



Prepared By
Mercantile Bank N.A.
221 West Cherry
Nevada, MO 64772

Mtg# 908687878
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MODIFICATION AND EXTENSION AGREEMENT
(1 Year Treasury Index - Rate Caps)

THE NOTE, AS MODIFIED BY THIS MODIFICATION AND EXTENSION AGREEMENT, CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE, AS SO MODIFIED, HOWEVER, LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

This Modification and Extension Agreement (this "Agreement") is prepared as of the 6th day of **November, 1998**, and entered into by and between **Raymond B. Nilles and Cheryl J. Nilles, Husband and Wife**, ("Borrower", "I" or "me"), having a mailing address of **2150 Bouterse, Unit #409, Park Ridge, IL 60063** and **Mercantile Bank N.A.** (such bank or anyone who takes the Note described below by transfer and who is entitled to receive payments under the Note is called the "Note Holder"), having a mailing address of **221 West Cherry, Nevada, MO 64772**. Borrower and Note Holder state as follows:

Borrower executed a certain promissory note payable to Note Holder dated **October 17th, 1997**, in the original principal amount of **One Hundred Forty-Five Thousand Two Hundred And 00/100 Dollars (\$145,200.00)** (the "Note"); and

The Note is described in and secured by a certain Deed of Trust/Mortgage dated **October 17th, 1997** and recorded in Document **971814433** Book **3369/0018** Page **19 005**, of the real estate records for the **County of Cook, State of Illinois** (the "Deed of Trust/Mortgage") and covering the real estate and the improvements thereon (sometimes hereinafter called the "Property") and more particularly described in Exhibit A attached hereto and incorporated by reference.

As of the effective date, the principal balance outstanding was **\$143,458.14**; and

Borrower desires to modify and/or extend the terms of the Note in the manner set forth in this Agreement and Note Holder is willing to agree to said modification and/or extension on the terms and conditions set forth herein;

Accordingly, in consideration of the facts set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Note Holder agree as follows:

1. The interest rate and payment provisions of the Note are hereby modified and the maturity extended as follows:

A. MATURITY:

(1) The Note shall mature on **November 1, 2027** ("Maturity").

B. INTEREST:

(1) Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of **5.875%**, which interest will be computed on the basis of twelve (12) months of thirty (30) days each. The interest rate I will pay will change in accordance with Section D below.

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(2) The interest rate required by this Section E and Section D below is the rate I will pay both before and after any default.

C. PAYMENTS:

(1) Time and Place of Payments:

(a) I will make monthly principal and interest payments on the 1st day of each month beginning **December, 1998**, and at maturity when all outstanding principal and accrued and unpaid interest, and all costs and expenses under the Note, shall be immediately due and payable. My monthly payments will be applied to interest before principal.

(b) I will make the monthly payments at **P.O. Box 419531 Kansas City, MO 64141** or at a different place if required by the Note Holder.

(2) Amount of Borrower's Initial Monthly Payments:

(a) My initial monthly payments will be in the amount of **\$859.42**. This amount may change.

(3) Monthly Payment Changes:

(a) Changes in my monthly payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my monthly payment in accordance with Sections D and E below.

D. INTEREST RATE AND MONTHLY PAYMENT CHANGES:

(1) Change Dates:

(a) The interest rate I will pay may change on the **1st** day of **November, 2001**, and on that day every twelfth (12th) month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

(2) The Index:

(a) Beginning with the first Change Date, my 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 one (1) year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date forty-five (45) days before each Change Date is called the "Current Index."

(b) If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(3) Calculation of Changes:

(a) Before each Change Date, the Note Holder will calculate my new interest rate by adding **Two and Three Quarters** percentage points (**2.750%**) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section D(4) below, this rounded amount will be my new interest rate until the next Change Date.

(b) The amount of my monthly payments will be adjusted by the Note Holder on each change Date to an amount which will repay in full, in substantially equal payments over the remaining term of the Note as extended: (i) the remaining unpaid principal balance, (ii) the unpaid and accrued interest, if any, and (iii) all interest to be earned in the future over the remainder of the term of the Note as extended at my new interest rate. The result of this calculation will be the new amount of my monthly payments.

(4) Limits on Interest Rate Changes:

(a) The interest rate I am required to pay at the first Change Date will not be greater than 7.875% or less than 3.875%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve (12) months. My interest rate will never be greater than 11.875%, which is called the "Maximum Rate."

(5) Effective Date of Changes:

(a) My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(6) Notice of Changes:

(a) The Note Holder will deliver or mail to me a notice of any change in my interest rate and the amount of my new monthly payment before the effective date of any change, and any additional information the Note Holder is required by law to disclose.

E. Tax and Insurance Obligations:

1. Mortgage Insurance:

If Lender required mortgage insurance as a condition of making the loan, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by the Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and or the period that Lender requires) provided by insured approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

2. Funds for Taxes and Insurance:

Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over the Deed of Trust (as modified by this Agreement) as a lien on the Property; (b) yearly leasehold payments or ground rent on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the terms of this Agreement, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount for a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S. C. Section 2601 et seq ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow items or otherwise in accordance with applicable law.

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The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account or verifying the Escrow items unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to apply a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by the Deed of Trust (as modified by this Agreement).

