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**PREPARED BY AND WHEN RECORDED MAIL TO:**

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**AMENDMENT NO. 6 TO MORTGAGE AND SECURITY AGREEMENT**

Amendment No. 6 to Mortgage and Security Agreement dated as of January 31, 2002 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.

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORDER  
2002 FEB 14 11:02 AM  
RECORDER'S OFFICE

**Document is NOT OFFICIAL!**

**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"), Clark Nursing & Rehabilitation Center, L.L.C. ("Borrower 4"), Lake County Nursing and Rehabilitation Center, L.L.C. ("Guarantor 4"), Lansing Healthcare Properties, L.L.C. ("Lansing") and Tri-State Nursing & Rehabilitation Center, Inc. ("Tri-State"). Mortgagor has requested Mortgagee to provide financing to Lansing, Borrower 4, Guarantor 4 and Tri-State. 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, 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

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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 3 Term Note") in the principal amount of \$3,458,396.00, payable, along with interest, and maturing 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 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") in the principal amount of \$2,413,481.00 payable, along with interest, and maturing as specified in the Guarantor 3 Term Note has been or is being contemporaneously executed and delivered by Guarantor 3 to Mortgagee. Pursuant to that certain Loan and Security Agreement dated the date of Amendment No. 6 to this Mortgage (said Loan and Security Agreement, as may be amended, replaced and/or restated from time to time shall be hereinafter be referred to as the "Lansing Loan Agreement") entered by and among Mortgagee, Lansing Healthcare Properties, L.L.C. ("Lansing") Tri-State Nursing & Rehabilitation Center, Inc. ("Tri-State"), Borrower 3, Borrower 4, Guarantor 1, Guarantor 2, Guarantor 3, 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 "Lansing Term Note") in the principal amount of \$2,400,000.00, payable, along with interest, and maturing as specified in the Lansing Term Note has been or is being contemporaneously executed and delivered by Lansing 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 "Tri-State Revolving Note") (the Borrower 3 Term Note, the Guarantor 3 Term Note, the Lansing Term Note and the Tri-State Revolving Note shall sometimes be hereinafter individually referred to as a "Note" and collectively, as the "Notes") in the principal amount of \$1,000,000.00, payable, along with interest, and maturing as specified in the Tri-State Revolving Note has been or is being contemporaneously executed and delivered by Tri-State, Borrower 4 and Guarantor 4 to Mortgagee. the Tri-State Revolving Note contemplates 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. 6 to this Mortgage (said guaranty, as may from time to time be further extended, amended, modified, substituted, restated, confirmed and/or reaffirmed shall be referred to as the "Lansing Guaranty"), Mortgagor guaranteed all of the indebtedness, obligations and liabilities of Lansing to Mortgagee, whether now existing or hereafter arising, and howsoever created, arising or evidenced, including, but not limited to, pursuant to the Lansing Loan Agreement and the Lansing Term Note; and (C) that certain guaranty entered into by the Mortgagor dated the date of Amendment No. 6 to this Mortgage (said guaranty, as may from time to time

be further extended, amended, modified, substituted, restated, confirmed and/or reaffirmed shall be referred to as the "Borrower 4 Guaranty"), Mortgagor guaranteed all of the indebtedness, obligations and liabilities of Borrower 4 to Mortgagee, whether now existing or hereafter arising, and howsoever created, arising or evidenced, including, but not limited to, pursuant to the Lansing Loan Agreement and the Tri-State Revolving Note; and (D) that certain guaranty entered into by the Mortgagor dated the date of Amendment No. 6 to this Mortgage (said guaranty, as may from time to time be further extended, amended, modified, substituted, restated, confirmed and/or reaffirmed shall be referred to as the "Guarantor 4 Guaranty"), Mortgagor guaranteed all of the indebtedness, obligations and liabilities of Guarantor 4 to Mortgagee, whether now existing or hereafter arising, and howsoever created, arising or evidenced, including, but not limited to, pursuant to the Lansing Loan Agreement and the Tri-State Revolving Note; and (E) that certain guaranty entered into by the Mortgagor dated the date of Amendment No. 6 to this Mortgage (said guaranty, as may from time to time be further extended, amended, modified, substituted, restated, confirmed and/or reaffirmed shall be referred to as the "Tri-State Guaranty") (the Borrower 3 Guaranty, the Lansing Guaranty, the Borrower 4 Guaranty, the Guarantor 4 Guaranty and the Tri-State 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 Tri-State to Mortgagee, whether now existing or hereafter arising, and howsoever created, arising or evidenced, including, but not limited to, pursuant to the Lansing Loan Agreement and the Tri-State 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, Borrower 4, Guarantor 4, Lansing and Tri-State; and (B) the making of the loans which are the subject of the Borrower 3 Term Note, the Lansing Term Note and the Tri-State 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, November 18, 1996, and the date of Amendment No. 6 to this Mortgage, 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, Borrower 4, Guarantor 4, Lansing and/or Tri-State 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 Lansing Loan Agreement and any document entered into or given pursuant to the Loan Agreement, the Lake Crest Loan Agreement, and/or the Lansing 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 Tri-State Revolving Note, and secures not only

