

4/8034 p/s

chg + ret: Stark, Davison, Merritt and Smith
1030 Merchants Plaza, East Tower
Indianapolis, Indiana 46204-3418
RHN: Cynthia Adams

844445

MODIFICATION AGREEMENT

CHICAGO TITLE INSURANCE COMPANY
INDIANA DIVISION

THIS AGREEMENT, executed this 28th of February, 1986, by and between BRANKO, INC., an Indiana corporation ("Borrower"), and MERCHANTS NATIONAL BANK & TRUST COMPANY OF INDIANAPOLIS, a national banking association having its principal offices at One Merchants Plaza, Indianapolis, Indiana 46255 ("Merchants"), WITNESSETH THAT:

WHEREAS, Merchants has made a construction loan to Borrower pursuant to a certain construction loan agreement, dated December 9, 1983 (the "Prior Agreement"), to finance the construction of a forty (40)-unit residential condominium project upon real estate owned by Borrower and located on Ridge Road in Munster, Lake County, Indiana; and

WHEREAS, Borrower has applied to Merchants for, inter alia, an extension to August 1, 1987, for the payment of the outstanding principal balance and accrued interest under promissory note, dated December 9, 1983, evidencing such construction loan, which note was executed and delivered by Borrower to Merchants (the "Note"), and for an increase in loan amount which may hereafter be disbursed to Borrower for construction costs; and

WHEREAS, among other documents, the following documents, all dated December 9, 1983, were executed in connection with such construction loan pursuant to the Prior Agreement:

- (i) the Note, (ii) a certain real estate mortgage executed by Borrower to Merchants and recorded on December 13, 1983, as Instrument No. ~~737318~~ ⁷³⁷³¹⁸, in the office of the Recorder of Lake County, Indiana (the "Mortgage"), (iii) a certain assignment of leases executed by Borrower to Merchants and recorded on December 13, 1983, as Instrument No. ~~737318~~ ⁷³⁷³¹⁸, in the office of the Recorder of Lake County, Indiana (the "Lease Assignment") and (iv) a security agreement executed by Borrower to Merchants (the "Security Agreement") (such Mortgage, Lease Assignment and

STATE OF INDIANA
LAKE COUNTY
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RUDOLPH CLAY
RECORDER

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Security Agreement being hereinafter collectively referred to as the "Security Documents"); and

WHEREAS, Merchants is willing to make such extensions and increases in the construction loan to Borrower and to advance the proceeds thereof during the process of construction provided, inter alia, that Borrower executes this Agreement, an amended and restated loan agreement of even date herewith (the "Amended and Restated Loan Agreement"), and a replacement promissory note of even date herewith in the principal amount of Four Million Seventy Two Thousand Six Hundred Three & 91/100 Dollars (\$ 4,072,603.91) (the "Replacement Note") and performs all other obligations set forth in the Amended and Restated Loan Agreement:

NOW, THEREFORE, in consideration of these premises and the undertakings of the parties hereto, Borrower and Merchants agree as follows:

1. Paragraph numbered 1 of the Mortgage is amended by the deletion of "December 1, 1985" and the insertion of "August 1, 1987" in lieu thereof.
2. The second paragraph on page 1 of the Lease Assignment is amended by the deletion of "Five Million Five Hundred Thousand and no/100 (\$5,500,000.00)" and the insertion of Four Million Seventy Two Thousand Six Hundred Three and 91/100 Dollars (\$ 4,072,603.91)" in lieu thereof.
3. The default interest rate of "four per cent (4%) per annum above Merchants National base rate from time to time" is hereby deleted in the Mortgage and Security Agreement, and inserted in lieu thereof is the default interest rate of "thirteen per cent (13%) per annum."
4. Each reference in the Security Documents to the Note shall refer to the Replacement Note.
5. Each reference in the Security Documents to the Prior Agreement shall refer to the Amended and Restated Loan Agreement.
6. Each reference in any of the Security Documents to the Mortgage, Lease Assignment and Security Agreement shall refer to such documents as amended by this Agreement.

IN WITNESS WHEREOF, Borrower has caused this Agreement to be executed on the day and in the year first above written.

BRANKO, INC.

By: *William J. Brant, Jr.*
William J. Brant, Jr., President

Attest:

Mary Ann Kuykendall
Mary Ann Kuykendall, Secretary

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, a Notary Public in and for said County and State, personally appeared William J. Brant, Jr. and Mary Ann Kuykendall, the President and Secretary of Branko, Inc., an Indiana corporation, who, having been duly sworn, acknowledged the execution of the foregoing Modification Agreement for and on behalf of said corporation and stated that the representations contained therein are true.

Adeline D. Symanski
Adeline D. Symanski (Notary Public)

My Commission Expires:

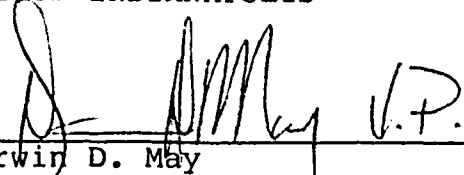
8-4-88

My County of Residence is:

LAKE

This Instrument was prepared by Clarence H. Doninger, Attorney at Law.

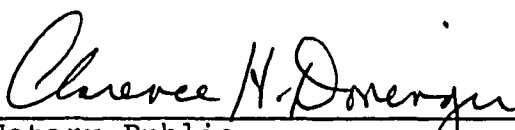
MERCHANTS NATIONAL BANK & TRUST
COMPANY OF INDIANAPOLIS

By:  V.P.
Darwin D. May

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public for said County and State,
personally appeared Darwin D. May, the Vice President of
Merchants National Bank & Trust Company of Indianapolis, a
national banking association, who after being duly sworn,
acknowledged the execution of the foregoing Construction Loan
Agreement for and on behalf of said Bank.

Witness my hand and Notarial Seal this 5th day of March,
1986.


Notary Public
Printed Name: Clarence H. Doninger
My County of Residence: Marion

My Commission Expires:
June 30, 1989

This Instrument was prepared by Clarence H. Doninger, Attorney.