to determine whether or not the Premises has been or is likely to be contaminated by Hazardous Materials. Guarantor covenants that the Premises shall be kept free of Hazardous Materials, and neither Guarantor nor any occupant of the Premises shall use, transport, store, dispose of or in any other manner deal with Hazardous Materials on the Premises, except to the extent that the same shall be necessary and proper to carry out the activities on the Premises and such uses and activities have been previously described to Bank in writing, and provided that such handling of Hazardous Materials on the Premises shall be in all respects in compliance with applicable federal, state or local laws, ordinances or regulations. Any initial use or increased use of Hazardous Materials on the Premises which were not previously disclosed in writing to Bank is prohibited, unless advance written notice thereof is delivered to Bank. Guarantor shall comply with and insure compliance by occupants of the Premises with all applicable federal, state and local environmental laws, ordinances and regulations, and shall keep the Premises free and clear of any liens imposed pursuant thereto. Guarantor shall immediately notify Bank of receipt of any notice or advice from any source respecting the use of Hazardous Materials on, from or affecting the Premises. Guarantor shall promptly conduct and complete all investigations, studies and testing and all remedial actions deemed necessary to clean up and remove Hazardous Materials from the Premises in response to notice of violation of any applicable federal, state or local law, ordinance or regulation.

20. The Bank shall have the right to inspect the Premises and improvements thereon, and specifically the Bank shall have the right to cause to be inspected, at Borrower's cost and expense, any underground storage tanks and all pipes, lines, hoses and valves associated therewith (herein the "Storage System"), located in, upon or about the Premises for the purpose of determining that there is no existing leak in any of such tanks or Storage System. In the event of a discovery of a leak in any of such tanks or Storage System, the Bank, at Borrower's cost and expense, shall be entitled to conduct soil boring tests to determine whether or not the hydrocarbon levels existing within the soil and ground waters are within permissible levels as prescribed by rules and regulations promulgated by the Environmental Protection Agency and by the Indiana Department of Environmental Management, or any other governmental agency. In the event that ground and/or water contamination is found to exist at the Premises, the Bank shall not be obligated to make the loan, or having made the initial or any subsequent advance in respect of the

loan, shall not be required to make any further advances and may accelerate the indebtedness owned by the Guarantor to the Bank.

21. Guarantor shall protect, defend, indemnify and save harmless the Bank from and against all liabilities, obligations, claims, damages, penalties, causes of action, response and cleanup costs, and other costs and expenses (including without limitation reasonable attorneys' fees and expenses), imposed upon or incurred by or asserted against Bank by reason of (a) the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release or threatened release of any Hazardous Materials, as defined above, on, from, or affecting the Premises or any other property; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (c) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials; or (d) any violation of laws, orders, regulations, requirements, or demands of government authorities, which are based upon or in any way related to such Hazardous Materials, including, but not limited to the following laws: the Comprehensive Environmental Response, Compensation, and Liability Act; the Resource Conservation and Recovery Act; the Clean Water Act; the Toxic Substances Control Act; the Solid Waste Management Act; the Hazardous Waste Treatment, Storage and Disposal Act; the Reimbursement for Hazardous Materials Emergency Action Act; the Hazardous Waste Facility Approval Act; the Hazardous Substances Emergency Response Trust Fund Act; the Waste Water Treatment Control Act; the Air and Water Pollution Control Act; the Plugging of Oil and Gas Wells Act; the Waste Liquid Disposal Regulations issued pursuant to I.C. 13-4-7-1; the Polychlorinated Biphenyls and Terphenyls Disposal Act; the Underground Storage Tank Act; or the Indiana Act Prohibiting Acts having an Adverse Environmental Impact, including, without limitation, the costs and expenses of any remedial action, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. Any amounts payable to Bank by reason of the application of this Paragraph shall be secured by this Mortgage and shall become immediately due and payable and shall bear interest at a rate of two percent (2.0%) in excess of the rate provided in the Notes. The obligations and liabilities of Guarantor hereunder shall survive any termination, satisfaction, assignment, entry of judgment of foreclosure, or deed in lieu of foreclosure.

