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Cook County Recorder 67.50



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SIXTH
MODIFICATION OF
SECURED CREDIT
AGREEMENT, SECURITY
AGREEMENT,
MORTGAGE,
ASSIGNMENT OF RENTS,
AND RELATED LOAN
DOCUMENTS

LN# 1161-0201

Space Above This Line For Recording Data

This Sixth Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents, and Related Loan Documents (hereinafter referred to as this "Agreement") is made as of April 1, 2000 by and among WITTEK GOLF SUPPLY, CO., INC., an Illinois corporation (hereinafter referred to alternatively as "Wittek Golf" or "Borrower"), ROBERT H. WITTEK, SR. (hereinafter referred to alternatively as "Guarantor" or "Wittek"), and BANCO POPULAR NORTH AMERICA f/k/a BANCO POPULAR, ILLINOIS f/k/a PIONEER BANK & TRUST COMPANY (hereinafter referred to as "Lender").

WITNESSETH:

WHEREAS, Wittek Golf and Lender have previously entered into a certain Secured Credit Agreement dated September 29, 1995, (hereinafter referred to as the "Loan Agreement"); and

WHEREAS, pursuant to the Loan Agreement (i) Borrower and Pullman Bank and Trust Company, not personally but as Trustee under Trust Agreement dated April 16, 1973 as amended February 12, 1980 and known as Trust No. 71-81194, (hereinafter referred to as "Trustee") executed and delivered to Lender a certain Mortgage Note dated September 29, 1995 payable to the order of Lender in the principal amount of Seven Hundred Thousand and No/100 Dollars (\$700,000.00), (hereinafter referred to as the "Wittek Mortgage Note") and (ii) Borrower executed and delivered to Lender a Revolving Note dated September 29, 1995, payable to the order of Lender in the principal amount of Seven Hundred Thousand and No/100 Dollars (\$700,000.00) (said Note as described hereinabove and as amended hereinbelow being hereinafter referred to as the "Revolving Note") evidencing indebtedness under the revolving credit facility described in Subparagraph 2.1 (a) of said Loan Agreement, as said Revolving Note was extended by those certain extension agreements dated as of September 29, 1996, and November 28, 1996, (the Mortgage Note and the Revolving

Note, and any and all notes prepared and issued under and pursuant to the Multi Credit Facility hereinafter described, are hereinafter collectively referred to as the "Existing Notes"); and

WHEREAS, the Existing Notes are secured, inter alia, by (i) that certain Real Estate Mortgage dated September 29, 1995, made by Trustee, as mortgagor, to Lender, as mortgagee, recorded in the Office of the Recorder of Deeds of Cook County, Illinois on October 4, 1995 as Document No. 95673464 (hereinafter referred to as the "Mortgage") and encumbering the property (hereinafter referred to as the "Mortgaged Property") commonly known as 3650 N. Avondale, Chicago, Illinois and legally described on Exhibit A, which is attached hereto and made a part hereof, (i) that certain Assignment of Rents dated September 29, 1995, made by Trustee, as Assignor, to Lender, as Assignee, recorded in the Office of the Recorder of Deeds of Cook County, Illinois on October 4, 1995 as Document No. 95673465 (hereinafter referred to as the "Assignment of Rents") and assigning to Lender all rents, profits, and income from the Mortgaged Property, (ii) that certain Security Agreement dated September 29, 1995 made by Borrower granting to Lender a first lien security interest in all assets of Borrower; (iii) that certain Guaranty dated September 29, 1995, executed by Robert H. Wittek, Sr. in favor of Lender, in connection with the obligations of Borrower to Lender; (iv) that certain Guaranty dated September 28, 1995, executed by Elizabeth Valdez in favor of Lender, in connection with the obligations of Borrower to Lender; and (v) various other loan and security documents, (the Loan Agreement, Existing Notes, Mortgage, Assignment of Rents, Security Agreement, Guaranties, and any and all other loan and/or security documents executed in connection therewith or herewith are hereinafter referred to as the "Loan Documents"); and

WHEREAS, on or about September 29, 1996, and November 28, 1996, the parties hereto executed respective Extension Agreements whereby the Termination Date of the revolving credit facility was extended through and until January 31, 1997; and

WHEREAS, the parties hereto previously amended the loan documents to extend the termination date of the revolving credit facility to February 28, 1997 pursuant to the terms of that certain Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents and Related Loan Documents dated January 31, 1997 and executed by the parties hereto; and

WHEREAS, the parties hereto also previously amended the loan documents to (1) again extend the termination date of the revolving credit facility to April 15, 1998, and (2) to provide for the release of Elizabeth Valdez as a

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Guarantor pursuant to the terms of that certain Second Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents And Related Loan Documents dated February 28, 1997 and executed by the parties hereto; and

WHEREAS, the parties hereto further previously amended the Loan Documents to, among other things, (1) increase the maximum amount available to Borrower under the Revolving Credit Facility from \$700,000 to \$1,000,000 and, in connection therewith, provide for the replacement of the existing Revolving Note with that certain Replacement Revolving Note dated November 21, 1997 (hereinafter referred to as the "Replacement Revolving Note") executed by Borrower and payable to the order of Lender in the principal amount of One Million and No/100 Dollars (\$1,000,000.00); and (2) provide for new multi credit facility in the maximum principal amount of \$200,000.00 to and for the benefit of Borrower to be collateralized by all of the Collateral described above pursuant to the terms of that certain Third Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents and Related Loan Documents dated November 21, 1997 and executed by the parties hereto;

