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Prepared By:
Ruth Coffey Lawrence
The PrivateBank and Trust Company
10 North Dearborn
Chicago, IL 60602

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Cook County Recorder 29.50

When Recorded Return To:
The PrivateBank and Trust Company
10 North Dearborn
Chicago, IL 60602



NOTE AND MORTGAGE MODIFICATION AGREEMENT

This NOTE AND MORTGAGE MODIFICATION AGREEMENT (the "Agreement") is made as of this 1ST day of JUNE 1998, ("Effective Date") by and between

THE PRIVATEBANK AND TRUST COMPANY

an Illinois banking corporation and the owner of the mortgage or trust deed hereinafter described ("The PrivateBank and Trust Company") and WILLIAM P. COLSON AND MARTHA JANE LAVELLE, HUSBAND AND WIFE representing him/hor/itsself or selves to be the owner or owners of the real estate hereinafter described ("Owner").

WHEREAS, on MAY 14, 1997, for full value received, Owner's executed and delivered to The PrivateBank and Trust Company, a certain Promissory Note in the principal amount of \$ 361,600.00 (the "Note") made payable to The PrivateBank and Trust Company. Owner secured the payment of said Note by granting to The PrivateBank and Trust Company a certain Mortgage or Trust Deed in nature of a Mortgage ("Mortgage"), which was recorded in the office of the Recorder of Deeds COOK County, Illinois, as Document No. 97-378050 encumbering certain real estate described as follows:

LOTS 34 AND 35 IN THE SUBDIVISION OF THE SOUTH PART OF BLOCK 1 IN SUFFERN'S SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No: 17-06-307-009 (LOT 35)

Permanent Index No: 17-06-307-008 (LOT 34)

Commonly known as: 1103 NORTH HOYNE STREET, CHICAGO, ILLINIOS 60622

WHEREAS, Owner also executed the following documents in conjunction with the Note and Mortgage referenced above, and recorded as indicated below (if none, so state):

NONE

S-V
P-5
N-
M-1
4/130

WHEREAS, The PrivateBank and Trust Company and Owner wish to modify the Note and Mortgage based on the terms and conditions which follow:

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, The PrivateBank and Trust Company and Owner hereby agree that the Note and Mortgage are hereby modified as follows (strike out all paragraphs which are inapplicable):

1. Outstanding Indebtedness. As of the Effective Date, the principal amount of the Loan evidenced by the Note is \$350,554.05, (the "Indebtedness").

2. Extension of Time for Payment. The parties hereby agree that the maturity date shall remain JUNE 1ST, 2002, with payments as follows in paragraph 5 below

3. Interest Rate. The parties hereby agree to change the rate of annual percentage interest on the Note to 7.500%. The interest rate Owner will pay may change in accordance to the following schedule:

The initial fixed interest rate of 7.50% will change to an adjustable rate on the first day of June, 1999 and the adjustable interest rate may change on that day every 12th month thereafter. The date on which the rate may change is called a "Change Date".

Beginning with the first Change Date, the adjustable interest rate will be based on an Index. The Index is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of 7 years, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

Before each Change Date, Lender will calculate the new rate by adding two and three fourths percentage points (2.750%) to the Current Index. Lender shall then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount shall be the new interest rate until the next Change Date.

4. Additional Funds. The PrivateBank and Trust Company agrees to disburse to Owner the additional principal sum of \$ NONE ("Additional Funds") under the Note and Mortgage. The PrivateBank and Trust Company and Owner agree that such Additional Funds shall be added to and become part of the principal balance of the Note and Mortgage and that such sums shall be repaid as herein provided. The PrivateBank and Trust Company and Owner further acknowledge that The PrivateBank and Trust Company shall advance said Additional Funds subject to certain restrictions set forth herein. Payment of the Indebtedness and such Additional Funds shall be as follows in paragraph 5 below.

