

# UNOFFICIAL COPY

LOAN NO. 21-450762-0



This instrument was prepared by:  
SUSAN M. ARQUILLA

Doc#: 0730403013 Fee: \$48.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 10/31/2007 10:50 AM Pg: 1 of 13

CENTRAL FEDERAL SAVINGS AND LOAN  
ASSOCIATION OF CHICAGO  
1601 W. BELMONT AVE.  
CHICAGO, IL 60657

## Mortgage

Property of Cook County Clerk's Office

10/22/07  
029000

**THIS MORTGAGE** ("Security Instrument") is given on OCTOBER 2, 2007.

The Mortgagor is \*\*\*\*LUCID STUDIOS, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY\*\*\*\* ("Borrower").

This Security Instrument is given to **CENTRAL FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHICAGO**, which is organized and existing under the laws of **THE UNITED STATES OF AMERICA**, and whose address is 1601 W. Belmont Ave., Chicago, IL 60657 ("Lender"). Borrower owes Lender the principal sum of \*\*\*\*THREE HUNDRED SIXTY-EIGHT THOUSAND AND 00/100\*\*\*\* DOLLARS (\$ \*\*\*\*368,000.00\*\*\*\*).

This debt is evidenced by Borrower's Note dated the same day as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on NOVEMBER 1, 2032. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) 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 the following described property located in COOK County, Illinois:

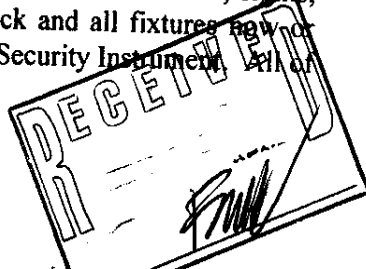
LOT 9 IN SUBDIVISION OF BLOCK 9 IN JOHNSTON'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART LYING EAST OF A LINE 50 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID SECTION 6), IN COOK COUNTY, ILLINOIS.\*\*\*\*

COMMONLY KNOWN AS: 1016 N. ASHLAND AVE., CHICAGO, IL 60622

P/R/E/I #17-06-420-026-0000

which has the address of 1016 N. ASHLAND AVE., CHICAGO  
(Street) (City)  
Illinois 60622 ("Property Address");  
(Zip Code)

**TOGETHER WITH** all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all 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".



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**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 claims and demands, subject to any encumbrances of record.

**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.

**UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:**

**1. Payment of Principal and Interest and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any late charges due under the Note.

**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") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premium, if any. These items are called "escrow items". Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds 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. Lender may not charge for holding or applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. 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. 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 the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, 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.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 21 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to 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.

**3. 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 amounts payable under paragraph 2; third, to interest due; and last, to principal due.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these 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) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; (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 attain 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.

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**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 renewals 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 the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 3.

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 21 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

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consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

**7. 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.

**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 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 9, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 9 shall become additional debt of Borrower secured by this 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.

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.

**10. 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.

**11. 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 proceeds multiplied by 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 condemnor 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.

**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 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.

**13. 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 19. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to

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mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) 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.

**14. Loan Charges.** If the loan secured by this Security Instrument 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 under the Note.

**15. Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 21. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 19.

**16. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**17. 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 can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

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

**19. Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as 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 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.

**20. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 90 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) 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 had no acceleration 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; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, 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 15 or 19.

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

**21. 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

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paragraphs 15 and 19 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 paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**22. Lender in Possession.** Upon acceleration under paragraph 21 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent, or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

**23. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument with charge to Borrower. Borrower shall pay any recordation costs.


**24. Waiver of Homestead.** Borrower waives all rights of homestead exemption in the Property.

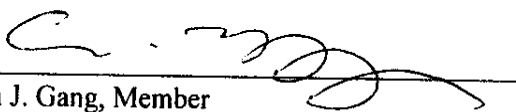
**25. Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- Adjustable Rate Rider
- Condominium Rider
- 1-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Other(s) [specify]

IN WITNESS WHEREOF, the Mortgagor has caused these presents to be signed by its members this 2<sup>ND</sup> day of OCTOBER, A.D., 2007.