WHEREAS, on or about April 15, 1999, Borrower executed that certain replacement Secured Revolving Business Note renewing and extending the Termination Date of the Revolving Credit Facility through and until April 15, 1999; and

WHEREAS, the parties hereto further previously amended the loan documents to, among other things, increase the maximum amount available to Borrower under the Revolving Credit Facility from \$1,000,000 to \$1,500,000 and, in connection therewith, provide for the replacement of the existing Revolving Note with that certain replacement Secured Revolving Business Note dated December 10, 1998 (hereinafter referred to as the "Replacement Revolving Note") executed by Borrower and payable to the order of Lender in the principal amount of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) pursuant to the terms of that certain Fourth Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents and Related Loan Documents dated December 10, 1998 and executed by the parties hereto; and

WHEREAS, on or about April 15, 1999, the parties hereto executed an Extension Agreement whereby the Termination Date of the revolving credit facility was extended through and until June 14, 1999; and

WHEREAS, the parties hereto further previously amended the loan documents to (1) renew and extend the Revolving Credit Facility and, in connection therewith, provide for the replacement of the existing Revolving Note with that certain replacement Secured Revolving Business Note dated June 14, 1999 executed by Borrower and payable to the order of Lender in the principal amount of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00); (2) amend and revise certain loan covenants in the Loan Agreement; and (3) reflect the change of the name of Lender from Banco Popular, Illinois to Banco Popular North America pursuant to and in accordance with the terms of that certain Fifth Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents, and Related Loan Documents (the "Fifth Modification") dated June 14, 1999; and

WHEREAS, on or about September 15, 1999 Borrower executed that certain replacement Secured Revolving Business Note renewing and extending the Termination Date of the Revolving Credit Facility through and until February 15, 2000; and

WHEREAS, on or about February 15, 2000, the parties hereto executed an Extension Agreement whereby the Termination Date of the revolving credit facility was extended through and until April 1, 2000; and

WHEREAS, the parties hereto desire to again amend the Loan Documents to, among other things (i) to renew the Revolving Credit Facility and extend the Termination Date thereof, and in connection therewith, provide for the replacement of the existing Revolving Note with that certain replacement Secured Revolving Business Note dated April 1, 2000 (hereinafter referred to as the "Replacement Revolving Note") executed by Borrower and payable to the order of Lender in the principal amount of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00); and (ii) amend and revise certain loan covenants in the Loan Agreement;

NOW, THEREFORE, for and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Wittek Golf, Guarantor, and Lender do hereby agree as follows:

1. **AFFIRMATION OF RECITALS.** The recitals set forth above are true and correct and are incorporated herein by this reference.
2. **AMENDMENT OF LOAN AGREEMENT.** The Loan Agreement is hereby amended as follows:
 - 2.1 The Exhibits of the Agreement are hereby amended by deleting Exhibit A-1 and replacing same

with Exhibit A-1 as is attached to and made a part of this Modification.

2.2 The following paragraph is added as Paragraph 6.1(h) of the Agreement:

(h) **Weekly Borrowing Base Certificate- Company.** On or before Wednesday of each Week, a completed and certified Borrowing Base Certificate, in a form and content approved by or designated by the Bank, evidencing the Company's Eligible Accounts Receivable and Eligible Inventory, as said terms are defined in the Security Agreement of even date herewith, and including a calculation of the available borrowing under the line of credit in accordance with the terms of Section 2.1 (a) hereof.

2.3 Paragraph 6.27 of the Agreement is hereby amended by deleting same in its entirety and inserting in lieu thereof the following:

6.27 **Zero Balance Revolving Loan.** During the term of the Revolving Loan and any extension thereof, Company shall, at least once each year the Revolving Loan is in force, reduce the outstanding balance on the Revolving Loan to zero and maintain such zero balance for a period of sixty consecutive days.

2.4 Paragraph 6.29 of the Agreement is hereby amended by deleting same in its entirety and inserting in lieu thereof the following:

6.29 **Unsubordinated Debt to Capital Funds Ratio.** Not permit the ratio of the Company's Unsubordinated Debt to Capital Funds to at any time be more than 8.5:1.0.

2.5 Except as specifically set forth to the contrary hereinabove, the Loan Agreement remains unmodified and in full force and effect.

3. **AMENDMENT OF EXISTING NOTES.** The Existing Notes are hereby amended as follows:

3.1 The Revolving Note referenced and described in the Loan Documents is hereby replaced by the Replacement Revolving Note substantially in the form attached hereto as Exhibit A-1.

3.3 Except as specifically set forth to the contrary hereinabove, the Existing Notes remain unmodified and in full force and effect.

4. **AMENDMENT OF MORTGAGE.** The Mortgage is hereby amended as follows:

4.1 All references in the Mortgage to the Note or Notes shall be deemed to be references collectively to the Existing Notes as modified hereby.

4.2 Except as specifically set forth to the contrary hereinabove, the Mortgage remains unmodified and in full force and effect.

5. **AMENDMENT OF ASSIGNMENT OF RENTS.** The Assignment of Rents is hereby amended as

follows:

5.1 All references in the Assignment of Rents to the Note or Notes shall be deemed to be references collectively to the Existing Notes as modified hereby.

5.2 Except as specifically set forth to the contrary hereinabove, the Assignment of Rents remains unmodified and in full force and effect.

6. **AMENDMENT OF SECURITY AGREEMENT.** The Security Agreement is hereby amended as follows:

6.1 All references therein to the Loan Agreement, Existing Notes, Mortgage and Assignment of Rents shall be deemed to be references to the Loan Agreement, Existing Notes, Mortgage and Assignment of Rents as modified and described herein.