5. Payments by Owner. Owner shall make monthly payments of \$2,528.36 commencing on the FIRST day of JULY, 1998 and on the first day of each and every month thereafter up to and including JUNE 1, 1999. At that time, Lender will determine the new monthly payment in accordance with the interest rate change referenced in paragraph 3. Owner shall make such payments up to and including JUNE 1, 2002 (MATURITY DATE). AT THAT TIME A BALLOON PAYMENT OF THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND ANY UNPAID INTEREST WILL BE DUE. Owner further agrees to pay the principal sum secured by the Mortgage as therein provided, as

hereby modified, in the currency provided for in the Mortgage, but if that cannot be done legally then in the most valuable legal tender of the United States of America current on the due date thereof, or the equivalent in value of such legal tender in other United States currency, at such banking house or trust company in the City of Chicago as the holder or holders of the said principal note or notes may from time to time in writing appoint, and in default of such appointment then at The PrivateBank and Trust Company.

7. Borrower's Right to Prepay: The following paragraph replaces in its entirety paragraph 5 of the original Adjustable Rate Note dated May 14, 1997.

I shall have the right to make payments of principal at any time before they are due. A payment of principal before it is due is known as a "prepayment". When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

In the event the a prepayment is made on or within two (2) years of the date of this Note and Mortgage Modification, I will pay to the Note Holder, in addition to any other payments due hereunder, a prepayment penalty equal to 2.00% of the then outstanding principal amount of the Note.

In the event the a prepayment is made during the third and fourth years of the Note and Mortgage Modification, I will pay to the Note Holder, in addition to any other payments due hereunder, a prepayment penalty equal to 1.00% of the then outstanding principal amount of the Note.

In the event the property is sold, no prepayment penalty shall be assessed. In any event, if Lender releases the mortgage securing said Note, a release fee of \$250.00 will be charged.

The Note Holder will use any partial prepayments to reduce the amount of principal that I owe under this note in accordance with the Note Holder's then current policies and procedures. If I make a partial prepayment, there will be no changes in the due dates of my monthly payments unless the Note Holder agrees in writing to those changes. My partial prepayment may reduce the amount of my monthly payments after the first Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

8. Priority of Additional Funds. The PrivateBank and Trust Company and Owner agree that if Additional Funds are to be disbursed pursuant to this Agreement, such Additional Funds shall have priority over any and all sums due under the Note and Mortgage, as modified herein.

9. Default. If any part of said indebtedness or interest thereon is not paid at maturity, or if default in the performance of any other covenant of the Owner shall continue for fifteen days after written notice thereof, the entire principal sum secured by said mortgage or trust deed, together with the then accrued interest thereon, shall, without notice, at the option of the holder or holders of said principal note or notes, shall immediately be due and payable, in the same manner as if said modification had not been granted.

10. Ratification. This Agreement is supplementary to the mortgage or trust deed described above. Except as modified herein, all of the terms, provisions and covenants of the Note and Mortgage not expressly modified by this Note and Mortgage Modification Agreement, but not including any prepayments privileges unless expressly provided for herein, are hereby confirmed and ratified and shall remain in full force and effect. Owner agrees to perform all the covenants of the grantor or grantors in the Mortgage. The provisions of this

indenture shall inure to the benefit of any holder of said principal note or notes and interest notes and shall bind the heirs, personal representatives and assigns of the Owner. The Owner hereby waives and releases all rights and benefits under any by virtue of the Homestead Exemption Law of the State of Illinois with respect to said real estate. If the Owner consists of two or more persons, their liability hereunder shall be joint and several.

IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Note and Mortgage Modification Agreement as of the Effective Date.

Owner

William P. Colson

William P. Colson

Martha Jane Lavelle

Martha Jane Lavelle

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for the County and State aforesaid, DOES HEREBY CERTIFY, that the above names, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she/they signed and delivered the said instrument as his/her/their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal this 9th day of June, 1998.

Dolores Franko

Notary Public

My commission expires:



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THE PRIVATEBANK AND TRUST COMPANY

By: [Signature]

Its: Managing Director OFFICER

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ATTEST: Rebecca Jones

Its: Assistant Secretary

STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that the above named DAVID C. NEIKERL, Managing OFFICER Director and Rebecca Jones Assistant Secretary of The PrivateBank and Trust Company, personally known to me to be the same persons who names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that said Assistant Secretary, as custodian of the corporate seal of said Corporation, caused the corporate seal of said Corporation to be affixed to said instrument as said Managing Director own free and voluntary act of said Corporation.

GIVEN under my hand and notarial seal this 1st day of June, 1978.



Ruth Coffey Lawrence
Notary Public

My commission expires: 4-21-02

Clerk's Office