\*\*\*\*LUCID STUDIOS, LLC,  
AN ILLINOIS LIMITED LIABILITY COMPANY\*\*\*\*

By:   
Michael T. Ryan, Member

By:   
Aaron J. Gang, Member

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STATE OF ILLINOIS }

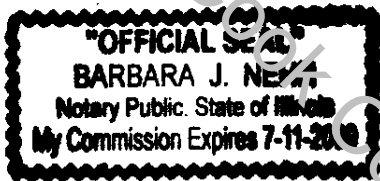
SS.

COUNTY OF COOK }

I, the undersigned, Barbara J. Nehr, a Notary Public in and for said County, in the State aforesaid,

**DO HEREBY CERTIFY THAT** \*\*\*\*MICHAEL T. RYAN\*\*\*\* AND \*\*\*AARON J. GANG\*\*\*, personally known to me to be members of \*\*\*\*LUCID STUDIOS, LLC\*\*\*\*, an Illinois limited liability company, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such members, they signed and delivered the said instrument as such members of said limited liability company as their free and voluntary act, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 2<sup>ND</sup> day of OCTOBER, A.D., 2007.



Barbara J. Nehr  
Notary Public

**MAIL TO:**

**CENTRAL FEDERAL SAVINGS AND LOAN  
ASSOCIATION OF CHICAGO  
1601 W. BELMONT AVE.  
CHICAGO, IL 60657**

**UNOFFICIAL COPY**LOAN NO. 21-450762-0*Adjustable Rate Rider*

THIS ADJUSTABLE RATE RIDER is made this 2<sup>ND</sup> day of OCTOBER, 2007, 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 Adjustable Rate Note (the "Note") to **CENTRAL FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHICAGO** (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1016 N. ASHLAND AVE., CHICAGO, IL 60622

(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND PAYMENT SCHEDULE. IF THE INTEREST RATE DECREASES, THE AMOUNT OF THE BORROWER'S PAYMENT WHICH IS APPLIED TO THE OUTSTANDING PRINCIPAL WILL INCREASE. IF THE INTEREST RATE INCREASES, THE AMOUNT OF THE BORROWER'S PAYMENT WHICH IS APPLIED TO THE OUTSTANDING PRINCIPAL WILL DECREASE.

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

**1. INTEREST**

Interest will be charged on that part of principal which has not been paid beginning on the date I receive principal and continuing until the full amount of principal has been paid.

Beginning on the date I receive principal, I will pay interest at a yearly rate of \*\*\*6.25%\*\*\*. The interest rate that I will pay will change in accordance with Section 4 of the Note. The interest rate required by this Section and Section 4 of the Note is the rate I will pay both before and after any default described in Section 7(B) of the Note.

**2. PAYMENTS**

**(A) TIME AND PLACE OF PAYMENTS**

I will pay principal and interest by making payments every month.

I will make one interest only payment on NOVEMBER 1, 2007.

I will make my regular monthly payments on the first day of each month beginning on DECEMBER 1, 2007.

I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under the Note. My monthly payments will be applied to interest before principal. If on NOVEMBER 1, 2032, I still owe amounts under the Note, I will pay those amounts in full on that date, which is called the "maturity date".

I will make my monthly payments at 1601 W. Belmont Avenue, Chicago, Illinois 60657, or at a different place if required by the Note Holder.

**(B) AMOUNT OF MY INITIAL MONTHLY PAYMENTS**

My initial monthly payments beginning on DECEMBER 1, 2007 will be in the amount of U.S. \$ \*\*\*\*2,542.56\*\*\*\* for the first \*\*\*SIXTY\*\*\* (\*\*\*\*60\*\*\*\*) months. This amount may change every \*\*\*SIXTY\*\*\* (\*\*\*\*60\*\*\*\*) months pursuant to Section 3 herein.