6.2 All references therein to the Loan Documents shall be deemed to be references to such Loan Documents as respectively modified hereby.

6.3 Except as specifically set forth to the contrary hereinabove, the Security Agreement remains unmodified and in full force and effect.

7. **AMENDMENT OF GUARANTY AND ADDITIONAL LOAN DOCUMENTS.** The Guaranty and all remaining loan documents not specifically set forth above are hereby amended as follows:

7.1 All references therein to the Loan Agreement, Existing Notes, Mortgage, Assignment of Rents and Security Agreement shall be deemed to be references to the Loan Agreement, Existing Notes, Mortgage, Assignment of Rents and Security Agreement as modified and described herein.

7.2 Except as specifically set forth to the contrary hereinabove, the Guaranty and the Loan Documents remain unmodified and in full force and effect.

8. **REPRESENTATIONS AND WARRANTIES.** Wittek Golf hereby confirms and remakes all representations and warranties set forth in the Loan Documents.

9. **ADDITIONAL PROVISIONS.** This Agreement shall be effective only upon:

(a) Delivery by Wittek Golf to Lender of satisfactory evidence insuring the continued validity and priority of the Loan Documents, as herein amended, and the continued validity and priority of the Security

Interests created thereby.

(b) Execution by Wittek Golf of any and all Certificates, Financing Statements, Instruments, Assignments, Notices and documents as may be required or as may be deemed and determined by the Bank, in its sole discretion, to be necessary in order to perfect and complete the Bank's Security Interest in accordance with the Loan Documents as amended hereby.

(c) Execution by Wittek Golf of a Replacement Revolving Note, in substantially the form attached hereto as Exhibit A-1, payable to Lender in the principal amount of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) with interest payable as provided therein.

(d) Execution of a Ratification of Guaranty by Robert H. Wittek, Sr. substantially in the form attached hereto as Exhibit B, confirming his guaranty of all of Borrower's debts and obligations to Lender as amended hereby.

(e) Execution of that certain Fourth Extension of Collateral Agreement Covering Loans To Third Party (Specific Collateral) by Robert H. Wittek and Phillip C. Goldstick, Trustees of the Klemens R. Wittek Trust Agreement dated December 21, 1967 as amended.

(f) Payment by Wittek Golf to Lender, immediately upon the submission of bills and invoices therefor, of all amounts incurred by or on behalf of Lender for attorneys' fees, recording expenses, filing fees, title expenses, and all other costs incurred or to be incurred by or on behalf of Lender by reason of the matters specified herein and the preparation of this Agreement and all other documents necessary and required to effectuate the provisions hereof, including, without limitation, all costs and expenses with respect to compliance by Wittek Golf with the terms and conditions hereof and Lender's enforcement thereof. The rights and remedies of Lender contained in this Paragraph 9 shall be in addition to, and not in lieu of, the rights and remedies contained in the Loan Documents, as herein amended, and as otherwise provided by law.

10. **REMAINING PROVISIONS IN EFFECT.** Except as amended by this Agreement, the terms and conditions of the Loan documents remain in full force and effect.

11. **EFFECTIVENESS.** This Agreement shall be effective as of the date hereof subject to the provisions of Paragraph 9 hereof.

12. **GOVERNING LAW.** This Agreement shall be construed in accordance with the laws of the State of Illinois, without regard to its conflict of laws principles.

13. **CONSTRUCTION.** This Agreement shall not be construed more strictly against Lender merely by virtue of the fact that the same has been prepared by Lender or its counsel, it being recognized that Wittek Golf, Wittek, and Lender have contributed substantially and materially to the preparation of this Agreement.

14. **GENDER.** All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders and any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

15. **ENTIRE AGREEMENT.** Wittek Golf and Lender acknowledge that there are no other agreements or representations, either oral or written, express or implied, that are not embodied in this Agreement and the Loan Documents. This Agreement and the Loan Documents together represent a complete integration of all prior and contemporaneous agreements and understandings of Wittek Golf and Lender.

16. **BENEFIT.** This Agreement shall be binding upon and shall inure to the benefit of Wittek Golf and Lender, and their respective successors, assigns, grantees, heirs, executors, personal representatives and administrators.

17. **RATIFICATION; AUTHORITY.** Except as herein amended, the Loan Documents shall remain in full force and effect, and all of the terms and provisions of the Loan Documents, as herein amended, are hereby ratified and reaffirmed. Wittek Golf represents to Lender that there is no other ownership interest, lien, or other interest, now outstanding against the business assets of Wittek Golf other than the lien of the Loan Documents; and that the lien of Lender on Wittek Golf's business assets including, without limitation, Wittek Golf's equipment, inventory and accounts receivable is previously subsisting and, as herein amended, has been, is and shall remain a valid first, prior and paramount lien on said business assets, enjoying the same or superior priority with respect to other claims upon said business assets as prevailed prior to the execution of this Agreement. Wittek Golf has duly authorized, executed and delivered this Agreement, and acknowledges that the Loan Documents are valid and enforceable in accordance with their terms against Wittek Golf.

18. **DEFAULTS.** The occurrence of any one or more of the following shall constitute a Default under this Agreement.

(a) the untruthfulness of any representation or warranty contained in this Agreement, or the existence of any misrepresentation of fact or fraud contained in any document or information heretofore or hereafter submitted or communicated to Lender in support of this Agreement;

(b) the breach or violation of any term, covenant, or condition contained in this Agreement; or

(c) any other default, not timely cured within any applicable cure or grace period, under any of the Loan Documents. Any Default hereunder shall constitute a default or event of default, as applicable, under each of the Loan Documents.

