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Case 99-09718

STATE OF INDIANA  
LAKE COUNTY

**SECOND AMENDMENT TO LOAN AGREEMENT  
AND LEASEHOLD MORTGAGE**

2000 036858

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THIS SECOND AMENDMENT TO LOAN AGREEMENT AND LEASEHOLD MORTGAGE ("Second Amendment") is made and entered into effective as of May 17, 2000 by and between SUMMERVILLE ASSISTED LIVING, INC., a corporation organized under the laws of the State of Delaware ("Borrower" and/or "Tenant"), having an address of 5285 Shawnee Road, Suite 401, Alexandria, Virginia 22312 and HEALTH CARE REIT, INC., a corporation organized under the laws of the State of Delaware ("Lender"), having an address of One SeaGate, Suite 1500, P.O. Box 1475, Toledo, Ohio 43603.

**RECITALS**

A. Pursuant to a Loan Agreement dated as of December 30, 1999 as amended by a First Amendment to Loan Agreement and Leasehold Mortgage dated as of February 4, 2000 ("First Amendment") ("Loan Agreement"), Lender made a loan to Borrower in the original principal amount of \$3,000,000.00 ("Loan").

B. The Loan was evidenced by a promissory note made by Borrower in favor of Lender dated as of December 30, 1999 ("Note"), and was secured by, among other things, the lien of a Leasehold Mortgage ("Mortgage") made by Borrower for the benefit of the Lender dated as of December 30, 1999 and recorded as shown on Schedule A. The Loan was guaranteed by the Unconditional and Continuing Guaranty of Guarantor.

C. Effective as of February 4, 2000, Lender made a loan to Borrower in the principal amount of \$2,680,720.00 ("Term Loan") which Term Loan is evidenced by a promissory note from Borrower to Lender dated as of February 4, 2000 ("Term Note") and is secured by the Mortgage as amended by the First Amendment. The Term Loan is guaranteed by Summerville Healthcare Group, Inc. ("Guarantor") and the guaranty is secured by a pledge of Guarantor's interest in Senior Living/Mt. Hunter's Woods, LLC ("Senior Living").

D. Effective as of May 17, 2000, Lender has made another loan to Borrower in the principal amount of \$2,147,975.20 ("Second Term Loan") which Second Term Loan is evidenced by a promissory note from Borrower to Lender of even date ("Second Term Note") and is secured the Mortgage as amended by the First Amendment and this Second Amendment. The Second Term Loan is guaranteed by Guarantor and the guaranty is secured by a pledge of Guarantor's interest in Summerville at Mentor, Inc. and South Windsor Senior Living Properties, Inc. All capitalized words not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

E. The parties hereto desire to further amend the Loan Agreement and the Mortgage to incorporate the Second Term Loan in the Loan Agreement and to secure the Second Term Loan by the Mortgage.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definition. The following definitions are added to §1.2 of the Loan Agreement:

"Second Pledge" means the Pledge Agreement dated May 17, 2000 made by Guarantor in favor of Lender, granting Lender the right to receive Guarantor's distributions from Summerville at Mentor, Inc. and South Windsor Senior Living Properties, Inc.

"Second Term Guaranty" means the Unconditional and Continuing Guaranty dated May 17, 2000 entered into by Guarantor to guarantee payment of the Second Term Loan and any amendments thereto or substitutions or replacements thereof.

"Second Term Loan" means the Loan from Lender to Borrower of \$2,147,975.20.

"Second Term Note" means the Promissory Note dated May 17, 2000 made by Borrower in favor of Lender in the principal amount of \$2,147,975.20, and any extensions, modifications, substitutions or renewals thereof.

The following definitions set forth in §1.2 of the Loan Agreement are hereby deleted in their entirety and substituted with the following:

"Guaranty Documents" means [i] the Guaranty and any other agreements or instruments to be executed by Guarantor in connection with the Guaranty, [ii] the Term Guaranty and any other agreements or instruments to be executed by Guarantor in connection with the Term Guaranty, and [iii] the Second Term Guaranty and any other agreements or instruments to be executed by Guarantor in connection with the Second Term Guaranty.

"Loan" means the loan by Lender to Borrower in the amount up to the Loan Amount and/or the Term Loan and/or the Second Term Loan, as the case may be.

"Loan Amount" means \$7,828,695.20.

