

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 29, 2005

LYNCH CORPORATION

(Exact Name of Registrant as specified in Charter)

<u>Indiana</u>	<u>1-106</u>	<u>38-1799862</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
<u>140 Greenwich Avenue, 4th Floor, Greenwich, CT</u>		<u>06830</u>
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (203) 622-1150

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On August 29, 2005, the Registrant's subsidiary, Lynch Systems, Inc. ("Lynch Systems") entered into a First Amendment to Extension Agreement by and among Lynch Systems, the Registrant and SunTrust Bank ("SunTrust"), dated August 25, 2005, to extend until September 30, 2005 the due date of indebtedness of Lynch Systems to SunTrust.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

- 10.1 First Amendment to Extension Agreement by and among Lynch Systems, Lynch Corporation and SunTrust Bank, dated August 25, 2005.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

LYNCH CORPORATION

By: /s/ Eugene Hynes
Eugene Hynes
Vice President

August 30, 2005

FIRST AMENDMENT TO EXTENSION AGREEMENT

THIS FIRST AMENDMENT TO EXTENSION AGREEMENT ("First Amendment") is made and entered into as of August 25, 2005, by and among **LYNCH SYSTEMS, INC.** ("Borrower"), a South Dakota corporation; **LYNCH CORPORATION**, an Indiana corporation ("Guarantor"); and **SUNTRUST BANK** ("Lender"), a Georgia banking corporation.

Recitals:

Lender, Borrower and Guarantor entered into an Extension Agreement dated June 24, 2005 (the "Extension Agreement") pursuant to which, among other things, the maturity date for repayment of the obligations owed by Borrower and Guarantor to Lender was extended under the terms and conditions stated in the Extension Agreement. Capitalized terms used herein, to the extent not otherwise defined, shall have the meanings ascribed to such terms in the Extension Agreement.

Borrower has delivered to Lender a letter from Branch Banking & Trust Co., dated August 18, 2005 (the "BB&T Letter"), that Borrower contends constitutes an Acceptable Commitment Letter that results in extension of the Extension Period through and including September 19, 2005. In addition, Borrower has requested that the Extension Period be extended through September 30, 2005, in order to afford Borrower the opportunity to repay the Obligations in full using financing described in the BB&T Letter. Without necessarily agreeing that the BB&T Letter constitutes an Acceptable Commitment Letter, Lender is willing to extend the Extension Period as provided herein.

NOW, THEREFORE, for TEN DOLLARS (\$10.00) in hand paid and in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Definitions.** All capitalized terms used in this First Amendment, unless otherwise defined, shall have the meanings ascribed to such terms in the Extension Agreement.

2. **Amendment to Extension Agreement.** The Extension Agreement is hereby amended as follows:

(a) In **Section 1**, by deleting the definition of "Extension Period" and by substituting in lieu thereof the following definition:

"Extension Period" shall mean the period commencing on June 24, 2005, and ending at 5:00 o'clock p.m. on September 30, 2005.

3. **Representations, Acknowledgments and Warranties.** Each Obligor hereby acknowledges, stipulates and warrants to Lender that (i) the Loan Documents and the Extension Agreement are legal, valid and binding obligations of such Obligor and are enforceable against such Obligor in accordance with the terms thereof; (ii) all of the Obligations are owing and payable without defense, offset or counterclaim (and to the extent there exists any such defense, offset or counterclaim on the date hereof, the same is hereby waived by such Obligor); (iii) the security interests and liens granted by Borrower in favor of Lender are duly perfected, first

priority security interests and liens; (iv) as of the opening of business on August 25, 2005, the aggregate principal balance of Loans outstanding totaled \$1,756,096.50, the aggregate undrawn amount of Letters of Credit outstanding totaled \$411,619.00, and the unpaid principal balance of the Term Loan Obligations totaled \$397,705.53, in each case exclusive of interest, fees, other charges and attorneys' fees at any time payable by Borrower under any of the Loan Documents; and (v) each of the warranties and representations of such Obligor contained in the Extension Agreement was true, accurate and complete at the time of execution of the Extension Agreement and remains true, accurate and complete as of the date hereof.

4. Ratification and Reaffirmation. Borrower hereby ratifies and reaffirms the Loan Documents, the Extension Agreement and all of its obligations and liabilities thereunder. Guarantor hereby ratifies and reaffirms the validity, legality and enforceability of the Guaranty and the Extension Agreement and agrees that the Guaranty is and shall remain in full force and in effect until all of the Obligations have been paid in full.

5. No Novation. Except for the amendment expressly provided in Section 2 of this First Amendment, nothing herein shall be deemed to amend or modify any provision of the Extension Agreement or the Loan Documents, which shall continue in full force and effect. This First Amendment is not intended to be, nor shall it be construed to create, a novation or an accord and satisfaction.

6. Governing Law; Waiver of Notice of Acceptance. This First Amendment shall be deemed to be a contract made in Georgia and shall be governed by and construed in accordance with the internal laws of the State of Georgia. Obligors hereby waive notice of the acceptance of this First Amendment.

7. Non-Waiver of Default; Reservation of Rights and Remedies. Neither this First Amendment, nor Lender's agreements hereunder, nor Lender's continued extension of credit (if any) to Borrower shall be deemed to constitute a waiver of or consent to any Event of Default or breach of any Extension Condition. Lender reserves all of the rights and remedies available to it under the Loan Documents, the Extension Agreement and Applicable Law.

8. Payment of Expenses. Obligors agree to pay all expenses, including, without limitation, legal fees, incurred by Lender in connection with the negotiation, drafting and execution of this First Amendment.

9. Counterparts; Facsimile Signatures. This First Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall constitute an original, but all of which taken together shall be one and the same instrument. In proving this First Amendment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Any signed counterpart of this First Amendment that is transmitted by facsimile transmission shall be deemed to constitute an original counterpart for all purposes.

10. Release of Claims. To induce Lender to enter into this First Amendment, each Obligor hereby releases, acquits and forever discharges Lender, and Lender's officers, directors, agents, attorneys, employees, successors and assigns, from all liabilities, claims,

demands, actions or causes of action of any kind (if any there be), whether absolute or contingent, due or to become due, disputed or undisputed, liquidated or unliquidated, at law or in equity, or known or unknown, that any one or more of them now have or ever have had against Lender, whether arising under or in connection with any of the Loan Documents, the Extension Agreement, this First Amendment or otherwise.

11. Waiver of Jury Trial. To the fullest extent permitted by Applicable Law, the parties hereto each hereby waives the right to trial by jury in any action, suit or proceeding arising out of or related to this First Amendment, the Extension Agreement, the Loan Documents or the Guaranty.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed and delivered as of the date first written above.

ATTEST:

LYNCH SYSTEMS, INC.
("Borrower")

/s/
Secretary

By: /s/
Title: _____

ATTEST:

LYNCH CORPORATION
("Guarantor")

/s/
Secretary

By: /s/
Title: _____

Accepted on August 29, 2005

SUNTRUST BANK
("Lender")

By: /s/
Title: _____