19. **TERMINATION**. Immediately following the occurrence of any Default under this Agreement, Lender may, at its option (a) exercise any or all of its rights and remedies under the Loan Documents and/or (b) pursue any other remedies available to it.

20. **CONSENT TO AMENDMENT**. Wittek Golf acknowledges that it has thoroughly read and reviewed the terms and provisions of this Agreement and is familiar with same, that the terms and provisions contained herein are clearly understood by it and have been fully and unconditionally consented to by it and that it has had full benefit and advice of counsel of its own selection in regard to understanding the terms, meaning and effect of this Agreement, and that this Agreement has been entered into by it, freely, voluntarily, with full knowledge, and without duress, and that in executing this Agreement, it is relying on no other representations, either written or oral, or express or implied, made to it.

21. **RATIFICATION OF GUARANTOR'S OBLIGATIONS**. Guarantor Robert H. Wittek, Sr. acknowledges (1) that he has thoroughly read and reviewed the provisions of this Agreement and that he is familiar with same; (2) that he has thoroughly read and reviewed the provisions of the Loan Agreement and that he is familiar with same; (3) that the terms and provisions contained herein are clearly understood by him and have been fully and unconditionally consented to by him including, without limitation, his obligations under the Ratification of Guaranty to be executed in connection herewith and the obligations upon him as guarantor pursuant to 6.1 (f) and 8.14 of the Loan Agreement. Guarantor further acknowledges that he has had the full benefit and advice of Counsel of his own selection in regard to understanding the terms, meaning and effect of this Agreement, his Guaranty, and the Ratification of Guaranty, and that his Guaranty, the Ratification of Guaranty, and this Agreement have been entered into by him freely,

voluntarily, with full knowledge, and without duress, and that in executing this Agreement and the Ratification of Guaranty, he is relying on no other representations, either written or oral, expressed or implied, made to him.

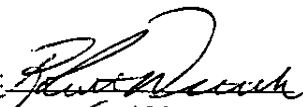
22. **NO DEFENSES; RELEASE.** As of the date of this Agreement, Wittek Golf acknowledges that it has no defense, offset, or counterclaim to any of its obligations under the Loan Documents. In addition to the foregoing (and to the extent of any such defense, offset or counterclaim), and as additional consideration for the amendment of the Loan Documents by Lender as herein set forth, Wittek Golf hereby releases and forever discharges Lender, its agents, servants, employees, directors, officers, attorneys, branches, affiliates, subsidiaries, successors and assigns and all persons, firms, corporations, and organizations in its behalf of and from all damages, losses, claims, demands, liabilities, obligations, actions and causes of action whatsoever which Wittek Golf may now have or claim to have against Lender, as of the date hereof, whether presently known or unknown, and of every nature and extent whatsoever on account of or in any way relating to, concerning, arising out of or founded upon the Loan Documents, as herein amended, including, but not limited to, all such loss or damage of any kind heretofore sustained, or that may arise, as a consequence of the dealings between the parties up to and including the date hereof.

23. **COUNTERPARTS.** It is understood and agreed that this Agreement may be executed in several counterparts, each of which shall, for all purposes, be deemed an original and all of such counterparts taken together, shall constitute one and the same Agreement, even though all of the parties hereto may not have executed the same counterpart of this Agreement.


24. **DEFINITION OF TERMS.** All initial-capitalized terms not expressly defined in this Agreement shall bear the same respective definitions herein as they bear in the Loan Documents, as herein amended.

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto in manner and form sufficient to bind them, as of the day and year first above written.


WITTEK GOLF SUPPLY CO., INC.

By: 
Its: CEO

BANCO POPULAR NORTH AMERICA f/k/a
BANCO POPULAR, ILLINOIS f/k/a PIONEER
BANK & TRUST COMPANY

By: 
Title: CFO

GUARANTOR


ROBERT H. WITTEK, SR.

This Document Prepared By
and Return To:
Bruce W. Craig
Banco Popular North America
4801 W. Fullerton Avenue
Chicago, Illinois 60639

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 2nd day of May, 2000 before me, a Notary Public in and for said County and State, appeared _____, to me known to be the person who subscribed the name of BANCO POPULAR NORTH AMERICA f/k/a BANCO POPULAR, ILLINOIS f/k/a PIONEER BANK & TRUST COMPANY, to the foregoing instrument as its _____ who, being by me duly sworn, did state that he/she is the _____ of said financial institution and that said instrument was signed and delivered by him/her on behalf of said financial institution by authority of its Board of Directors, and said _____ acknowledged to me that he/she executed the same for the uses, purposes, and consideration therein set forth and in the capacity therein stated as the free and voluntary act and deed of said financial institution.

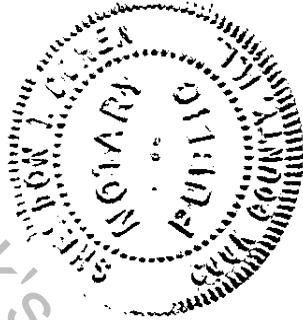
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



NOTARY PUBLIC

My Commission Expires:

9-18-02



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03/25/2011

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00372242

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 2ND day of may, 2000 before me, a Notary Public in and for said County and State, appeared _____, to me personally known, who being by me duly sworn, did say that he is the president of WITTEK GOLF SUPPLY, CO., INC. and that the foregoing instrument was signed and sealed on behalf of said corporation and that he acknowledged the foregoing instrument to be the free act and deed of said corporation.

