



FIRST SECURITY BANK

OF CHICAGO

196 EAST PEARSON

CHICAGO, ILLINOIS 60611

RECORD AND RETURN TO:

CHICAGO, IL 60611

ESTELLA L. GATES

PREPARED BY:

My Commission expires:

(Given under my hand and official seal this 26TH day of SEPTEMBER 19 90

set forth.

signed and delivered the said instrument as THEIR free and voluntary act for the uses and purposes therein

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that The X

ARE personally known to me to be the same person(s) whose name(s)

HUSBAND AND WIFE

do hereby certify that BRUCE C. GRONNER AND KATHARINA M. GRONNER,

SHEILA R. MORTENSEN

a Notary Public in and for said county and state.

STATE OF ILLINOIS.

(County ss: COOK

(Space Below This Line For Acknowledgment)

Borrower

(Seal)

Borrower

(Seal)

Borrower

(Seal)

Borrower

(Seal)

KATHARINA M. GRONNER

BRUCE C. GRONNER

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

Others) (specify)

Adjuvabale Rate Rider

Condominium Rider

Planned Unit Development Rider

Family Rider

(Check applicable boxes)

the Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and

supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with

instrument without charge to Borrower. Borrower shall pay any recordation costs.

22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security

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If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of, or prior to, an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the taking in accordance with the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or 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 proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification or amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument, but does not execute the Note, is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; this person is not personally obligated to pay the sums secured by this Security Instrument, and he agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. Loan Charges. Lender may collect or cause to be collected, and Borrower may pay or cause to be paid, any charges in connection with the loan, including but not limited to the interest or other loan charges collected or to be collected in connection with the loan, except 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 with all prepayment charges under the Note.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of this Security Instrument unenforceable according to its terms, Lender, at its option, may take any action permitted under applicable law to enforce the sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it to the principal residence of the Borrower, unless applicable law requires use of another method. The notice shall be directed to the Borrower at the address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given to the person or persons at Lender's address stated herein, or any other address Lender designates by notice to Borrower. Any notice to either party to this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law, and the law of the jurisdiction in which the Property is located. 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 are not in conflict with the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one or more copies of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If, in or after the term of this Security Instrument, the Property or any part thereof, or any part of the beneficial interest in Borrower, is sold or transferred and Borrower is not the transferee, Lender may, at its option, require immediate payment in full of the sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by the local laws of the date of this Security Instrument.

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 delivered or mailed within which Borrower may pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may, at its option, invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have any sums secured by this Security Instrument reinstated at any time prior to the earlier of: (a) 60 days for such other period as may be specified in the acceleration notice; or (b) the date of sale of the Property pursuant to any power of sale contained in the Note or the deed of trust or any judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pay all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) pay in full, or any other covenants or agreements, (c) pay all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's title in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon completion of Borrower's obligations under this Security Instrument and the 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 paragraphs 13 or 17.

UNOFFICIAL COPY

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower and Lender covenant and agree as follows:

(a) Lender shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items, and Lender may not charge for holding and applying the Funds, analyzing the account or certifying the escrow items, unless Lender in connection with Borrower's entering into this Security Instrument to pay the cost of an independent tax reporting service shall not be a charge for purposes of the preceding sentence. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Lender shall be required to pay Borrower any interest or earnings 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 debt to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

(b) If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the date of the escrow item, shall exceed the amount required to pay the escrow items when due, the excess shall be at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

(c) Lender shall pay in full of all sums secured by this Security Instrument. Lender shall promptly refund to Borrower any funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately after the sale of the Property or its acquisition by Lender, any funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied first to late charges due under the Note, second to prepayment charges due under the Note, third to amounts payable under paragraph 2, fourth to interest due, and last, to principal due.

3. Charges, Taxes, Fees, or Assessments. Borrower shall pay all taxes, assessments, charges, fees and impositions attributable to the Property which may arise prior to or after the maturity of this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay the obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

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; (b) consents in good faith with the lien by, or delays against enforcement of the lien in legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or tortious or other part of the Property; 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 may claim priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

4. Hazard 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 for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts and Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair to the sums secured by this Security Instrument, whether or not then due, with any sums paid to Borrower, if Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

(d) Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

5. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

6. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations, then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower 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.

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