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Bill: Mr. Rudy  
937.175th St.  
Hammond, IL  
60430

Return to: Mercantile National Bank of Indiana  
5243 Hohman Ave.  
Hammond, In. 46325  
Attn: Vern F. Holzhall

006734

NOTE AND MORTGAGE EXTENSION AND MODIFICATION AGREEMENT

THIS AGREEMENT entered into as of April 1, 1988, by and between MERCANTILE NATIONAL BANK OF INDIANA, in its corporate capacity, First Party; and HAMMOND ELECTRIC COMPANY, INC., formerly known as M.T.F., INC., a Delaware Corporation, Second Party;

WITNESSETH:

WHEREAS, on the 1st day of March, 1985, Second Party executed a promissory note in the principal sum of NINETY THOUSAND and NO/100 Dollars (\$90,000.00), which note was payable to the First Party in THIRTY consecutive monthly principal installments of SIX HUNDRED TWENTY TWO Dollars (\$625.00) plus interest from date of disbursement equal to TWO per cent (2.00%) per annum over the prime commercial rate, or its equivalent, Variable, as established from time to time by the First National Bank of Chicago, or its successors, to change on the first of the month following a prime rate change (the "prime rate"), with each payment to be applied first to interest and the balance to principal, with the total remaining balance of principal and interest to be due and payable April 1, 1988; and

WHEREAS, said note was secured by a mortgage of even date executed by the Second Party to MERCANTILE NATIONAL BANK OF INDIANA, in the sum of NINETY THOUSAND and No/100 Dollars (\$90,000.00); said mortgage was recorded on March 14, 1985 as Document No. 795552, in the Office of the Recorder of Lake County, Indiana; and

WHEREAS, it is the desire of the Second Party to extend the time of paying the present principal outstanding balance of this note in the amount of SIXTY EIGHT THOUSAND SEVEN HUNDRED FIFTY and NO/100 Dollars (\$68,750.00) for a period of TWO HUNDRED SIXTY DAYS (260), from April 1, 1988 to December 17, 1988, with interest only payable at the rate of TWO per cent (2.00%) per annum over the prime commercial rate, or its equivalent, variable, as described above, plus a principal payment of SEVEN HUNDRED FIFTY and NO/100 Dollars (\$750.00) to be paid prior to December 17, 1988, with the remaining principal outstanding balance of SIXTY EIGHT THOUSAND and NO/100 (\$68,000.00) to be payable in equal monthly principal and interest payments of SEVEN HUNDRED THIRTY TWO and NO/100 Dollars (\$732.00), with interest to be at the rate of ELEVEN per cent (11.00%) per annum rather than TWO per cent (2.00%) per annum over the prime commercial rate, as

STATE OF INDIANA  
COUNTY OF LAKE  
NOV 20 10 15 AM '88  
LILLIAN A. BEASTEK  
RECORDER, LAKE COUNTY  
CROWN POINT, INDIANA 46307

CHICAGO TITLE INSURANCE COMPANY  
INDIANA DIVISION

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described above, with monthly payments to commence January 17, 1989 and continue for a five year period with the final balance to be due and owing on January 17, 1994.

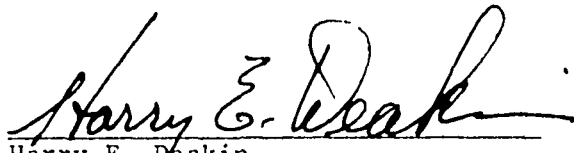
NOW THEREFORE, in consideration of the mutual benefits to be derived from the extension of the time of payment, and the change in the manner of payment of the monthly principal and interest payments of said note and mortgage above referred to, it is hereby agreed that;

FIRST PARTY AGREES that the aforementioned note and mortgage shall be extended as set out above, that there will be a principal payment of SEVEN HUNDRED FIFTY and NO/100 Dollars, which payment shall be received prior to December 17, 1988, that the remaining principal outstanding balance of SIXTY EIGHT THOUSAND and NO/100 Dollars (\$68,000.00) shall be payable in equal monthly principal and interest payments of SEVEN HUNDRED THIRTY TWO and NO/100 Dollars (\$732.00), with interest to be at the rate of ELEVEN per cent (11.00%) per annum rather than TWO per cent (2.00%) per annum over the prime commercial rate, as described above, with monthly payments under this Agreement to commence January 17, 1989 and continue for a five year period with the final balance to be due and owing on January 17, 1994.

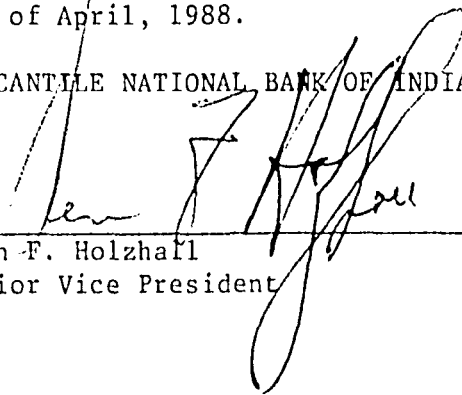
IT IS FURTHER AGREED that all provisions of the note and mortgage herein referred to shall continue in full force and effect except as modified by this Agreement.

WITNESS OUR HANDS AND SEAL this 1st day of April, 1988.

ATTEST:

  
Harry E. Deakin  
Assistant Vice President

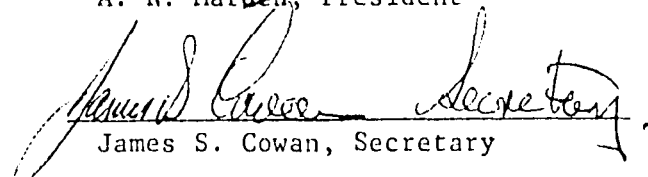
MERCANTILE NATIONAL BANK OF INDIANA

  
Vern F. Holzhall  
Senior Vice President

and

HAMMOND ELECTRIC COMPANY, INC.

  
A. N. Marden, President

  
James S. Cowan, Secretary

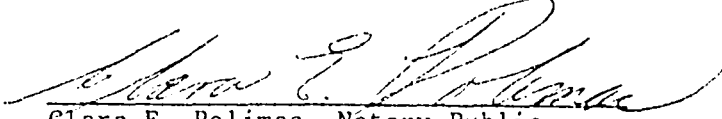
State of Indiana )  
Lake County ) §

Before me, the undersigned, a Notary Public in and for said County, this 1st day of April, 1888, came Vern F. Holzhall and Harry E. Deakin, Senior Vice President and Assistant Vice President, respectively, of Mercantile National Bank of Indiana and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal.

My commission expires: 2-4-91

County of Residence: Lake

  
Clara E. Polimac, Notary Public

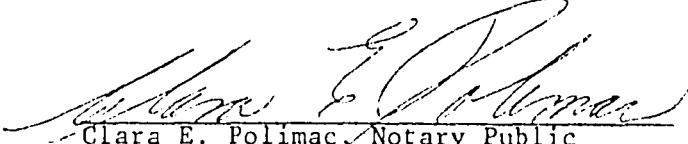
State of Indiana )  
County of Lake ) §

Before me, the undersigned, a Notary Public in and for said County, this 1st day of April, 1988, came A. N. Marden and James S. Cowan,  
President and Secretary, respectively,  
of HARMONY ELECTRIC COMPANY, INC. and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal.

My commission expires: 2-4-91

County of Residence: Lake

  
Clara E. Polimac, Notary Public