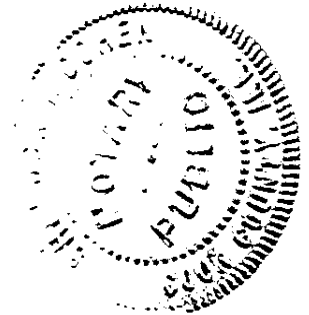


NOTARY PUBLIC

My Commission Expires:

9-18-02

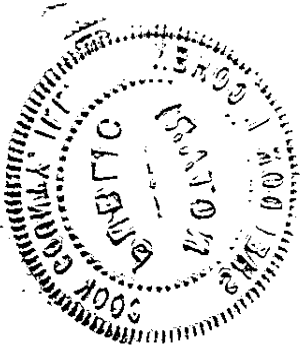
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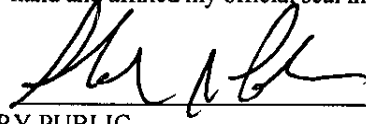
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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 2nd day of May, 2000 before me, a Notary Public in and for said County and State, appeared ROBERT H. WITTEK to me personally known, who being by me duly sworn, did say that the foregoing instrument was signed and delivered by him as his own free and voluntary act for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



NOTARY PUBLIC

My Commission Expires:

9-28-02

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2023/03/19

Property of Cook County Clerk's Office

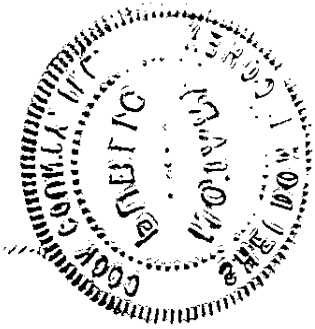


EXHIBIT "A"
THE MORTGAGED PROPERTY

LEGAL DESCRIPTION

PARCEL 1:

LOTS 1 TO 10, BOTH INCLUSIVE, LOTS 32 TO 40, BOTH INCLUSIVE, IN BLOCK 14 IN MASON'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT RAILROAD), IN COOK COUNTY, ILLINOIS

PARCEL 2:

ALL OF THE VACATED 16 FOOT PUBLIC ALLEY RUNNING IN A NORTHWESTERLY AND SOUTHEASTERLY DIRECTION SOUTHWESTERLY OF AND ADJOINING THE SOUTHWESTERLY LINE OF LOTS 34 TO 38, BOTH INCLUSIVE, AND NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY LINE OF LOT 40, LYING BETWEEN THE SOUTH LINE OF SAID LOT 40 PRODUCED EAST AND THE WEST LINE OF SAID LOT 40 PRODUCED NORTH, AND ALL THE VACATED NORTH AND SOUTH 16 FOOT PUBLIC ALLEY LYING EAST OF AND ADJOINING THE EAST LINE OF LOTS 2 TO 11, BOTH INCLUSIVE, AND LYING WEST OF AND ADJOINING THE WEST LINE OF LOTS 38, 39, AND 40, AND LYING WEST OF AND ADJOINING THE WEST LINE OF THE NORTHWESTERLY AND SOUTHEASTERLY PUBLIC ALLEY HERETOFORE VACATED AND LYING SOUTH OF AND ADJOINING THE NORTHEASTERLY LINE OF SAID LOT 39 PRODUCED NORTHWESTERLY A DISTANCE OF 20.43 FEET TO THE INTERSECTION OF THE EAST AND NORTHWESTERLY LINES OF SAID LOT 40, SAID VACATED PUBLIC ALLEY BEING FURTHER DESCRIBED AS ALL OF THE VACATED NORTH AND SOUTH PUBLIC ALLEY IN THE BLOCK BOUNDED BY NORTH AVONDALE AVENUE, NORTH HAMLIN AVENUE AND WEST ADDISON AVENUE IN BLOCK 14 IN MASON'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS (EXCEPT RAILROAD), IN COOK COUNTY, ILLINOIS.

Common Address of Property:

3650 N. Avondale, Chicago, Illinois

Permanent Tax Identification Number:

12-23-128-030-0000

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SECURED REVOLVING BUSINESS NOTE

00372242

Officer NL R
Amount \$ 1,500,000.00
Maturity February 1, 2001
Account No.
Date April 1, 2000

FOR VALUE RECEIVED, the undersigned hereby promises to pay, on or before February 1, 2001, to the order of BANCO POPULAR NORTH AMERICA f/k/a BANCO POPULAR, ILLINOIS f/k/a PIONEER BANK & TRUST COMPANY (the "Bank"), at 4801 West Fullerton Avenue, Chicago, Illinois 60639, the unpaid principal amount of all advances from time to time made by the Bank to the undersigned under the terms of this Note ("Advances"), plus all accrued and unpaid interest thereon. The aggregate unpaid principal amount of all Advances at any one time outstanding hereunder shall at no time exceed the lesser of One Million Five Hundred Thousand and No/100 DOLLARS (\$1,500,000.00), or the sum of (a) eighty per cent (80%) of the undersigned's Eligible Accounts Receivable, as that term is defined in the Security Agreement dated September 25, 1995 (said Security Agreement as it may be amended from time to time being hereinafter referred to as the "Security Agreement") plus (b) the lesser of (i) the Inventory Advance Percentage, as that term is defined in the Security Agreement, or (ii) the Inventory Advance Cap, as that term is defined in the Security Agreement. Until the maturity of this Note, whether by acceleration or otherwise, repayment of part or all of the Advances shall entitle the undersigned to request additional Advances, if, after giving effect thereto, the then aggregate unpaid principal amount of the Advances does not exceed the maximum principal amount set out in this paragraph. The initial Advance, all subsequent Advances and all payments made on account of principal shall be endorsed by the holder of this Note in its records or, at its option, on the schedule attached to this Note, which records or schedule shall be reasonable, presumptive evidence of the subject matter thereof.

The undersigned further promises to pay to the order of the Bank interest on the principal sum hereof from time to time outstanding until maturity, whether by acceleration or otherwise, at a rate per annum equal to the Prime Rate (as hereinafter defined) in effect from time to time, plus 1/2 percent (0.5%) per annum, and after maturity, whether by acceleration or otherwise, at a rate per annum equal to the Prime Rate in effect from time to time, plus five percent (5.0%) per annum. Prior to maturity, whether by acceleration or otherwise, accrued interest shall be payable monthly on the 1st day of each month and at maturity beginning with the first such date to occur after the initial Advance hereunder. After maturity, whether by acceleration or otherwise, accrued interest shall be payable on demand.

"Prime Rate" at any time means the rate of interest then most recently announced by the Bank at Chicago, Illinois as its prime rate. Each change in the interest rate on this Note shall take effect on the effective date of the change in the Prime Rate. Interest shall be computed on the basis of a year consisting of 360 days and paid for actual days elapsed, but shall not exceed the maximum rate of interest allowable under applicable law for advances of this type.

To secure the obligations of the undersigned to the Bank herein contained, and to secure any and all other indebtedness, liabilities, and obligations of the undersigned to the Bank, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, joint or several, now or hereafter existing, or due or to become due, and howsoever owned, held or acquired, whether through discount, overdraft, purchase, direct loan, or as collateral or otherwise (all of the foregoing herein called the "Obligations"), the undersigned hereby pledges, assigns, transfers and delivers to the Bank and grants to the Bank a continuing security interest in the following property: (a) all business assets of the undersigned including, but not limited to accounts receivable, inventory, and equipment of the undersigned pursuant to the terms of that certain Security Agreement dated September 29, 1995 and executed by the undersigned (as the same may be amended or modified from time to time, herein called the "Security Agreement"); (b) a First Mortgage and Assignment of Rents on the property commonly known as 3650 N. Avondale, Chicago, Illinois pursuant to the terms of that certain Mortgage dated September 29, 1997 and executed by Pullman Bank and Trust Company, not personally but solely as Trustee under Trust Agreement dated April 16, 1973 and known as Trust Number 71-81194 (as the same may be amended or modified from time to time, herein called the "Mortgage"), and that certain Assignment of Rents dated September 29, 1997 and executed by Pullman Bank and Trust Company, not personally but solely as Trustee under Trust Agreement dated April 16, 1973 and known as Trust Number 71-81194 and by Robert H. Wittek and Phillip C. Goldstick, Trustees of the Klemens R. Wittek Trust Agreement dated December 21, 1967 (as the same may be amended or modified from time to time, herein called the "Assignment of Rents"); and (c) a collateral Assignment of Beneficial Interest in Pullman Bank and Trust Company Land Trust No. 71-81194 pursuant to the terms of that certain Assignment of Beneficial Interest (Including Irrevocable Right to Approve) dated September 29, 1997 and executed by Robert H. Wittek and Phillip C. Goldstick, Trustees of the Klemens R. Wittek Trust Agreement dated December 21, 1967 (as the same may be amended or modified from time to time, herein called the "ABI"); and in any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys of or in the name of the undersigned now or hereafter with the Bank and any and all property of every kind or description of or in the name of the undersigned now or hereafter, for any reason or purpose whatsoever, in the possession or control of, or in transit to, the Bank, and any and all proceeds of any of the foregoing (all of the foregoing being hereinafter collectively called the "Collateral").

The undersigned agrees to deliver to the Bank, forthwith upon its demand, such additional collateral as it may request from time to time should the value of the Collateral decline or should the Bank deem itself insecure.

The Bank shall have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as the undersigned shall reasonably request in writing, but the failure to comply with any such request shall not of itself be deemed a failure to exercise reasonable care. The undersigned shall have the sole responsibility for taking such steps as may be necessary from time to time to preserve all rights of the undersigned and the Bank in the Collateral against prior parties.

The Bank may take such action from time to time as it may deem appropriate to maintain or protect the Collateral, and in particular may at any time (i) transfer the whole or any part of the Collateral into the name of itself or its nominee; (ii) collect any amounts due on the Collateral directly from the persons obligated thereon; (iii) vote the Collateral; (iv) take control of any proceeds of the Collateral; or (v) sue or make any compromise or settlement with respect to any of the Collateral.

The Bank shall have the right at any time to apply its own indebtedness or liability to the undersigned or to any indorser or other party liable hereon by way of set-off, in whole or partial payment of this Note either before or after its maturity, or in whole or partial payment of any other liability due or to become due from the undersigned to the Bank.

Upon non-payment of this Note or any other obligation or liability of the undersigned to the Bank in accordance with its terms, or upon the occurrence of an event of default as defined in any security agreement, mortgage or other collateral agreement given to secure this Note, or upon the death, incapacity or insolvency of the undersigned or any guarantor, or the appointment of a receiver for any part of the property of the undersigned or any guarantor, or the making by the undersigned or any guarantor of any assignment for the benefit of creditors, or the commencement of bankruptcy or insolvency proceedings by or against the undersigned or any guarantor or upon the placement or issuance of any levy, writ of attachment, writ of garnishment, writ of execution or similar process against the undersigned or any guarantor, or any property of the undersigned or any guarantor, or if any representation made by the undersigned or any guarantor to the Bank for the purpose of obtaining credit appears to the Bank to be untrue in any material respect, or if the undersigned fails to furnish additional collateral on request as herein agreed, or if there shall be such a change in the financial condition or position of the undersigned or any person secondarily or contingently liable for payment of this Note or such change in the collateral securing this Note, if any, that the Bank shall in good faith deem itself to be insecure, then, unless the Bank shall otherwise elect, the full amount of the indebtedness evidenced hereby and all other liabilities and obligations of the undersigned to the Bank shall become immediately due and payable, without notice or demand.

