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MORRIS W. GANTER
RECORDER

RECORDING REQUESTED BY:

Commonwealth Land Title Insurance
Company

AND WHEN RECORDED MAIL TO:

Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105-2482
Attn: Christina W. Chi, Esq.

Document is

(Space Above for Recorder's Use)

NOT OFFICIAL!

THE THIRD AMENDMENT TO MORTGAGE of
the Lake County Recorder!
(Lake County, Indiana)

This THIRD AMENDMENT TO MORTGAGE (the "Amendment") is made as of January 24, 1997, by WICKES FURNITURE COMPANY, INC., a Delaware corporation ("Mortgagor"), and WELLS FARGO BANK, N.A., as agent for Wells Fargo Bank, N.A. (including (A) in its capacity as issuing bank with respect to Letters of Credit and (B) in its capacity as obligee with respect to any Hedging Agreements), such other Banks (as hereinafter defined) as become parties to the Credit Agreement (as hereinafter defined), and such other financial institutions as become obligees with respect to any Hedging Agreements (herein, in such capacity, the "Mortgagee"). As of the date hereof, the only such Banks and other financial institutions are Wells Fargo Bank, N.A. ("Wells Fargo"), LaSalle National Bank ("LaSalle"), First Source Financial LLP ("First Source"), and Norwest Bank Minneapolis ("Norwest").

FACTUAL BACKGROUND

A. Pursuant to that certain Revolving Credit and Term Loan Agreement dated as of January 19, 1995, as amended by that certain First Amendment to Credit Agreement dated as of February 17, 1995, by that certain Second Amendment to Credit Agreement dated as of August 11, 1995, by that certain Third Amendment to Credit Agreement dated as of January 29, 1996, and by that certain Fourth Amendment to Credit Agreement, dated as of July 31, 1996 (as so amended, the "Credit Agreement"), by and among Mortgagor, certain lenders including Wells Fargo (those financial institutions that are from time to time party to the Credit Agreement, together with the successors and assigns of each of them, are hereinafter collectively called the "Banks"), and Wells Fargo, as letter of credit issuing bank, swingline bank, and agent for the Banks thereunder, the Banks agreed to extend certain credit facilities to Mortgagor (the "Credit Facilities").

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B. The Credit Facilities are evidenced by those certain (1) Promissory Note dated January 20, 1995, made payable to Wells Fargo in the principal amount of \$21,500,000, (2) Promissory Note dated January 20, 1995, made payable to First Source in the principal amount of \$10,000,000, (3) Promissory Note dated January 20, 1995, made payable to LaSalle in the principal amount of \$15,000,000, (4) Promissory Note (Swingline Loans) dated January 20, 1995, made payable to Wells Fargo in the principal amount of \$3,000,000, and (5) Promissory Note dated January 20, 1995, made payable to Norwest in the principal amount of \$8,500,000 (collectively, the "Notes"). Notwithstanding the principal amounts stated in the Notes, the maximum amount of outstanding advances at any one time under the Credit Facilities shall not exceed \$55,000,000.

C. The Notes are secured by, among other things, that certain document described on *Exhibit A* attached hereto (the "Mortgage"), by and between Mortgagor and Mortgagee. The Mortgage encumbers certain real property as described on *Exhibit B* attached hereto. Capitalized terms used herein without definition have the meanings given to them in the Mortgage.

D. As used herein, the term "Loan Documents" means the Credit Agreement, the Mortgage, and any other documents executed in connection with the Credit Facilities, including those which evidence, guaranty, secure or modify the Credit Facilities, as any or all of them may have been amended to date.

E. The Banks and Mortgagor have modified the Credit Agreement as provided in that certain Fifth Amendment to Credit Agreement dated as of January 24, 1997, by and between the Banks and Trustor (the "Credit Agreement Amendment"). This Amendment and the Credit Agreement Amendment are Loan Documents.