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### 3. INTEREST RATE CHANGES AND PAYMENT CHANGES

#### (A) INTEREST RATE CHANGE DATES

The interest rate I will pay may change on the \*\*\*FIRST\*\*\* (\*\*\*1<sup>ST</sup>\*\*\*) day of NOVEMBER, 20 09, and on that day of the month every \*\*\*SIX\*\*\* (\*\*\*6\*\*\*) month(s) thereafter. Each date on which my interest rate could change is called an "Interest Change Date".

#### (B) THE INDEX

Beginning with the first Interest Change Date, my interest rate will be based on an "Index". The Index is the yield on United States Treasury Securities adjusted to a constant maturity of \*\*\*SIX\*\*\* (\*\*\*6\*\*\*) months as reported by the Federal Reserve Statistical Release H.15. The Index in effect as of the fifteenth (15th) day of the month prior to each Interest Change Date is called the "Current Index". If the fifteenth (15th) day of the month is a weekend or holiday, the Index in effect on the business day immediately preceding the fifteenth (15th) will be the Current Index.

If the Index is no longer available, the Note Holder will choose a new Index which is based upon comparable information. The Note Holder will give me notice of its choice.

#### (C) CALCULATION OF INTEREST CHANGES

Before each Interest Change Date, the Note Holder will calculate my new interest rate by adding \*\*\*TWO AND THREE-QUARTER\*\*\* percentage points (\*\*\*2.75%\*\*\*) to the Current Index. The sum will be my new interest rate.

#### (D) LIMITATION ON INTEREST RATE CHANGES

The interest rate that I will pay effective on the first scheduled Interest Change Date will not increase nor decrease by more than \*\*\*TWO\*\*\* percent (\*\*\*2.00%\*\*\*) above or below the initial interest rate. Thereafter, the interest rate will not increase nor decrease on any single Interest Change Date by more than \*\*\*TWO\*\*\* percent (\*\*\*2.00%\*\*\*) from the rate of interest I was paying on the most recent anniversary date of the loan. Anniversary date is the date of the first Interest Rate Change Date stated in paragraph 3(A) above and the same date every twelve months thereafter. The interest rate I will pay on any Interest Change Date will never be greater than \*\*\*TWELVE\*\*\* percent (\*\*\*12.00%\*\*\*) per annum; also known as the "Maximum Interest Rate."

#### (E) EFFECTIVE DATE OF INTEREST CHANGES

My new interest rate will become effective on each Interest Change Date.

#### (F) PAYMENT CHANGE DATES

The amount of the monthly payment that I shall make may change on the \*\*\*FIRST\*\*\* (\*\*\*1<sup>ST</sup>\*\*\*) day of DECEMBER, 20 12, and on that day of the month every \*\*\*SIXTY\*\*\* (\*\*\*60\*\*\*) months thereafter. Each date on which my payment could change is called a "Payment Change Date".

#### (G) CALCULATION OF PAYMENT CHANGES

Using the procedures set forth in Paragraphs (B) - (D) above, the Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Payment Change Date in full as amortized to the maturity date at my new interest rate in substantially equal payments. The result of this calculation is called the "Full Payment". It will be the new amount of my monthly payment for the next \*\*\*SIXTY\*\*\* (\*\*\*60\*\*\*) months.

#### (H) EFFECTIVE DATE OF PAYMENT CHANGES

My new payment will become effective on each Payment Change Date. I will pay the amount of my new monthly payment beginning on the Payment Change Date until the amount of my monthly payment changes again.

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## (I) LIMIT ON MY UNPAID PRINCIPAL; INCREASED MONTHLY PAYMENT

My unpaid principal can never exceed a maximum amount equal to one hundred twenty-five percent ( **\*\*\*125%\*\*\*** ) of the principal amount I originally borrowed. My unpaid principal could exceed that maximum amount because I pay a fixed payment each month. If so, on the date that my monthly payment would cause me to exceed that limit, I will instead begin paying a new monthly payment until the next Payment Change Date. The new monthly payment will be in an amount which would be sufficient to repay my then unpaid principal in full on the maturity date at my then current interest rate in substantially equal payments. Notwithstanding the foregoing, a balloon payment may be due at maturity.

