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MORRIS W. CARTER
RECORDER

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the **HOLD FOR MERIDIAN TITLE CORP**
AMENDMENT NO. 5 TO MORTGAGE AND SECURITY AGREEMENT

Amendment No. 5 to Mortgage and Security Agreement dated as of June 15, 2000 is made by **EAST CHICAGO NURSING HOME, L.L.C.** ("Mortgagor"), in favor of **COLE TAYLOR BANK** ("Mortgagee"). This Amendment pertains to the real estate described on Exhibit "A" attached hereto and made a part hereof.

PREAMBLE:

Mortgagor gave to Mortgagee that certain Mortgage and Security Agreement dated as of June 15, 1995, which was recorded on June 16, 1995, in the office of the Lake County, Indiana Recorder of Deeds as Document No. 95034047, as amended from time to time (collectively, the "Mortgage"). The members holding a majority of interest of Mortgagor also hold a majority of membership interests of Clark-Mount Health Properties, L.L.C. ("Borrower 3"). Mortgagor has requested Mortgagee to provide additional financing to Borrower 3. Mortgagee has agreed to do so, so long as, among other things, Mortgagor executes and delivers to Mortgagee this Amendment.

NOW, THEREFORE, in consideration of the premises which are incorporated herein by this reference and constitute an integral part hereof and the execution and delivery of this Amendment, Mortgagor agrees as follows:

1. Sections 1.01, 1.02, 1.03 and 1.04 of the Mortgage are amended to read as follows:

"1.01 Notes. Pursuant to that certain Loan and Security Agreement dated the date of Amendment No. 1 to this Mortgage, as amended from time to time (said Loan and Security Agreement, as amended and as may be further amended, replaced and/or restated from time to time shall hereinafter be referred to as the "Lake Crest Loan Agreement") entered by and among Mortgagee, Mortgagor, Merrillville Health Properties, L.L.C. ("Borrower 1"), North Lake Nursing And Rehabilitation Center, L.L.C. ("Borrower 2"), Clark-Mount Health Properties, L.L.C. ("Borrower 3"), Clark Nursing & Rehabilitation Center, L.L.C. ("Borrower 4"), Junior Clark-Mount Health Properties, L.L.C. ("Guarantor 1"), Mount Nursing & Rehabilitation Center, L.L.C. ("Guarantor 2"), Lake County Nursing And Rehabilitation Center, L.L.C. ("Guarantor 4") and Eric Rothner ("Rothner") that certain term note (said term note, as may from time to time be amended, modified, substituted for, restated, renewed and/or extended, shall

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hereinafter be referred to as the "Borrower 3 Term Note") in the principal amount of \$3,458,396.00, payable, along with interest, as specified in the Borrower 3 Term Note has been or is being contemporaneously executed and delivered by Borrower 3 to Mortgagee. Pursuant to that certain Loan and Security Agreement dated the date of Amendment No. 2 to this Mortgage, as amended as of the date of Amendment No. 3 to this Mortgage (said Loan and Security Agreement, as amended and as may be further amended, replaced and/or restated from time to time shall hereinafter be referred to as the "Sebo Loan Agreement") entered by and among Mortgagee, Mortgagor, Sebo Health Care Properties L.L.C. ("Borrower 5"), Guarantor 4 and Rothner, (I) that certain term note (said term note, as may from time to time be amended, modified, substituted for, restated, renewed and/or extended, shall hereinafter be referred to as the "Borrower 5 Term Note") in the principal amount of \$200,000.00, payable, along with interest, as specified in the Borrower 5 Term Note has been or is being contemporaneously executed and delivered by Borrower 5 to Mortgagee; and (II) that certain revolving note (said revolving note, as may from time to time be amended, modified, substituted for, restated, renewed and/or extended, shall hereinafter be referred to as the "Borrower 5 Revolving Note") in the principal amount of \$200,000.00, payable, along with interest, as specified in the Borrower 5 Revolving Note has been or is being contemporaneously executed and delivered by Borrower 5 to Mortgagee. Pursuant to that certain Loan and Security Agreement dated as of June 15, 1995, as amended from time to time (said loan and security agreement, as amended and as may be further amended, replaced and/or restated from time to time shall be hereinafter be referred to as the "Loan Agreement") entered by and among Mortgagee, Mortgagor, Guarantor 4 and Rothner (i) that certain term note (said term note, as may from time to time be amended, modified, substituted for, restated, renewed and/or extended, shall hereinafter be referred to as the "Guarantor 3 Term Note") (the Borrower 3 Term Note, the Borrower 5 Term Note, the Borrower 5 Revolving Note and the Guarantor 3 Term Note shall sometimes be hereinafter individually referred to as a "Note" and collectively, as the "Notes") in the principal amount of \$2,413,481.00 payable, along with interest, as specified in the Guarantor 3 Term Note has been or is being contemporaneously executed and delivered by Guarantor 3 to Mortgagee. The Borrower 5 Term Note and the Borrower 5 Revolving Note contemplate a variable rate of interest.