Therefore, Mortgagor and the Banks agree as follows:

1. AMENDMENTS

a) The Mortgage is hereby amended to secure, in addition to the indebtedness and other obligations described therein, the Credit Agreement and the Loan Documents, each as modified by the Credit Agreement Amendment. All references in the Mortgage to the Credit Agreement and the Loan Documents shall hereafter refer to the Credit Agreement and the Loan Documents, each as modified by the Credit Agreement Amendment. All references in the Mortgage to the Mortgage shall hereafter refer to the Mortgage, as amended by this Amendment.

b) The address for Mortgagee set forth in the Mortgage is hereby amended to read as follows:

Wells Fargo Bank, Capital Markets Group
Structured Finance
555 Montgomery Street, 17th Floor
San Francisco, California 94111
Attention: Kathleen Weiss

2. FULL FORCE AND EFFECT

As hereby amended, the Mortgage and the other Loan Documents remain in full force and effect.

3. COUNTERPARTS

This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which, taken together shall be deemed to be one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first above written.

MORTGAGOR: WICKES FURNITURE COMPANY, INC.,
a Delaware corporation

By *Paul W. Oertel*
Title: Vice President

MORTGAGEE: WELLS FARGO BANK, N.A.,
a national banking association,
as Agent for the Banks

By *Kathleen Weiss*
Title: Vice President

This Instrument was Prepared By:

Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105
Attn: Christina W. Chi, Esq.

EXHIBIT A

MORTGAGE

Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement, and Fixture Filing by and between Mortgagor and Mortgagee dated as of January 19, 1995, and recorded on January 27, 1995, as Instrument No. 95004890 in the Official Records of Lake County, Indiana (the "Official Records"), as amended by that certain First Amendment to Mortgage dated as of April 25, 1996, and recorded on May 7, 1996, as Instrument No. 96030031, Official Records and that certain Second Amendment to Mortgage dated as of July 31, 1996, and recorded on July 31, 1996 as Instrument No. 96050933, Official Records.



EXHIBIT B

LEGAL DESCRIPTION

PARCEL 1:

Lots 9, 10, 11, 13, 14 and the South half (1/2) of Lot 24 in Pleasant Dale Subdivision, in the Town of Merrillville, as per Plat thereof, recorded in Plat Book 25, Pap 58, in the Office of the Recorder of Lake County, Indiana, except those parts of Lots 9, 10 and 11 described as follows:

Beginning at the Southwest corner of said Lot 9; thence Northerly 42.6 feet along the West line of Lot 9; thence North 88° 56' East 297.0 feet to the East line of Lot 11; thence Southerly 46.4 feet along said East line to the Northerly boundary of U.S. 30; thence Westerly along said Northerly boundary to the Point of Beginning.

PARCEL 2:

Part of the East half (1/2) of the Northeast quarter (1/4) of Section 22, Township 35 North, Range 8 West of the Second Principal Meridian, in Lake County, Indiana, described as follows:

Commencing at a point 20 feet West of and 154.5 feet North of the Southeast corner of said East half (1/2) of the Northeast quarter (1/4) of Section 22 and running thence North along the West line of what is now called Mississippi Street (the Boyd Road), 444.51 feet; thence West 148.48 feet; thence South 441.95 feet to the North line of what is known as the New Lincoln Highway; thence East along the North line of said New Lincoln Highway 149 feet to the Place of Beginning.

Permanent Tax Numbers

Key No. 15-184-11

Unit No. 8

Acknowledgment

State of Illinois

County of Cook

On 2-19-97 before me, Rosalba Vera
Date Name, Title of Officer

personally appeared Scott W. Castell, Vice-President
Name(s) of Signer(s)

personally known to me -OR- proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Rosalba Vera

Signature of Notary



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

State of California

County of San Francisco

On February 24, 1997 before me, Juanita Teague, a Notary Public,
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared KATHLEEN WEISS --,
NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Juanita Teague
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

INDIVIDUAL
 CORPORATE OFFICER
Vice President
TITLE(S)

First Amendment to Deed of Trust
TITLE OR TYPE OF DOCUMENT

PARTNER(S) LIMITED
 ATTORNEY-IN-FACT GENERAL
 TRUSTEE(S)
 GUARDIAN/CONSERVATOR
 OTHER: _____

Three (3) plus exhibits
NUMBER OF PAGES

As of January 24, 1997
DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
Wells Fargo Bank, N.A., a
national banking association
as Agent for the Banks

Scott W. Castell for
Wickers Furniture Company, Inc.
SIGNER(S) OTHER THAN NAMED ABOVE