## (J) ADDITIONS TO MY UNPAID PRINCIPAL/NEGATIVE AMORTIZATION

My monthly payment could be less than the amount of the interest due on my loan. If so, each month that my monthly payment is less than the said interest due, the Note Holder will add the difference to my unpaid principal. I will be required to pay interest on the additional principal at the same rate required by Section 3(C) above and Section 4(C) of the Note.

## (K) NOTICE OF CHANGE

The Note Holder will deliver or mail to me a notice of any changes in my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

## (L) REQUIRED FULL PAYMENT

I will pay the total amount of all outstanding principal and interest as my monthly payment on the maturity date.

## 4. CHARGES; LIENS

Uniform Covenant 4 of the Security Instrument is amended to read as follows:

4. CHARGES; LIENS. Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; however, Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall give Borrower a notice identifying such lien. Borrower shall satisfy such a lien or take one or more of the actions set forth above within ten days of the giving of the notice.

## 5. NOTICE

Uniform Covenant 14 of the Security Instrument is amended to read as follows:

14. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing by first class mail to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

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## 6. UNIFORM SECURITY INSTRUMENT; GOVERNING LAW; SEVERABILITY

Uniform Covenant 15 of the Security Instrument is amended to read as follows:

15. UNIFORM SECURITY INSTRUMENT; GOVERNING LAW; SEVERABILITY. This form of 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. 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 can be given effect without the conflicting provision, and to this end the provisions of this Security Instrument and the Note are declared to be severable.

## 7. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

17. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER. If all or any part of the Property or any interest in it is sold or transferred or if a beneficial interest of Borrower in a titleholding trust or corporation is sold or transferred, or the Property is sold on an installment agreement for warranty deed without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if the exercise is prohibited by Federal law as of the date of this Security Instrument.

If Lender exercises such option to accelerate, Lender shall give Borrower notice of acceleration. The Notice shall provide a period of not less than thirty days from the date the notice is delivered or mailed within which the Borrower must pay all the 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.

Notwithstanding a sale or transfer, Borrower will continue to be obligated under the Note and this Security Instrument unless Lender has released Borrower in writing.

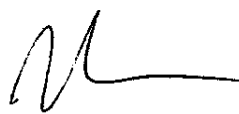
## 8. LOAN CHARGES

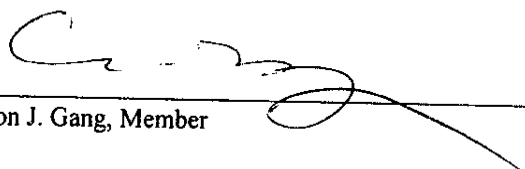
If the loan secured by the Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) 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 under the Note.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

IN WITNESS WHEREOF, the undersigned limited liability company hath caused these presents to be signed by its members, this 2<sup>ND</sup> day of OCTOBER, A.D., 2007.

\*\*\*\*LUCID STUDIOS, LLC,  
AN ILLINOIS LIMITED LIABILITY COMPANY\*\*\*\*

By:   
Michael T. Ryan, Member

By:   
Aaron J. Gang, Member

**UNOFFICIAL COPY***1 - 4 Family Rider**Assignment of Rents*LOAN NO. 21-450762-0

THIS 1-4 FAMILY RIDER is made this 2<sup>ND</sup> day of OCTOBER, 2007, 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 **CENTRAL FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHICAGO** (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1016 N. ASHLAND AVE., CHICAGO, IL 60622

(Property Address)

**1-4 FAMILY COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

**A. USE OF PROPERTY; COMPLIANCE WITH LAW.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations, and requirements of any governmental body applicable to the Property.

**B. SUBORDINATE LIENS.** Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

**C. RENT LOSS INSURANCE.** Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenant 5.

**D. "BORROWER'S RIGHT TO REINSTATE" DELETED.** Uniform Covenant 12 is deleted.

**E. ASSIGNMENT OF LEASES.** Upon Lender's request, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph E, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

**F. ASSIGNMENT OF RENTS.** Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's Notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (i) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the rents of the Property; and (iii) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph F.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