1.02 Guaranties. Pursuant to (A) that certain guaranty entered into by the Mortgagor dated the date of Amendment No. 1 to this Mortgage, as confirmed, reaffirmed and amended from time to time (said guaranty, as confirmed, reaffirmed and amended and as may from time to time be further extended, amended, modified, substituted, restated, confirmed and/or reaffirmed shall be referred to as the "Borrower 3 Guaranty"), Mortgagor guaranteed all of the indebtedness, obligations and liabilities of Borrower 3 to Mortgagee, whether now existing or hereafter arising, and howsoever created, arising or evidenced, including, but not limited to, pursuant to the Lake Crest Loan Agreement and the Borrower 3 Term Note; and (B) that certain guaranty entered into by the Mortgagor dated the date of Amendment No. 2 to this Mortgage, as confirmed, reaffirmed and amended from time to time (said guaranty, as confirmed, reaffirmed and amended and as may from time to time be further extended, amended, modified, substituted, restated, confirmed and/or reaffirmed shall be referred to as the "Borrower 5 Guaranty"), (the Borrower 3 Guaranty and the Borrower 5 Guaranty shall sometimes be hereinafter individually referred to as a "Guaranty" and collectively, as the "Guaranties") Mortgagor guaranteed all of the indebtedness, obligations and liabilities of Borrower 5 to Mortgagee, whether now existing or hereafter arising, and howsoever created, arising or evidenced, including, but not limited to, pursuant to the Sebo Loan Agreement, the Borrower 5 Term Note and the Borrower 5 Revolving Note.

1.03 Hypothecation. (A) The members holding a majority of interest of Mortgagor also hold a majority of membership interests of each of Borrower 3 and Borrower 5; and (B) the making of the loans which are the subject of the Borrower 3 Term Note, the Borrower 5 Term Note and the Borrower 5 Revolving Note will give financial and business benefits to Mortgagor; and (C) Mortgagor wishes to induce Mortgagee to make the loans which are the subject of the Notes (collectively, the "Loans"); and (D) on June 15, 1995, September 1, 1995, June 15, 1996 and November 18, 1996, Mortgagor executed and delivered to Mortgagee hypothecation agreements relating to the Property (as defined below).

1.04 This Mortgage. To induce Mortgagee to both enter into the Loan Agreement and make the Loans, and as security for the repayment of the Notes, the payment and performance of the Guaranties and payment and performance of all other indebtedness, obligations and liabilities of Mortgagor, Borrower 3 and/or Borrower 5 to Mortgagee, howsoever created, arising or evidenced, and whether now existing or hereafter arising, including, but not limited to, under the Loan Agreement, the Lake Crest Loan Agreement, the Sebo Loan Agreement and any document entered into or given pursuant to the Loan Agreement, the Lake Crest Loan Agreement and/or the Sebo Loan Agreement (all of the indebtedness, liabilities and obligations referenced in this Section 1.03 shall be collectively referred to as the "Obligations"), Mortgagor has agreed to execute and deliver to Mortgagee this Mortgage (the "Mortgage"). In the event of any conflict between the terms and provisions of this Mortgage and the terms and provisions of the Loan Agreement, the terms and provisions of the Loan Agreement shall control and govern. This Mortgage is given as equal security for all of the Obligations without preference or priority of any part of the Obligations by reason of priority of time or of the negotiation thereof or otherwise.

