

EXTENSION/MODIFICATION AGREEMENT

This Agreement made this 15th day of December, 1997 by and between Applied Systems, Inc.

(hereinafter referred to as "Mortgagor" and HERITAGE BANK, formerly known as

THE ABOVE SPACE FOR RECORDERS USE ONLY

an Illinois banking corporation (hereinafter referred to as "LENDER"), Owner and Holder of the Promissory Note(s) ("Note(s)") secured by a mortgage on the following described Real Estate:

LOTS 17, 18, 19 AND 20 (EXCEPTING THEREFROM THE WESTERLY 10 FEET TAKEN FOR ROAD PURPOSES) IN J.W. MCCORMACK'S LINCOLN HILLS HOMELANDS BEING A SUBDIVISION OF THE WEST 3/4 OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 35 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN EXCEPT FOR THE WEST 250 FEET OF THE SOUTH 228 FEET AND EXCEPT THAT PART FOR CICERO AND LINCOLN HIGHWAY, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN #31-22-102-002, 004 & 005  
COMMON ADDRESS: 20821 S. CICERO, MATTESON, ILLINOIS 60443

O'CONNOR TITLE SERVICES, INC.

# 7830-40

WITNESSETH:

Mortgagor

THAT WHEREAS ~~XXXXX~~ heretofore executed a certain (~~Trust Deed~~ / Mortgage / ~~Assignment of Proceeds~~ / ~~Proceeds Note~~), dated October 16th, 1995 and recorded in the office of the Recorder of Deeds of Cook County, Illinois, on November 1, 1995 as Document Number 95747045 conveying the above described premises to Lender to secure payment of that certain Note(s) dated 10-16-95 payable in the sum of Nine Million Six Hundred Thousand Dollars (\$ 9,600,000.00) as therein provided.

AND WHEREAS SAID (~~Trust Deed~~ / Mortgage / ~~Assignment of Proceeds~~ / ~~Proceeds Note~~) securing said Note(s) is a valid and subsisting lien on the property described therein.

AND WHEREAS the parties hereto have agreed upon certain modifications of the terms of said Note(s) and (~~Trust Deed~~ / Mortgage / ~~Assignment of Proceeds~~ / ~~Proceeds Note~~) and of the original terms of payment of said Note(s).

NOW THEREFORE, in consideration of the property and the mutual promises and agreements hereinafter made by and between the parties hereto, the said parties do hereby mutually agree that said Note(s) and (~~Trust Deed~~ / Mortgage / ~~Assignment of Proceeds~~ / ~~Proceeds Note~~) be and the same is hereby modified as follows:

The maturity date shall be extended from 12/15/97 to 12/15/2002 at which time the entire principal balance and all accrued interest will be due and payable in full. The interest rate shall be changed from Prime floating to 8.00% fixed. Payments consisting of principal and interest in the amount of \$116,474.49 will be due monthly beginning 01/15/98 and continue every month thereafter until the entire principal and interest balance is paid in full. All other terms and conditions of the original Note and Mortgage shall remain the same, including a floating lien on the corporate assets of Applied Systems, Inc. and an Assignment of Life Insurance Policy on Robert Eustace to the amount of \$5,000,000.00.

County Clerk's Office

IT IS FURTHER MUTUALLY AGREED BY AND BETWEEN THE PARTIES THAT ALL PROVISIONS of said Note(s) and (~~Trust Deed~~ / Mortgage / ~~Assignment of Proceeds~~ / ~~Proceeds Note~~) shall remain unchanged and in full force and effect for and during said period, except only as herein specifically modified, and further that in the event of default in the payment of principal or interest due under said Note(s) (~~Trust Deed~~ / Mortgage / ~~Assignment of Proceeds~~ / ~~Proceeds Note~~) as herein modified, the entire amount of unpaid principal and interest shall, at the option of the holder thereof, become immediately due and payable, without notice or demand; that all the rights and obligations under said Note(s) and (~~Trust Deed~~ / Mortgage / ~~Assignment of Proceeds~~ / ~~Proceeds Note~~) as herein modified, shall extend to and be binding on the successors and assigns of the Lender and the successors and assigns of the ~~Trustee~~ Mortgagor.

WITNESS the hands and seals of Mortgagor(s) this day and year written above.

Applied Systems, Inc

By: Robert R Eustace  
Robert Eustace, Chairman of the Board

By: Elsa Eustace  
Elsa Eustace, Secretary

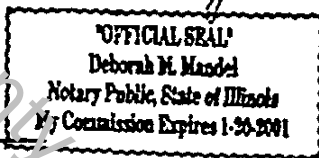
CORPORATE ACKNOWLEDGMENT

STATE OF ILLINOIS,  
COUNTY OF COOK )

On this 16th day of April, 1997, before me, the undersigned Notary Public, personally appeared Robert Eustace, Chairman of the Board and Elsa Eustace, Secretary of Applied Systems, Inc. and known to me to be an authorized agent of the corporation that executed this instrument and acknowledged the instrument to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this instrument and in fact executed the instrument on behalf of the corporation.

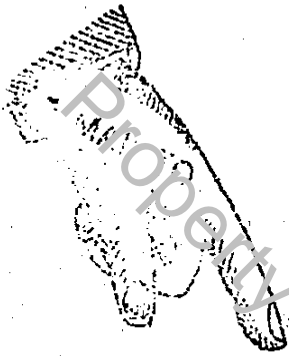
By: Deborah M. Mandel Residing at Tinley Park, Illinois

Notary Public in and for the State of Illinois



My commission expires 1-20-2001

Clerk's Office



Pauline Minarcik  
Heritage Bank  
12015 S. Western, Blue Island, IL 60406

THIS DOCUMENT PREPARED BY and RETURN TO:

DEBORAH M. MENDEL  
Notary Public, State of Illinois  
My Commission Expires 1-30-2001

Debra J. Hennessy  
Notary Public  
April 15, 1997 day of April 1997

Given under my hand and Notarial Seal, this 15th day of April, 1997

Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they, in their respective capacities, signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Heritage Bank, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that he/she as custodian of the Bank Seal did affix the Seal of said Bank to said instrument as his/her own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

I, the undersigned, a Notary Public, in and for said County, and State, DO HEREBY CERTIFY, THAT  
Debra J. Hennessy, First Vice President of HERITAGE BANK and

STATE OF ILLINOIS )  
) ss.  
COUNTY OF COOK )

By: Howard Kockler  
Howard Kockler

By: Debra J. Hennessy  
Debra J. Hennessy

HERITAGE BANK ATTEST: