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MODIFICATION OF MORTGAGE

Modification Agreement entered into this 8th day of November, 1991 by and between STUART R. SCHEYER and LOIS E. SCHEYER, his wife (collectively referred to herein as "Mortgagor") of 535 Willgate Terrace, Glencoe, Illinois and AFFILIATED BANK ("Mortgagee") whose principal office is located at 8700 N. Waukegan Road, Morton Grove, Illinois 60053.

WHEREAS, Mortgagor has heretofore executed and delivered to Affiliated Bank as Lender their Unconditional Guaranty of the payment by Decorel Incorporated of certain Promissory Notes and other obligations in the amount of \$7,200,000 in the aggregate and the performance of certain covenants entered into by Decorel Incorporated under the terms of a Loan Agreement and Security Agreement by and between Decorel Incorporated and Affiliated Bank; and

WHEREAS, the Mortgagor has also heretofore executed and delivered to Affiliated Bank their Unconditional Guaranty of the repayment to Affiliated Bank of the existing indebtedness of Stuart R. Scheyer, Leonard R. Scheyer and Gladys L. Scheyer Joint Venture as evidenced by a Promissory Note dated December 30, 1987 executed by said Joint Venture and payable to Affiliated Bank in the original amount of \$140,000; and

WHEREAS, as collateral security for the repayment of the aforesaid obligations, Stuart R. Scheyer and Lois E. Scheyer, his wife, as Mortgagor, executed and delivered to Affiliated Bank as Mortgagee, a certain Mortgage dated February 11, 1991 conveying to said Mortgagee, its successors and assigns, the following described real estate:

THE SOUTH QUARTER OF LOT 6 AND ALL OF LOT 5 IN WILLGATE TERRACE, BEING A SUBDIVISION OF LOTS 1, 2, AND 3 AND THE EASTERLY 87 FEET OF LOTS 13, 14, AND 15 IN BLOCK 1 IN GLENCOE IN THE SOUTH EAST QUARTER OF THE NORTH EAST QUARTER OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS OF PROPERTY: 535 Willgate Terrace
Glencoe, Illinois

PERMANENT TAX IDENTIFICATION NUMBER: 05-07-217-037

Said Mortgage was recorded in the office of the Recorder of Deeds of Cook County, Illinois on March 1, 1991 as Document #91094848; and

WHEREAS, Decorel Incorporated and Mortgagor have requested and

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Affiliated Bank has agreed to extend to Decorel increased lines of credit and loans in connection with which new notes and other loan documents have been executed and delivered by Decorel to the Mortgagee as Lender with the further understanding that said Mortgage is also to secure the obligation of Decorel and Mortgagor as Guarantors of the indebtedness of Stuart R. Scheyer, Leonard R. Scheyer and Gladys L. Scheyer Joint Venture to Affiliated Bank as Mortgagee/Lender; and

WHEREAS, terms and obligations of Decorel as outlined in the Mortgage and the terms and obligations of the Mortgagor as Guarantor have been changed and altered and the Mortgagor and Mortgagee desire to enter into this Modification of Mortgage Agreement thereby amending said Mortgage to reflect the true and correct status of the loans, obligations and indebtedness of Mortgagor as Guarantor for which said Mortgage was given as collateral security.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the Mortgagor and Mortgagee hereby agree that the Mortgage referred to herein shall and said Mortgage is hereby modified and amended in the following manner:

1. The Mortgage is given as collateral security to the guaranty executed by Mortgagor of the payment of all present and future indebtedness of Decorel Incorporated as Debtor to Affiliated Bank as Lender/Secured Party and said Mortgage shall secure the payment of certain Promissory Notes executed by Chicago Title and Trust Company, not personally, but as Trustee under T/A 5-20-82 known as Trust No. 1081843 and Decorel Incorporated payable to Affiliated Bank and described as follows:

(a) a Promissory Collateral Instalment Note in the amount of \$1,500,000 dated February 11, 1991 payable in thirty-five equal monthly principal installments of \$6,250 each on the first day of each month beginning April 1, 1991, with a final payment of the unpaid principal balance remaining due on the first day of March, 1994; and

(b) Promissory Collateral Note dated November 8, 1991 in the principal amount of \$6,300,000 payable on demand; and

(c) Promissory Collateral Note dated November 8, 1991 in the principal amount of \$650,000 payable in twenty-six equal monthly principal installments of \$10,833 each on the first day of each month beginning January 1, 1992, with a final payment of the unpaid principal balance remaining due on the first day of March, 1994.