Whenever the undersigned shall be in default as aforesaid, (1) unless as otherwise provided by law, the Bank may at its option sell all or any of the Collateral at public or private sale, without notice or advertisement, upon such terms and conditions as the Bank may deem proper, and the Bank may purchase any or all of the Collateral at any such sale, and the Bank may apply the net proceeds, after deducting all costs, expenses and attorneys' fees incurred at any time in the collection, protection and sale of the Collateral and the Obligations, to the payment of this Note and/or any of the other Obligations, returning the proceeds, if any, to the undersigned, or any of them, the undersigned remaining jointly and severally liable for any amount remaining unpaid after such application, with interest; and (2) the Bank may at its option exercise from time to time any rights and remedies available to it under applicable law, including without limitation, the Uniform Commercial Code of Illinois.

If a corporation or partnership, the undersigned warrants to the Bank that: (a) it is duly organized, validly existing and in good standing under the laws of the State of its organization and duly qualified and in good standing in all jurisdictions in which its present operations or properties require such qualification; (b) the execution and delivery of this Note and the performance by the undersigned of its obligations hereunder are within the undersigned's corporate or partnership powers and have been duly authorized by all necessary action on the undersigned's part; and (c) this Note is the undersigned's legal, valid and binding obligation, enforceable in accordance with its terms, the making and performance of which do not and will not contravene or conflict with the undersigned's charter or by-laws or, if appropriate, the undersigned's partnership agreement and other organizational documents or violate or constitute a default under any law, any presently existing requirement or restriction imposed by judicial, arbitral or other governmental instrumentality or any agreement, instrument or indenture by which the undersigned is bound.

If an individual, the undersigned warrants to the Bank that: (a) the proceeds of each Advance will be used for the purposes specified in 815 ILCS 205/4(1)(c), as amended, and shall constitute a "business loan" within the purview thereof; (b) the Advances are transactions exempt from the Truth in Lending Act, 15 U.S.C. § 1601, et. seq., as amended; and (c) the making and performance of this Note does not and will not violate or constitute a default under any law, any presently existing requirement or restriction imposed by judicial, arbitral or other governmental instrumentality or any agreement, instrument or indenture by which the undersigned is bound.

If any provision of this Note is held to be void or unenforceable, such provision, at the option of the Bank, shall be deemed omitted and this Note, with such provision omitted, shall remain in full force and effect. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, no single or partial exercise by the Bank of any right or remedy shall preclude any other future exercise thereof or the exercise of any other right or remedy, and no waiver or indulgence by the Bank of any default shall be effective unless in writing and signed by the Bank, nor shall a waiver on one occasion be construed or be a bar to, or waiver of, any such right on any future occasion.

Each of the undersigned, each indorser hereof and any other party liable for the indebtedness evidenced hereby severally waives demand, presentment, notice of dishonor and protest of this Note, and consents to any extension or postponement of time of its payment, to any substitution, exchange or release of all or any part of any security interest securing this Note, to the addition of any party hereto, and to the release or discharge of or suspension of any rights and remedies against any person who may be liable hereon for the payment of the indebtedness evidenced hereby.

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The undersigned, if more than one, shall be jointly and severally obligated hereunder and the term "undersigned" shall mean all parties signing this Note and each of them.

The Bank is authorized to complete any uncompleted portion of this Note in accordance with its understanding at the time of execution thereof.

The undersigned agrees to pay all expenses, costs, and fees incurred by the Bank in the collection of amounts evidenced by this Note, including reasonable attorneys' fees and legal expenses.

This Note shall be binding on the heirs, legal representatives, successors and assigns of the undersigned.


This Note shall be governed by the internal laws of the State of Illinois.

This Note is a renewal of and replacement for that certain Secured Revolving Business Note dated September 15, 2000 in the maximum principal amount of \$1,500,000.00 executed by the undersigned and payable to the order BANCO POPULAR NORTH AMERICA f/k/a BANCO POPULAR, ILLINOIS f/k/a PIONEER BANK & TRUST COMPANY as said Note was previously extended.

The undersigned waives any right to a trial by jury in any action or proceeding to enforce or defend any rights (a) under this Note or under any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection herewith or (b) arising from any banking relationship existing in connection with this Note, and agrees that any such action or proceeding shall be tried before a court and not before a jury.

Address: 3650 N. Avondale
Chicago, IL 60618

WITTEK GOLF SUPPLY, CO., INC.

By: 
Its: President

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RATIFICATION OF GUARANTY

This Ratification and Confirmation of Guaranty (this "Ratification") is made as of the 1st day of April 2000 by Robert H. Wittek, Sr. (hereinafter referred to as "Guarantor") to Banco Popular North America f/k/a Banco Popular, Illinois f/k/a Pioneer Bank & Trust Company ("Lender").

