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67.2 0062 86 002 Page 1 of 21
2001-10-18 12:45:25
Cook County Recorder 61.50

Return To:
Harris Trust and Savings
Bank
200 West Monroe Street,
19th Flr
Chicago, IL 60606
Mortgage Post Closing
Prepared By:
Yvonne Plummer
520 Green Bay Road
Winnetka, IL 60093



COOK COUNTY
RECORDER
EUGENE "GENE" MOORE
BRIDGEVIEW OFFICE

369822

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MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated **October 15, 2001**, together with all Riders to this document.
- (B) "Borrower" is Leslie Zabel and Jay Zabel, as Co-Trustees of the Leslie Zabel Trust dated September 9, 1993

Borrower is the mortgagor under this Security Instrument.
(C) "Lender" is Harris Trust and Savings Bank

Lender is a **Corporation**
organized and existing under the laws of **Illinois**

0070228959

ILLINOIS - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3014 1/01

VMP -6 (IL) (0010)

Page 1 of 15

VMP MORTGAGE FORMS - (800)521-7291

Initials: *L.3.*

2/10

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[Handwritten Signature]
Initials: *[Handwritten]*

loan" under RESPA.
to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage
in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard
time, or any additional or successor legislation or regulation that governs the same subject matter. As used
implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to
(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its
Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the
the Loan.
(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on,
value and/or condition of the Property.

Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the
damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the
by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i)
(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid
(K) "Escrow Items" means those items that are described in Section 3.

transfers;
machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse

or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller
instrument, computer, or magnetic tape so as to order, instruct or authorize a financial institution to debit
check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic
(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by
association or similar organization.

charges that are imposed on Borrower or the Property by a condominium association, homeowners
(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other
non-appealable judicial opinions.

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations,
ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final,

<input type="checkbox"/>	Adjustable Rate Rider	<input type="checkbox"/>	VA Rider
<input type="checkbox"/>	Balloon Rider	<input type="checkbox"/>	Biweekly Payment Rider
<input checked="" type="checkbox"/>	Planned Unit Development Rider	<input type="checkbox"/>	Other(s) [specify]
<input type="checkbox"/>	Condominium Rider	<input type="checkbox"/>	1-4 Family Rider
<input type="checkbox"/>	Second Home Rider	<input type="checkbox"/>	

Riders are to be executed by Borrower [check box as applicable]:
(G) "Rider" means all Riders to this Security Instrument that are executed by Borrower. The following

due under the Note, and all sums due under this Security Instrument, plus interest.
(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges
Property.

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the
Payments and to pay the debt in full not later than
November 1, 2016

(U.S. \$ 395,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic
Dollars
00/100-----
The Note states that Borrower owes Lender Three Hundred Ninety Five Thousand and

(D) "Note" means the promissory note signed by Borrower and dated
October 15, 2001
Lender is the mortgagee under this Security Instrument.

Lender's address is 111 W. Monroe St. Chicago, IL 60606

PARCEL 1: AN UNDIVIDED 1/151 INTEREST IN (I) THAT CERTAIN GROUND LEASE DATED AS OF NOVEMBER 22, 1996, BY AND BETWEEN COLE TAYLOR BANK, AS SUCCESSOR-TRUSTEE TO HARRIS TRUST AND SAVINGS BANK UNDER TRUST AGREEMENT DATED APRIL 29, 1991 AND KNOWN AS TRU NO. 94707, AS LESSOR ("LESSOR"), AND ASSIGNOR/GRANTOR, AS LESSEE, AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON DECEMBER 9, 1996 AS DOCUMENT NO. 96927871, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO GROUND LEASE DATED AS OF JANUARY 6, 1997 BY AND BETWEEN LESSOR AND ASSIGNOR/GRANTOR, AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON FEBRUARY 28, 1997 AS DOCUMENT NO. 97141059, AS AMENDED BY THAT CERTAIN JOINDER TO GROUND LEASE DATED AS OF NOVEMBER 7, 1997 BY THE ROYAL RIDGE HOMEOWNERS ASSOCIATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON NOVEMBER 12, 1997 AS DOCUMENT NO. 97846934, AND AS FURTHER AMENDED FROM TIME TO TIME (COLLECTIVELY, THE "GROUND LEASE AND (II) THE LEASEHOLD ESTATE IN THE PREMISES (THE "PREMISES") LEGALLY DESCRIBED AS:

LOT 1 IN ROYAL RIDGE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE WEST HALF OF SECTION 14, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF NORTHBROOK, COOK COUNTY, ILLINOIS, PURSUANT TO THE PLAT THEREOF

RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON NOVEMBER 3, 1997 AS DOCUMENT NO. 97818381

COMMONLY KNOWN AS TECHNY PARCEL 121, LOCATED ON THE EAST SIDE OF WAUKEGAN ROAD, SOUTH OF TECHNY ROAD, IN NORTHBROOK, ILLINOIS.

EACH WITH THE RESPECT SOLELY TO THE BUILDING SITE IDENTIFIED AND LEGALLY DESCRIBED AS FOLLOWS:

BUILDING SITE 121

BEING THAT PART OF LOT 1 IN THE PLANNED UNIT DEVELOPMENT OF ROYAL RIDGE, BEING A SUBDIVISION OF PART OF THE WEST HALF OF SECTION 14, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 3, 1997 AS DOCUMENT NUMBER 97818381, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1; THENCE NORTH 01 DEGREES 04 MINUTES 54 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 1 A DISTANCE OF 592.63 FEET; THENCE NORTH 88 DEGREES 55 MINUTES 06 SECONDS WEST 247.78 FEET TO THE EXTERIOR CORNER OF A CONCRETE FOUNDATION FOR A RESIDENCE (KNOWN AS 2209 WYNDANCE WAY), FOR A PLACE OF BEGINNING; THENCE ALONG A LINE FOLLOWING THE NEXT EIGHTEEN (18) COURSES AND DISTANCES COINCIDENT WITH THE EXTERIOR FOUNDATION WALL OF SAID RESIDENCE; 1) SOUTH 1 DEGREES 04 MINUTES 54 SECONDS WEST, 48.59 FEET; 2) NORTH 88 DEGREES 55 MINUTES 06 SECONDS WEST, 23.56 FEET; 3) NORTH 01 DEGREES 04 MINUTES 54 SECONDS WEST, 22.56 FEET; 4) NORTH 88 DEGREES 55 MINUTES 06 SECONDS WEST, 20.92 FEET; 5) SOUTH 01 DEGREES 04 MINUTES 54 SECONDS WEST, 2.00 FEET; 6) NORTH 88 DEGREES 55 MINUTES 06 SECONDS WEST, 12.17 FEET; 7) NORTH 01 DEGREES 04 MINUTES 54 SECONDS EAST, 10.66 FEET; 8) NORTH 88 DEGREES 55 MINUTES 06 SECONDS WEST, 2.67 FEET; 9) NORTH 01 DEGREES 04 MINUTES 54 SECONDS EAST, 15.83 FEET; 10) SOUTH 88 DEGREES 55 MINUTES 06 SECONDS EAST, 2.67 FEET; 11) NORTH 01 DEGREES 04 MINUTES 54 SECONDS EAST, 23.02 FEET; 12) SOUTH 88 DEGREES 55 MINUTES 06 SECONDS EAST, 20.00 FEET; 13) SOUTH 01 DEGREES 04 MINUTES 54 SECONDS WEST, 8.00 FEET; 14) SOUTH 88 DEGREES 55 MINUTES 06 SECONDS EAST, 5.00 FEET; 15) SOUTH 01 DEGREES 04 MINUTES 54 SECONDS WEST, 1.83 FEET; 16) SOUTH 88 DEGREES 55 MINUTES 06 SECONDS EAST, 14.62 FEET; 17) SOUTH 43 DEGREES 55 MINUTES 06 SECONDS EAST, 8.27 FEET; 18) SOUTH 01 DEGREES 04 MINUTES 54 SECONDS WEST, 5.62 FEET; THENCE SOUTH 88 DEGREES 55 MINUTES 06 SECONDS EAST, 11.17 FEET TO THE PLACE OF BEGINNING, CONTAINING 2793 SQUARE FEET, IN COOK COUNTY, ILLINOIS (THE "BUILDING SITE") BUILDING SITE COMMONLY KNOWN AS 2209 WYNDANCE WAY, NORTHBROOK, ILLINOIS 60062.