the indebtedness from Mortgagor, Borrower 4, Guarantor 4 and/or Tri-State 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 Tri-State Revolving Note secured at any one time, shall not exceed the maximum principal amount of the aggregate of the Tri-State 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 C O O K )

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 31 day of January, 2002.

  
NOTARY PUBLIC

My Commission Expires:

**Official Seal**  
**DAVID M. ARONIN**  
Notary Public State of Illinois  
My Commission Expires 08/22/04

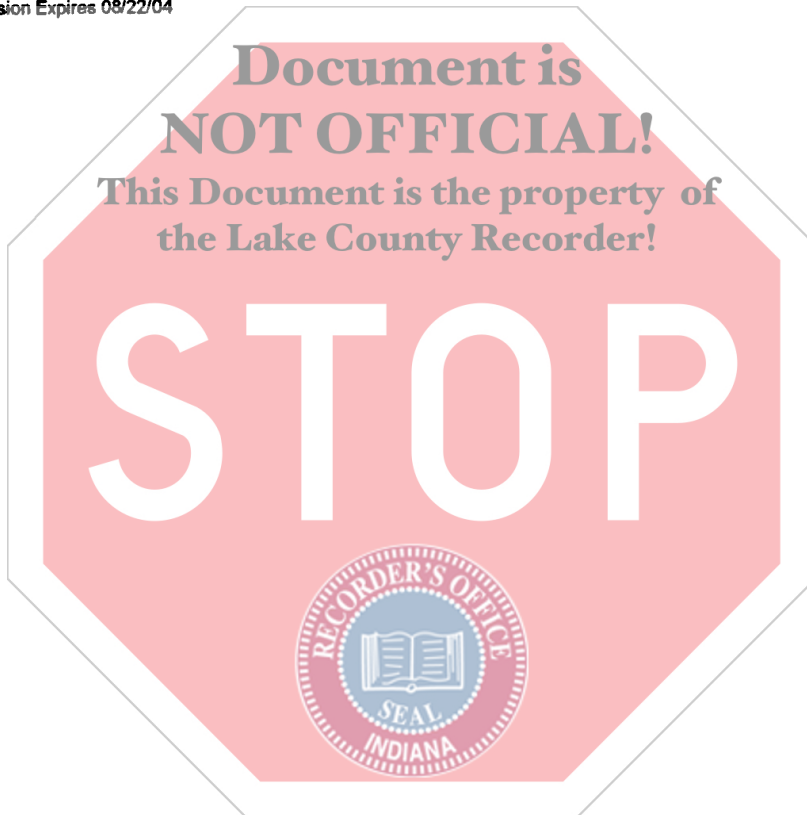


EXHIBIT A

**PARCEL 1:** Lots 11, 12, 13 and 14, and the vacated alley lying East and adjoining Lots 11, 12 and 13 and lying West and adjoining Lot 14; and the North Half of the vacated alley lying South and adjoining said Lot 14, Peto's Addition, in the City of East Chicago, as shown in Plat Book 6, page 12, in Lake County, Indiana.

**PARCEL 2:** The South 167 feet of Lot 33, Block 5, and the South Half of the vacated alley lying North and adjoining the East 138.27 feet thereof, in Subdivision of the North Half of the Northwest Quarter of Section 33, Township 37 North, Range 9 West of the Second Principal Meridian, in the City of East Chicago, as shown in Plat Book 4, page 4, in Lake County, Indiana.