WITNESSETH:

WHEREAS, Lender has made loans (the "Loans") to Wittek Golf Supply Co., Inc., ("Wittek Golf") and Pullman Bank and Trust Company, not personally but as Trustee under Trust Agreement dated April 16, 1973 as amended February 19, 1980 and known as Trust No. 71-81194 (hereinafter collectively referred to as "Borrower") pursuant to the terms of that certain Secured Credit Agreement dated September 29, 1995 and executed by Wittek Golf, (the "Loan Agreement"); and

WHEREAS, pursuant to the terms of the Loan Agreement, as security for repayment of the Loans, Guarantor executed and delivered to Lender that certain Guaranty dated as of September 29, 1995 (the "Guaranty"); and

WHEREAS, on or about September 19, 1996, and November 28, 1996, Borrower and Lender executed respective Extension Agreements whereby the Termination Date of the revolving credit facility was extended through and until January 31, 1997, and

WHEREAS, on or about January 31, 1997 Borrower and Lender amended the Loan Documents pursuant to and in accordance with the terms of that certain Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents, and Related Loan Documents (the "Modification") dated January 31, 1997, to, among other things, (1) provide for and reflect the change of name of the Mortgagee from Pioneer Bank & Trust Company to Banco Popular, Illinois, and (2) provide for the extension of the termination date of the revolving credit facility to February 28, 1997; and

WHEREAS, on or about February 28, 1997 Borrower and Lender again amended the Loan Documents pursuant to and in accordance with the terms of that certain Second Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents, and Related Loan Documents (the "Second Modification") dated February 28, 1997, to, among other things, (1) provide for the extension of the termination date of the revolving credit facility to April 15, 1998, and (2) release Elizabeth Valdez as a Guarantor; and

WHEREAS, on or about November 26, 1997 Borrower and Lender again amended the Loan Documents pursuant to and in accordance with the terms of that certain Third Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents, and Related Loan Documents (the "Third Modification") dated November 26, 1997, to, among other things, (1) increase the maximum amount available to Borrower under the Revolving Credit Facility from \$700,000 to \$1,000,000; and (2) provide for new multi credit facility in the maximum principal amount of \$200,000.00 to and for the benefit of Borrower to be collateralized by the Collateral described above; and

WHEREAS, on or about April 15, 1998, Borrower executed that certain replacement Secured Revolving Business Note renewing and extending the Termination Date of the Revolving Credit Facility

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through and until April 15, 1999; and

WHEREAS, on or about December 10, 1998, Borrower and Lender again amended the Loan Documents pursuant to and in accordance with the terms of that certain Fourth Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents, and Related Loan Documents (the "Fourth Modification") dated December 10, 1998, to, among other things, increase the maximum amount available to Borrower under the Revolving Credit Facility from \$1,000,000 to \$1,500,000; and

WHEREAS, on or about April 15, 1999, Borrower and Lender executed an Extension Agreement whereby the Termination Date of the revolving credit facility was extended through and until June 14, 1999; and

WHEREAS, on or about June 14, 1999, Borrower and Lender again amended the Loan Documents pursuant to and in accordance with the terms of that certain Fifth Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents, and Related Loan Documents (the "Fifth Modification") dated June 14, 1999, to, among other things, (i) renew and extend the Revolving Credit Facility and, in connection therewith, provide for the replacement of the existing Revolving Note with that certain replacement Secured Revolving Business Note dated June 14, 1999 (hereinafter referred to as the "Replacement Revolving Note") executed by Borrower and payable to the order of Lender in the principal amount of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00); (ii) amend and revise certain loan covenants in the Loan Agreement; and (iii) to reflect the change of the name of Lender from Banco Popular, Illinois to Banco Popular North America; and

WHEREAS, on or about September 15, 1999, Borrower executed that certain replacement Secured Revolving Business Note renewing and extending the Termination Date of the Revolving Credit Facility through and until February 15, 2000; and

WHEREAS, on or about February 15, 2000, Borrower and Lender executed an Extension Agreement whereby the Termination Date of the revolving credit facility was extended through and until April 1, 2000; and

WHEREAS, on or about April 1, 2000, Borrower and Lender again amended the Loan Documents pursuant to and in accordance with the terms of that certain Sixth Modification of Secured Credit Agreement, Security Agreement, Mortgage, Assignment of Rents, and Related Loan Documents (the "Sixth Modification") dated April 1, 2000, to, among other things, (i) renew and extend the Revolving Credit Facility and, in connection therewith, provide for the replacement of the existing Revolving Note with that certain replacement Secured Revolving Business Note dated April 1, 2000 (hereinafter referred to as the "Replacement Revolving Note") executed by Borrower and payable to the order of Lender in the principal amount of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00); and (ii) amend and revise certain loan covenants in the Loan Agreement; and

WHEREAS, the continuation and extension of the undersigned's guaranty to include the lending under the revolving credit facility as said facility is extended pursuant to the terms of the Sixth Modification is a condition precedent and inducement to Lender to extend said Revolving Credit Facility; and

WHEREAS, the continuation and extension of the undersigned's guaranty to include the lending under the revolving credit facility after the modification of certain loan covenants pursuant to the terms of the Sixth Modification is a condition precedent and inducement to Lender to extend said Revolving Credit Facility; and

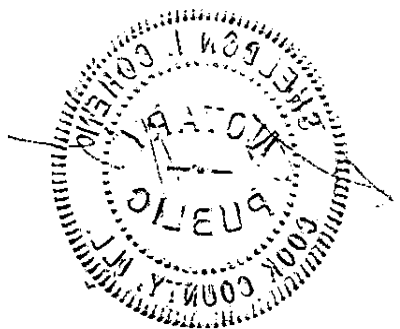
WHEREAS, Lender is willing to extend the Revolving Credit Facility as aforesaid if Guarantor will

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