PROVIDED, HOWEVER, that this Mortgage shall cease and be of no further force and effect upon the attainment by Borrower of both of the ratios described below. At the time of such attainment, there must not exist any event or occurrence of default under any loans or other financial accommodations accorded to Borrower by Bank or to any Guarantors of Borrower's obligations by Bank:

A. Attainment by Borrower of a ratio of current assets to current liabilities of not less than 1 to 1. Current assets and current liabilities means all assets or liabilities, respectively, treated as current assets or current liabilities in accordance with generally accepted accounting principles consistent with those used in the preparation of the financial statements of Borrower. In addition, "current liabilities" includes without limitation (1) all obligations payable on demand or within one (1) year after the date upon which the determination is made; and (2) final maturities and sinking fund payments required to be made within one (1) year after the date on which such determination is made, but excluding all such liabilities or obligations which are renewable or extendable at the option of the Borrower to a date more than one (1) year from the date of determination.

B. Attainment by Borrower of a ratio of tangible net worth to total liabilities of .5 to 1. Tangible net worth means the excess of total assets over total liabilities, total assets and total liabilities each to be determined in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements of Borrower, excluding, however, all assets which would be classified as intangible assets such as, without limitation, goodwill, licenses, patents, trademarks, trade names, copyrights and franchises.

PROVIDED, NEVERTHELESS, that if Guarantor shall pay to Bank the sums of money described in the Notes, and the interest thereon, in the manner and at the times mentioned therein, and any and all other sums which may become payable by Bank hereunder, and shall fully keep and perform the terms, covenants, conditions and agreements hereof by Guarantor to be kept and performed, then this Mortgage and the estate hereby granted shall cease, determine, and be void, and said Mortgage shall thereupon be released by the Bank at the cost and expense of Guarantor (all claims for statutory penalties, in case of Bank's failure to release, being hereby waived).

IN WITNESS WHEREOF, the said Guarantor has caused this Mortgage to be duly executed and delivered this 22nd day of February, 1991.

21ST CENTURY HEALTH SYSTEMS

By *Wayne Seufert*
Wayne Seufert, General Partner

By *Robert Heuel*
Robert Heuel, General Partner

STATE OF INDIANA

COUNTY OF VANDERBURGH

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Before me, a Notary Public, in and for said County and State, personally appeared the ~~within name the~~ Wayne Seufert and Robert Heuel, known to me to be the General Partners of 21st Century Health Systems, an Indiana General Partnership, and who, having been duly sworn upon oath, acknowledged the execution of hte foregoing Second Real Estate Mortgage as a free and voluntary act as General Partners thereof, and that they are authorized to make, execute and deliver said Mortgage for and on behalf of said Partnership.

WITNESS, my hand and Notarial Seal this 22nd day of February, 1991.



Robert F. Stayman
Signature of Notary Public

Robert F. Stayman
Printed Name of Notary Public

My Commission Expires:
August 26, 1991

County of Residence:
Vanderburgh County, Indiana

THIS INSTRUMENT PREPARED BY: Robert F. Stayman, a partner in the law firm of ZIEMER, STAYMAN, WEITZEL & SHOULDERS, 1507 Old National Bank Building, Post Office Box 916, Evansville, Indiana 47706-0916; Telephone: (812) 424-7575.

EXHIBIT "A"

Parcel I:

The East 210 feet of the North 733.33 feet of the Northwest Quarter of the Northeast Quarter of Section 9, Township 35 North, Range 8 West, of the 2nd P.M., in Lake County, Indiana, except the North 50 feet taken for road purposes, together with all of the improvements thereon, which property bears the municipal address of 601 W. 61st Avenue, Merrillville, Indiana 46410, and is presently the Merrillville Convalescent Center.

Parcel II:

The Northwest Quarter of the Northeast Quarter of Section 9, Township 35 North, Range 8 West, of the 2nd P.M., except the North 733.33 feet thereof, in Lake County, Indiana.