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PARCEL II: FEE SIMPLE TITLE IN AND TO THE BUILDING AND ALL IMPROVEMENTS (BUT EXCLUDING THE LAND) LOCATED ON THE BUILDING SITE LEGALLY DESCRIBED HEREIN (INCLUDING ANY PORTION OF SUCH BUILDING AND IMPROVEMENTS WHICH IS LOCATED ON PORTIONS OF THE COMMON AREA (AS DEFINED IN THAT CERTAIN DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RIGHTS FOR THE ROYAL RIDGE SUBDIVISION DATED AS OF NOVEMBER 3, 1997, AND RECORDED WITH THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON NOVEMBER 3, 1997 AS DOCUMENT NO. 97820006 (THE "DECLARATION"), WHICH IMPROVEMENTS CONSIST OF A DWELLING UNIT (AS DEFINED IN THE DECLARATION); SUBJECT TO THE TERMS AND PROVISIONS OF THE GROUND LEASE.

PARCEL III: EASEMENTS APPURTENANT TO PARCELS 1 AND 2 FOR THE BENEFIT OF SUCH PARCELS AS SET FORTH IN THE AFORESAID DECLARATION.

Property of Cook County Clerk's Office

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MP-6(11) (0010)

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Form 3014 1/01

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:
1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. claims and demands, subject to any encumbrances of record.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

Parcel ID Number: 04-14-301-008-0000
2209 Wyndance Way
Northbrook [City], Illinois 60062 [Zip Code]
which currently has the address of [Street]

See Exhibit "A" hereby attached and by this reference made a part hereof.

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and assigns, the following described property located in the [Type of Recording Jurisdiction] Cook County [Name of Recording Jurisdiction]:

TRANSFER OF RIGHTS IN THE PROPERTY

(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

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currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewal of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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Initials
RZB

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument. Leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall 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. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can 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 as required by RESPA.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall 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.

such amounts, that are then required under this Section 3. Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall 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.

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

Initials: R.L.B.

Initials: *MLB*

Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund. Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further: provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that As a result of these agreements, Lender, any purchaser of the Note, another insurer, an reinsurer, Insurance premiums).

of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage these agreements. These agreements may require the mortgage insurer to make payments using any source are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may Insurance.

may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Lender providing for such termination or until termination is required by Applicable Law. Nothing in this requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to Insurance as a condition of making the Loan and Borrower was required to make separately designated separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these available, Borrower shall continue to pay to Lender the amount of the separately designated payments that mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain previously provided such insurance and Borrower was required to make separately designated payments the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, 10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Lender agrees to the merger in writing.

lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the payment.

secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower actions authorized under this Section 9.

under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned entering the Property to make repairs, change locks, replace or board up doors and windows, drain water its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

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15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law. If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"); (a) is co-signing this Security Instrument only to mortgage, grant and convey the Note (a "co-signer"); (a) is co-signing this Security Instrument only to mortgage, grant and convey the Note (a "co-signer"); (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent. Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law. If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to Section 22 of this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged unless as otherwise provided under Applicable Law. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

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[Handwritten signature]

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (i) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waiver of Homestead. In accordance with Illinois law, the Borrower hereby releases and waives all rights under and by virtue of the Illinois homestead exemption laws.

25. Placement of Collateral Protection Insurance. Unless Borrower provides Lender with evidence of the insurance coverage required by Borrower's agreement with Lender, Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's collateral. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by Borrower's and Lender's agreement. If Lender purchases insurance for the collateral, Borrower will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Borrower's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.