"Loan Documents" means [i] this Agreement; [ii] the Note; [iii] the Term Note; [iv] the Second Term Note; [v] the Mortgage; and [vi] all of the documents and instruments executed by Borrower in connection with the Loan.

"Mortgage" means the Leasehold Mortgage from Borrower for the benefit of Lender and the leasehold interest of Borrower arising under the Lease securing [i] the obligations of Borrower relating to the Loan, any amendment thereto or substitutions or replacements thereof; [ii] the obligations of Borrower relating to the Term Loan, any amendments thereto or substitutions or replacements thereof; and [iii] the obligations of Borrower relating to the Second Term Loan, any amendments thereto or substitutions or replacements thereof, as amended pursuant to a First Amendment to Loan Agreement and Leasehold Mortgage, and a Second Amendment to Loan Agreement and Leasehold Mortgage, and as further amended from time to time.

2. Compliance. The parties hereto agree that all terms and conditions set forth in the Loan Agreement applicable to the Loan shall be equally applicable to the Term Loan and the Second Term Loan.

3. Leasehold Mortgage. The following sections of the Leasehold Mortgage are hereby deleted in its entirety and substituted with the following:

2.1.1 Payment of Credit Extended. The payment of the indebtedness of Tenant to Lender in the original principal amount of \$3,000,000.00, or so much thereof as shall have been advanced to Tenant, plus interest on the unpaid balance thereof, which indebtedness is evidenced by a promissory note with a maturity date of December 31, 2004 ("Note") made by Tenant and delivered to Lender on this date, and any extensions, modifications, substitutions or renewals of the indebtedness or Note.

The payment of the indebtedness of Tenant to Lender in the original principal amount of \$2,680,720.00, or so much thereof as shall have been advanced to Tenant, plus interest on the unpaid balance thereof, which indebtedness is evidenced by a promissory note with a maturity date of March 1, 2002 except that in the event the maturity date of the loan in the principal amount of \$25,000,000.00 from LaSalle Bank National Association ("LaSalle") to Senior Living/Mt. Hunter's Woods, LLC is extended, then the maturity date of the note shall be extended to the earlier of February 4, 2003 or the extended maturity date of the LaSalle loan ("Term Note") made by Tenant and delivered to Lender on this date, and any extensions, modifications, substitutions or renewals of the indebtedness or Term Note.

The payment of the indebtedness of Tenant to Lender in the original principal amount of \$2,147,975.20, or so much thereof as shall have been advanced to Tenant, plus interest on the unpaid balance thereof, which indebtedness is evidenced by a promissory note with a maturity date of May 17, 2002 ("Second Term Note") made by Tenant and delivered to Lender on May 17, 2000, and any

extensions, modifications, substitutions or renewals of the indebtedness or Second Term Note. The Note, Term Note, and Second Term Note may be collectively called "Note".

**2.1.4 Future Advances.** The payment of any unpaid balances of loan advances which Lender may make or may be obligated to make under this Mortgage or the Loan Agreement at any time after this Mortgage is delivered to the recorder for record to the extent that the total unpaid loan indebtedness, exclusive of interest thereon, does not exceed the maximum amount of \$7,828,695.20 which may be outstanding at any time and from time to time.

**4. References in Loan Documents.** All references to the Loan Agreement, Note, Promissory Note or Mortgage in the Loan Documents relating to the Loan or Term Loan or Second Term Loan shall mean each respective document as amended on the date hereof and all extensions, modifications, amendments, renewals, consolidations, increases and reductions made after the date hereof.

**5. Affirmation.** Except as specifically amended by this Second Amendment, the terms and provisions of the Loan Agreement and Mortgage are hereby affirmed and shall remain in full force and effect.

**6. Binding Effect.** This Second Amendment will be binding upon and inure to the benefit of the successors and permitted assigns of all parties hereto.

**7. Further Modification.** The Loan Agreement and Mortgage may be further modified only by writing signed by both Borrower and Lender.

**8. Counterparts.** This Second Amendment may be executed in multiple counterparts, each of which shall be deemed an original.

**9. Guarantor's Consent.** Guarantor's execution of this Second Amendment shall evidence consent to the Second Amendment.

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IN WITNESS WHEREOF, Borrower, Lender and Guarantor have executed this First Amendment effective as of the date first set forth above.