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by the Deed of Trust (as modified by this Agreement), Lender shall promptly refund to Borrower any Funds held by Lender. If Lender shall acquire or sell the Property upon exercise of the remedies for default afforded Lender under the documents evidencing and securing the Loan, or otherwise at law or in equity, Lender prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Deed of Trust (as modified by this Agreement).

F. LATE CHARGES FOR OVERDUE PAYMENTS:

If the Note Holder has not received the full amount of any monthly payment by the end of fifteen (15) calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be five percent (5%) of my overdue payment of principal and interest. I will pay this late charge promptly, but only once on each payment.

2. Notwithstanding any provision in the Note or in the Deed of Trust/Mortgage to the contrary, the following option shall be available to Note Holder in the event of a transfer of the Property:

If all or any part of the Property or any interest in it is sold or transferred without Note Holder's prior written consent, Note Holder may, at its option, require immediate payment in full of all sums secured by the Deed of Trust/Mortgage. However, this option shall not be exercised by Note Holder if exercise is prohibited by federal law as of the date of the Deed of Trust/Mortgage. Note Holder also shall not exercise this option if: (a) Borrower causes to be submitted to Note Holder information required by Note Holder to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Note Holder reasonably determines that Note Holder's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in the Deed of Trust/Mortgage is acceptable to Note Holder.

To the extent permitted by applicable law, Note Holder may charge a reasonable fee as a condition to Note Holder's consent to the loan assumption. Note Holder may also require the transferee to sign an assumption agreement that is acceptable to Note Holder and that obligates the transferee to keep all the promises and agreements made in the Note and in the Deed of Trust/Mortgage. Borrower will continue to be obligated under the Note and the Deed of Trust/Mortgage unless Note Holder releases Borrower in writing.

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If Note Holder exercises the option to require immediate payment in full, Note Holder shall give Borrower notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by the Deed of Trust/Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Note Holder may invoke any remedies permitted by the Deed of Trust/Mortgage without further notice or demand on Borrower.

- 3. The Note, as modified and extended by this Agreement, is, and shall continue to be, secured by the Deed of Trust/Mortgage and any reference to the Note in the Deed of Trust/Mortgage shall hereafter be deemed to include the Note as so modified and extended.
- 4. The Note and Deed of Trust/Mortgage are, and shall remain, the binding obligations of Borrower, and all of the terms contained therein shall remain in full force and effect, except only as the same are herein and hereby expressly amended, and the same are hereby ratified.
- 5. By executing this Agreement, Borrower reaffirms all representations, warranties, covenants and agreements recited in the Note and Deed of Trust/Mortgage as of the date hereof, and the same are hereby adopted as representations, warranties, covenants and agreements of Borrower herein. Borrower further represents and warrants that no default exists under any of Borrower's obligations under the Note or the Deed of Trust/Mortgage.
- 6. Borrower agrees to pay all expenses incurred by Note Holder in connection with this Agreement, including, but not limited to, Note Holder's legal fees and recording fees. Said sums are payable on demand and are secured by the Deed of Trust/Mortgage.

ORAL AGREEMENTS OR COMMITMENT TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (BORROWER(S) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 7th day of December, 1998.

BORROWER:

Raymond B. Nilles
Raymond B. Nilles

Cheryl J. Nilles
Cheryl J. Nilles

NOTE HOLDER: Mercantile Bank N.A.

By: Alan Leinkuehler
Alan Leinkuehler
Vice President



[SEAL]

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STATE OF IL)
County of Cook)

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On this 19 day of Nov, 1998 before me personally appeared RAYMOND B. NILES + CHERYL J. NILES, to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that THEY executed the same as A free act and deed.

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

"OFFICIAL SEAL"
[SEAL] MARGUERITE PRESTIA
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires: 2/21/99
Marguerite Prestia
Notary Public

STATE OF _____)
_____) SS.
OF _____)

On this ___ day of _____, 19___, before me personally appeared _____, to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

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

[SEAL] _____
Notary Public
My Commission Expires:

STATE OF MISSOURI)
COUNTY OF VERNON) SS.

On this 9th day of Dec, 1998, before me appeared Alan Leimkuehler, to me personally known, who, being by me duly sworn, did say that he is the Vice President of Roosevelt Bank, and that said instrument was signed in behalf of said association or corporation by authority of its Board of Directors; and said he acknowledged said instrument to be the free act and deed of said association or corporation.

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

[SEAL] Sharon Hansen
Notary Public

My Commission Expires:

SHARON HANSEN
Notary Public - Notary Seal
STATE OF MISSOURI
Vernon County
My Commission Expires: Aug. 27, 2000

Legal Description

UNIT 2150-409B AS DESCRIBED IN SURVEY DELINEATED ON AND ATTACHED TO AND A PART OF A DECLARATION OF CONDOMINIUM OWNERSHIP REGISTERED ON THE 15TH DAY OF NOVEMBER, 1982, AS DOCUMENT NUMBER 3282248 TOGETHER WITH AN UNDIVIDED 1.3115% INTEREST (EXCEPT THE UNITS DELINEATED AND DESCRIBED IN SAID SURVEY IN AND TO THE FOLLOWING DESCRIBED PREMISED: LOT 2 IN OAKTON SCHOOL RESUBDIVISION, BEING A RESUBDIVISION OF VARIOUS LOTS, PARCELS AND VACATED ALLEYS IN THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD 09-27-200-053-1072. PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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