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Form 3014 1/01

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-Borrower
(Seal)

-Borrower
(Seal)

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-Borrower
(Seal)

-Borrower
(Seal)

-Borrower
(Seal)

-Borrower
(Seal)

Jay Zabel, as Co-Trustee

Jay Zabel, as Co-Trustee

-Borrower
(Seal)

Leslie Zabel, as Co-Trustee

Leslie Zabel, as Co-Trustee

Witnesses:

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Property of Cook County Clerk's Office

STATE OF ILLINOIS,

Cook

County ss:

I, *the undersigned*
state do hereby certify that

, a Notary Public in and for said county and

Ledie Zabel & Jay Zabel as Co Trustees

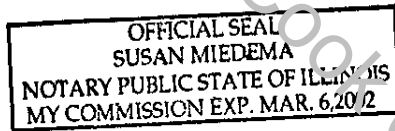
personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this *15th* day of *Oct* *2001*.

My Commission Expires: *3/16/02*

Sue Miedema

Notary Public



Property of Cook County Clerk's Office

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PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 15th day of October, 2001, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to Harris Trust and Savings Bank, an Illinois Corporation

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 2209 Wyndance Way, Northbrook, IL 60062

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

(the "Declaration"). The Property is a part of a planned unit development known as Royal Ridge

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

PUD COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

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F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

coverage maintained by the Owners Association unacceptable to Lender. Association; or (iv) any action which would have the effect of rendering the public liability insurance of Lender; (iii) termination of professional management and assumption of self-management of the Owners any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender; or in the case of a taking by condemnation or eminent domain; (ii) destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) termination of the PUD, except for abandonment or termination required by law in the case of substantial prior written consent, either partition or subdivision of the Property or consent to: (i) the abandonment or termination of the PUD, except after notice to Lender and with Lender's

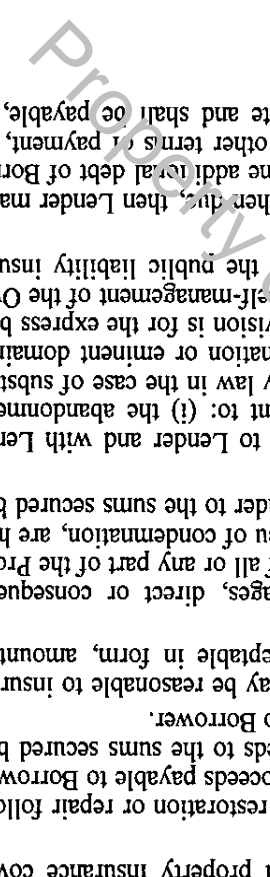
E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's Security Instrument as provided in Section 11. assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, extent of coverage to Lender. the Owners Association maintains a public liability insurance policy acceptable in form, amount, and **C. Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are In the event of a distribution of property insurance proceeds in lieu of restoration or repair following provided by the master or blanket policy.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage What Lender requires as a condition of this waiver can change during the term of the loan. coverage is provided by the Owners Association policy.

maintain property insurance coverage on the Property; and (ii) Borrower's obligation under Section 5 to Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium including, but not limited to, earthquakes and floods, for which Lender requires insurance, then: (i) against loss by fire, hazards included within the term "extended coverage," and any other hazards, which provides insurance coverage in the amounts (including deductible levels), for the periods, and insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and **B. Property Insurance.** So long as the Owners Association maintains, with a generally accepted



BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

Leslie Zabel as Co-Trustee (Seal)

Leslie Zabel, as Co-Trustee -Borrower

Jay Zabel as Co-Trustee (Seal)

Jay Zabel, as Co-Trustee -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

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-Borrower

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-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

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Property of Cook County Clerk's Office

WAIVER OF HOMESTEAD EXEMPTION

I am signing this Waiver of Homestead Exemption for the purpose of expressly releasing and waiving all rights and benefits of the homestead exemption laws of the State of Illinois as to all debts secured by this Mortgage.

X [Signature] X [Signature]
LESLIE ZABEL JAY ZABEL

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF Ill

) ss

COUNTY OF Cook

On this day before me, the undersigned Notary Public, personally appeared LESLIE ZABEL and JAY ZABEL to me known to be the individuals described in and who executed the Waiver of Homestead Exemption, and acknowledged that they signed the Waiver of Homestead Exemption as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15th day of Oct, 2001.

By [Signature] Residing at Cook CO

Notary Public in and for the State of Ill

My commission expires 3/10/02

OFFICIAL SEAL
SUSAN MIEDEMA
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. MAR. 6, 2002