**BORROWER:**

**SUMMERVILLE ASSISTED LIVING, INC.**

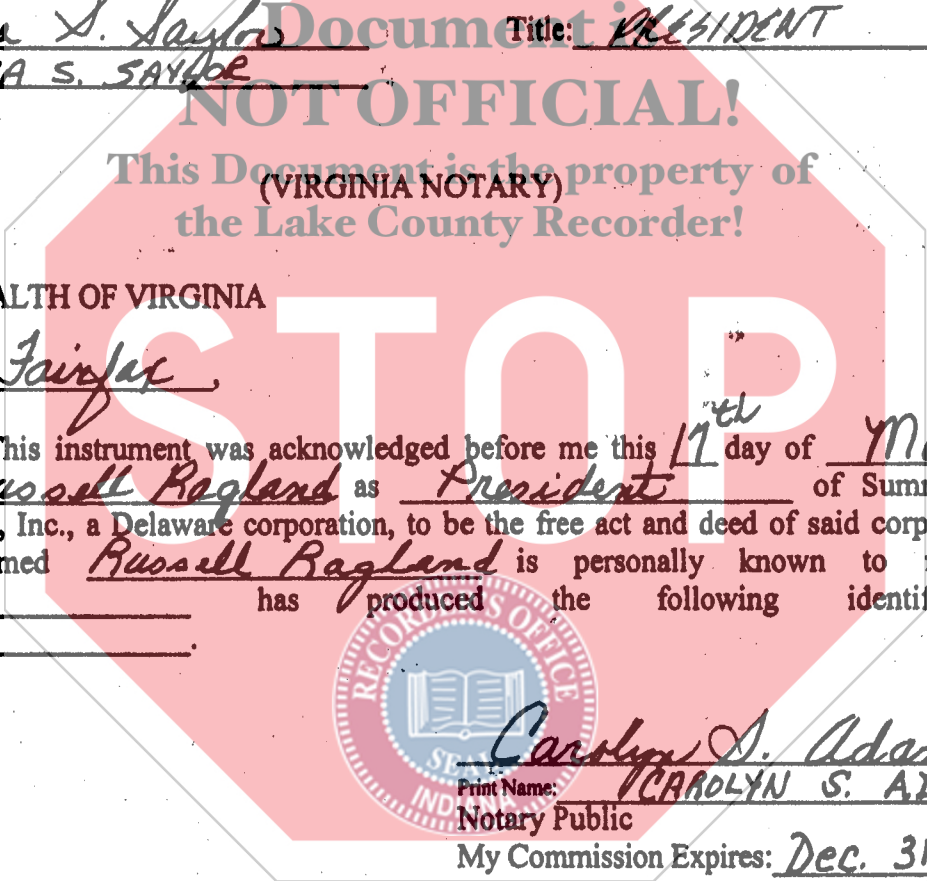
Signed and acknowledged in the presence of:

Signature [Signature]  
Print Name JANE C. BORK

By: [Signature]  
Print Name: RUSSELL BAGLAND

Signature [Signature]  
Print Name SONYA S. SAYLOR

Title: PRESIDENT



COMMONWEALTH OF VIRGINIA

COUNTY OF Fairfax

This instrument was acknowledged before me this 17<sup>th</sup> day of May, 2000 by Russell Bagland as President of Summerville Assisted Living, Inc., a Delaware corporation, to be the free act and deed of said corporation. The above-named Russell Bagland is personally known to me or \_\_\_\_\_ has produced the following identification:  
\_\_\_\_\_

[Signature]  
Print Name: CAROLYN S. ADAMS  
Notary Public  
My Commission Expires: Dec. 31, 2002

(NORTH CAROLINA NOTARY)

COMMONWEALTH OF VIRGINIA

COUNTY OF Fairfax

I, Carolyn S. Adams, as Notary certify that Art Humboldt personally came before me this day and acknowledge that he/she is Chairman of Summerville Assisted Living, Inc., a corporation, and that he/she, as Chairman, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 23<sup>rd</sup> day of May, 2000.

This Document is the property of Carolyn S. Adams  
the Lake County Recorder!

[OFFICIAL SEAL]

My commission expires: Dec. 31, 2002

Signed and acknowledged in the presence of:

LENDER:

HEALTH CARE REIT, INC.