This Mortgage is given in part to secure "Revolving Credit" obligations as evidenced and witnessed by the Borrower 5 Revolving Note, and secures not only the indebtedness from Mortgagor, Borrower 3 and/or Borrower 5 existing on the date hereof, but all such future advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise as are made within 20 years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The lien of this Mortgage as to third persons without actual notice thereof shall be valid as to all indebtedness and future advances from the time this Mortgage is filed for record in the Office of the Recorder of Deeds of the County set forth on Exhibit A attached hereto. The total amount of revolving indebtedness that may be secured by this Mortgage may increase or decrease from time to time, but the total unpaid balances of the Borrower 5 Revolving Note secured at any one time, shall not exceed the maximum principal amount of the aggregate of the Borrower 5 Revolving Note (as such revolving note is amended, extended, substituted, restated, replaced or renewed from time to time), plus interest thereon and any disbursements made by the Mortgagee for the payment of taxes, special assessments, or insurance on the above described real estate, with interest on such disbursements."

2. All references in the Mortgage to the Mortgage shall mean the Mortgage as amended by this Amendment and as may be further amended and/or restated from time to time.

3. In all other respects, the Mortgage is hereby restated, reaffirmed and incorporated herein, the only amendments intended to be made thereto being those above set forth. Except as specifically set forth herein to the contrary, all terms defined in the Mortgage shall have the same meanings herein as therein.

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be duly executed and delivered as of the date first above written.

EAST CHICAGO NURSING HOME, L.L.C.

By: _____

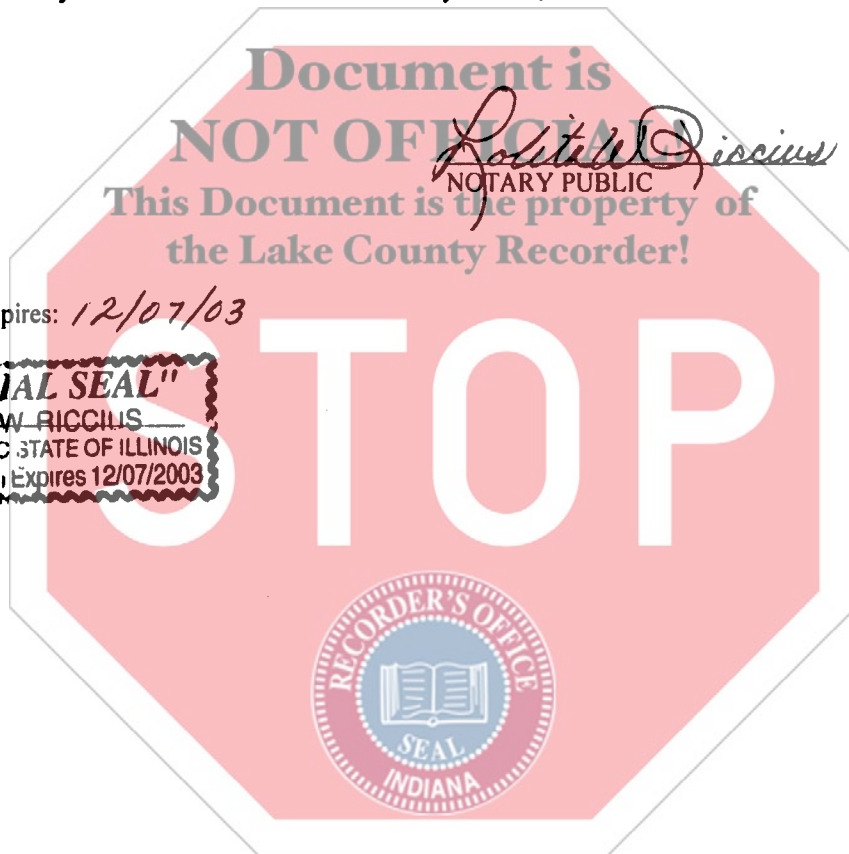
Title: Manager



STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The Undersigned, a Notary Public in and for said County in the state aforesaid, DO HEREBY CERTIFY THAT Eric Rothner, Manager of EAST CHICAGO NURSING HOME, L.L.C. personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager, appeared before me this day in person and acknowledged that such person signed and delivered said instrument as such person's own free and voluntary act, and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 15th day of June, 2000.



My Commission Expires: 12/07/03