All of the foregoing Promissory Notes bear interest on the unpaid principal balance remaining from time to time at the rate of 2% per annum in excess of the prime rate of interest as publicly announced from time to time by Affiliated Bank, in effect on the first day of each month, said interest to be computed on a

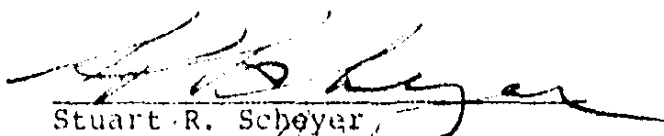
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360-day year and to be payable on the first day of each month beginning December 1, 1991, payable at the office of Affiliated Bank in Morton Grove, Illinois, or at such other place as the legal holder hereof may from time to time appoint. Interest after maturity or default shall be calculated at the variable rate of 6% per annum above said prime rate.

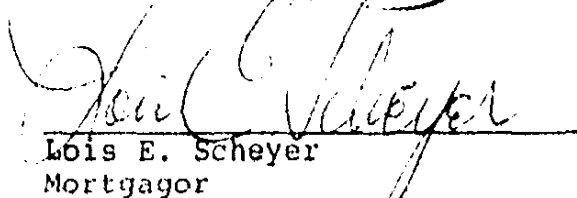
2. Mortgagor has heretofore executed and delivered to Affiliated Bank their Unconditional Guaranty of the repayment to said Bank by Stuart R. Scheyer, Leonard R. Scheyer and Gladys L. Scheyer Joint Venture of the existing indebtedness evidenced by a certain Promissory Note executed by said Joint Venture payable to Affiliated Bank dated December 30, 1987 in the original amount of \$140,000; this Mortgage is given and shall be held by the Mortgagee as collateral security to the aforesaid guaranty executed by Mortgagor.

3. This Mortgage shall also secure all other indebtedness of Decorel Incorporated to Affiliated Bank including existing and hereafter created indebtedness and all future advances and loans made under certain revolving lines of credit extended to Decorel and evidenced by the Notes more fully described herein. The future advances referred to herein in total shall not exceed \$8,450,000; said future advances shall have the same priority of lien as if advanced on the date of the original Mortgage and the recordation of same. This Mortgage shall also secure all renewals, extensions, refinancing and modifications of the indebtedness referred to herein and secured hereby. Except as is modified herein, all other terms and provisions of the aforesaid Mortgage shall remain unchanged.

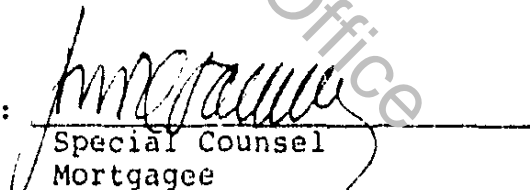
IN WITNESS WHEREOF, the Mortgagor and Mortgagee have hereunto set their hands and seals on the day and year first above written.


Stuart R. Scheyer

AFFILIATED BANK


Lois E. Scheyer
Mortgagor

By:


Special Counsel
Mortgagee

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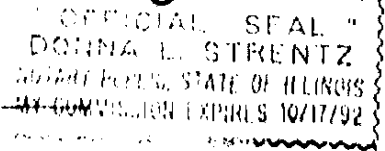
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for the State and County aforesaid, DOES HEREBY CERTIFY that STUART R. SCHEYER and LOIS E. SCHEYER, known to me personally appeared before me and acknowledged that they executed and delivered this Modification Agreement as their free and voluntary act for the uses and purposes set forth therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 17th day of November, 1991.

Donna L. Strentz
Notary Public

My Commission Expires 10/17/92



This document prepared by: Daniel S. Tauman, 8700 N. Waukegan Road, Morton Grove, Illinois 60053

Mail to: Affiliated Bank, P.O. Box 58, Morton Grove, Illinois 60053

RECORDED \$16.00
INDEXED
NOV 21 1991 12:55:00
*91-613767
COOK COUNTY RECORDER

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