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



(NORTH CAROLINA NOTARY)

COMMONWEALTH OF VIRGINIA

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, as \_\_\_\_\_ certify that \_\_\_\_\_ personally came before me this day and acknowledge that he/she is \_\_\_\_\_ of Summerville Assisted Living, Inc., a corporation, and that he/she, as \_\_\_\_\_, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2000.

Document is NOT OFFICIAL!  
This Document is the property of the Lake County Recorder!  
[OFFICIAL SEAL]!

My commission expires: \_\_\_\_\_

LENDER:  
HEALTH CARE REIT, INC.

Signed and acknowledged in the presence of:

Signature *Julia Dimodica*  
Print Name Julia Dimodica

Signature *Gladys A. Fischer*  
Print Name GLADYS A. FISCHER

By: *Erin C. Ibele*  
Print Name: ERIN C. IBELE

Title: VICE PRESIDENT AND CORPORATE SECRETARY



STATE OF OHIO )  
 ) SS.  
COUNTY OF LUCAS )

I, the undersigned, a Notary Public in and for said County in said State, do hereby certify that Erin C. Ibele, whose name as Vice President/Corp Secretary of Health Care REIT, Inc., a corporation organized under the laws of the State of Delaware, is signing to the foregoing instrument, and who is known to me, and known to be such Vice President/Corp Secretary acknowledged before me on this day that being informed of the contents of said instrument, he/she, as such Vice President/Corp Secretary and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 22<sup>nd</sup> day of May, 2000.

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This Document is the property of the Lake County Recorder!  
Julia Dimodica  
Notary Public

My Commission Expires:  **JULIA DIMODICA** [OFFICIAL SEAL]  
Notary Public - State of Ohio  
My Commission Expires February 16, 2004  
(NORTH CAROLINA NOTARY)


STATE OF OHIO  
COUNTY OF Lucas

I, Julia Dimodica, as Notary certify that Erin C. Ibele personally came before me this day and acknowledge that he/she is vice president/corp secretary of Health Care REIT, Inc., a corporation, and that he/she, as vice president/corp secretary being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 22<sup>nd</sup> day of May, 2000.

Julia Dimodica  
[OFFICIAL SEAL]

My commission expires: \_\_\_\_\_

 **JULIA DIMODICA**  
Notary Public - State of Ohio  
My Commission Expires February 16, 2004



**GUARANTOR:**

Signed and acknowledged in the presence of:

**SUMMERVILLE HEALTHCARE GROUP, INC.;**

Signature [Signature]  
Print Name JANE E. BORK

By: [Signature]  
Print Name: RUSSELL RAYLAND

Signature [Signature]  
Print Name SONYA S. SAVOR

Title: PRESIDENT

Document is  
(VIRGINIA NOTARY)  
**NOT OFFICIAL!**  
This Document is the property of  
the Lake County Recorder!

COMMONWEALTH OF VIRGINIA

COUNTY OF Fairfax

This instrument was acknowledged before me this 17<sup>th</sup> day of May, 2000 by Russell Rayland as President of Summerville Healthcare Group, Inc., a Delaware corporation, to be the free act and deed of said corporation. The above-named Russell Rayland is personally known to me or \_\_\_\_\_ has produced the following identification:



[Signature]  
Print Name: CAROLYN S. ADAMS  
Notary Public  
My Commission Expires: DEC 31, 2002

(NORTH CAROLINA NOTARY)

COMMONWEALTH OF VIRGINIA

COUNTY OF Fairfax

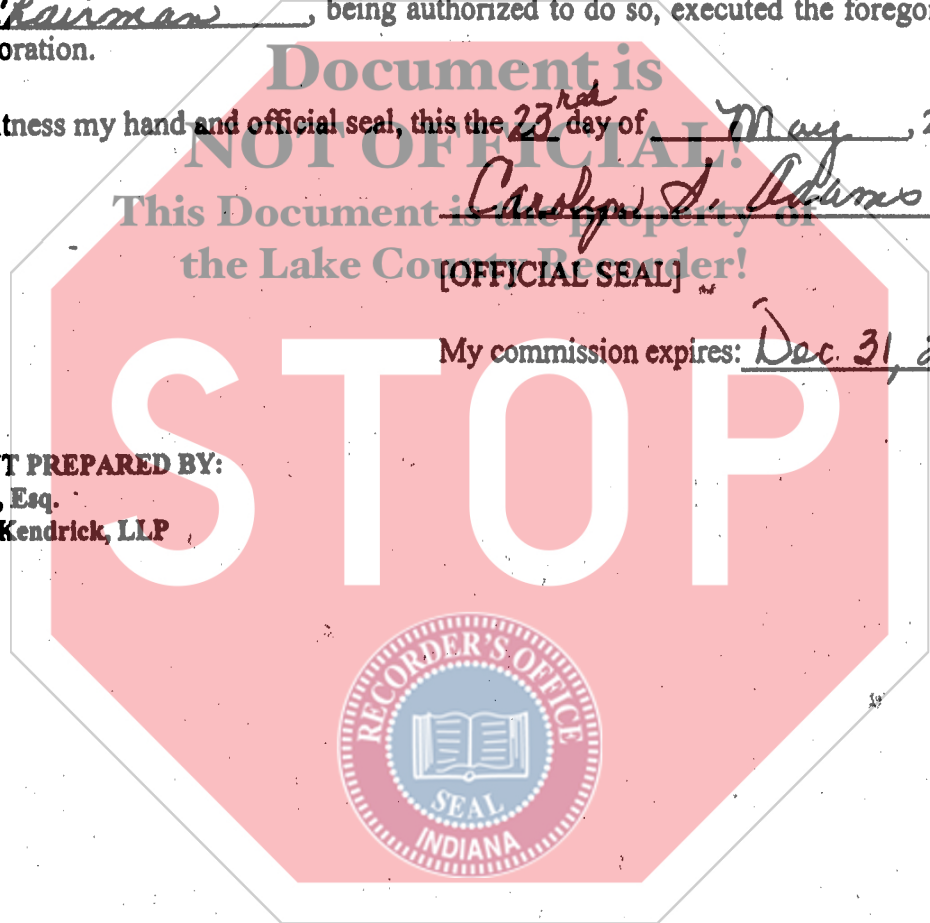
I, Carolyn J. Adams, as Notary certify that Art Heimbold personally came before me this day and acknowledge that he/she is Chairman of Summerville Healthcare Group, Inc., a corporation, and that he/she, as Chairman, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 23<sup>rd</sup> day of May, 2000.

Carolyn J. Adams

[OFFICIAL SEAL]

My commission expires: Dec. 31, 2002



**THIS INSTRUMENT PREPARED BY:**  
Cynthia L. Rerucha, Esq.  
Shumaker, Loop & Kendrick, LLP  
1000 Jackson Street  
Toledo, Ohio 43624

**SCHEDULE A**

**Leasehold Mortgage Recording Information**

Facility Name/ Location	Filing Location	Filing Date	Recording Information
Summerville at Charlotte 9120 Willow Ridge Road Charlotte, NC 28210	Mecklenburg County, NC	January 4, 2000	Book 11012, Page 834-860 Instrument #2000000528
Summerville at Dunwoody 1460 Johnson Ferry Road Atlanta, GA 30319	Delkalb County, GA	January 21, 2000	Book 11170, Page 207, Instrument #2000-0007770
	Fulton County, GA	January 12, 2000	Book 28366, Page 144, Instrument #2000-0007608
Summerville at Roswell 655 Mansell Road Roswell, GA 30076	Fulton County, GA	January 12, 2000	Book 28366, Page 144, Instrument #2000-0007608
Summerville at Plantation 50 Jacarada Country Club Drive Plantation, FL 33324	Broward County, FL	February 3, 2000	Book 30233, Page 0790, Instrument #100065863
Summerville at Ellicott City 5330 Dorsey Hall Road Ellicott City, MD 21042	Howard County, MD	January 3, 2000	Liber 4983, Folio 0186
Summerville at Durham 4434 Ben Franklin Blvd. Durham, NC 27704	Durham County, NC	January 19, 2000	Book 2769, Page 336-362, Instrument #2000001745
Summerville at Naples 1710 Immokalee Road Naples, FL 33964	Collier County, FL	January 6, 2000	OR: 2628, PG: 2508 Instrument #2578271
Summerville at Merrillville 101 West 87 <sup>th</sup> Avenue Merrillville, IN 46410	Lake County, IN	January 4, 2000	Instrument #2000 000322