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Illinois Anti-Predatory
Lending Database
Program



1510718074

Doc#: 1510718074 Fee: \$54.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 04/17/2015 03:01 PM Pg: 1 of 9

Certificate of Exemption

**NORTH AMERICAN
TITLE COMPANY**

15-00289M2

Report Mortgage Fraud
800-532-8785

The property identified as:

PIN: 19-02-429-023-0000

Address:

Street: 4604 S Sawyer Ave

Street line 2:

City: Chicago

State: IL

ZIP Code: 60632

Lender: Prospect Federal Savings Bank

Borrower: Alfonso Salgado and Angela Salgado

Loan / Mortgage Amount: \$60,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

CCRD REVIEWER 

Certificate number: D6D6DE92-696B-43E5-9AD8-2C76C5133429

Execution date: 03/07/2015

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Prepared by:
Prospect Federal Savings Bank
11139 S. Harlem Ave.
Worth, IL 60482-1817

MAIL TO: Martha I. Guerrero
Prospect Federal Savings Bank
11139 S. Harlem Ave.
Worth, IL 60482-1817

15-00289M2
**HOME EQUITY LOAN PROGRAM
MORTGAGE**

THIS MORTGAGE ("Mortgage") is given on this 7th day of March, 2015 between the mortgagor Alfonso Salgado and Angela Salgado, as husband and wife (hereinafter "Borrower") and the Mortgagee, Prospect Federal Savings Bank, a corporation organized and existing under the laws of the United States, whose address is 11139 S. Harlem Ave. Worth, IL 60482-1817 (hereinafter called "Lender").

Borrower is indebted to Lender pursuant to a **HOME EQUITY LOAN PROGRAM ACCOUNT NOTE** (hereinafter "Note") of even date hereof, additionally secured, if appropriate, by a Security Agreement and Collateral Assignment of Beneficial Interest in the land trust holding title to the property, in the principal of Sixty Thousand and 00/100 (\$ 60,000.00) (Borrower's "Credit Limit") or so much of such principal as may be advanced and outstanding with **FINANCE CHARGE** thereof providing for monthly installment payment of principal and **FINANCE CHARGE**, optional credit life and/or disability insurance premiums, and miscellaneous fees and finance charges for seven years from date hereof. The full debt, if not paid earlier, is due and payable on March 15, 2022.

This Mortgage secures to Lender:

- The repayment of the debt evidenced by the Note and future advances made pursuant to the Note to the same extent as if such future advances were made on the date hereof and regardless of whether or not any advance has been made as of the date of the Mortgage or whether there is outstanding indebtedness at the time of any future advances; interest in accordance with the terms of the Note, and all renewals, extensions and modification.
- The payment of all other sums, with interest, advanced under paragraph 1 to protect the security of this Mortgage; and
- The performance of Borrower's covenants and agreements under this Mortgage and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to the Lender the following described Property located in Cook County, Illinois.

LOT 18 IN KEDZIE GARDENS, A SUBDIVISION OF LOT 8 IN MCCAFFERY AND MURPHY'S SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**NORTH AMERICAN
TITLE COMPANY**

P.I.N. 19-02-429-023-0000

Loan # 22-6915176-1

which has the address of 4604 S Sawyer Ave Chicago, IL 60632-2908

Page 1 of 5

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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, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by this Mortgage; and all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered are herein referred to as the "Property".

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 Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower acknowledges that this Mortgage secures a note that contains provisions allowing for changes in interest rate, and the Lender may prior to the maturity of the Note and Agreement reduce the available line of credit and/or require repayment of the total balance outstanding under the Agreement.

COVENANTS - Borrower and Lender covenant and agree as follows:

- 1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the Indebtedness evidenced by the Note and late charges as provided in the Note and the principal of and interest on the amount secured by this Mortgage.
- 2. Home Equity Loan.** This Mortgage secures a Home Equity variable interest promissory note of even date. Such Note has a seven (7) year term. Borrower will promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
- 3. Taxes; Insurance; Charges; Liens.** Borrower shall pay all taxes, hazard insurance, assessments and other charges, fines, and impositions attributable to the Property. Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien or in a manner acceptable to the Lender or shall in good faith contest such lien by or defend enforcement of such lien and legal proceeding which operate to prevent the enforcement of the lien of forfeiture of the Property or any part thereof.
- 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 chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. All insurance policies and renewals must be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold policies and renewals. If Lender requires, Borrower shall promptly give 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, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage Instrument, whether or not then due, with any excess 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 Mortgage, whether or not then due. The 30-day period will begin when notice is given. Unless Lender and Borrower otherwise agree in writing, Lender herein or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by this Mortgage immediately prior to the acquisition.
- 5. Preservation and Maintenance of Property; Leaseholds.** Borrower shall keep the Property in good repair and not commit waste or permit impairment or deterioration of the Property. If this Mortgage 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 Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including but not limited to, eminent domain, insolvency, code enforcement or arrangements involving a bankrupt or decedent, then Lender at Lender's option upon notice to Borrower may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of sums and take such action as is necessary to protect Lender's interest, including mortgage insurance as a condition of making the Note secured by this Mortgage. Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums.

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Any amounts disbursed by Lender pursuant to this paragraph 6 with interest thereon shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payments, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal due under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal due under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. Inspection. Lender or its agent may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to that date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to the Borrower. If the property is abandoned by Borrower, or if after notice by Lender to Borrower that the condemnor offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of monthly installments referred to in paragraph 3 hereof or change the amount of such installment.

9. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

10. Forbearance by Lender Not a Waiver. Any forbearance by lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the Note secured by this Mortgage.

11. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity and may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability, Cosigners. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 18 herein. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs the Mortgage, but does not execute the Note and Agreement:

- a. is cosigning this Mortgage only to mortgage, grant and convey the Borrower's interest in the Property under the term of this Mortgage;
- b. is not personally obligated to pay the sum secured by this mortgage; and
- c. agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any combinations with regard to the terms of this Mortgage or the Note and Agreement without the Borrower's consent.

13. Notice. Except for any notice required under applicable law to be given in another manner (a) any notice to Borrower provided for in this Mortgage shall be given mailing such notice by certified mail addressed 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 certified mail, return receipt requested 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 Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

14. Governing Law; Severability. This Mortgage shall be governed by the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note and Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note and Agreement which can be given effect without the conflicting provision and to this end the provision of the Mortgage and Note and Agreement are declared to be severable.

15. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect or rendering any provision of the Note and Agreement or this Mortgage unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 19 herein.

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the note and of this Mortgage at the time of execution or after recordation herein.

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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 in Borrower is sold or transferred) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage. 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 Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.
18. **Acceleration; Remedies.** Prior to electing to accelerate the indebtedness, Lender shall give notice to Borrower of any such breach, of any covenant or agreement in this Mortgage (but not prior to acceleration under paragraphs 14 and 15 herein 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 Mortgage, 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 payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect all expenses including in pursuing the remedies provided in this paragraph 18, including but not limited to, reasonable attorney's fees and costs of title evidence.
19. **Lender in Possession.** Upon acceleration under paragraph 18 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 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 first applied to the payment of the cost of management of the Property and collection of rents, including but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage.
20. **Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to the Borrower. Borrower shall pay any recording costs.
21. **Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.
22. **Prior Mortgages.** Borrower covenants and agrees to comply with all the terms and conditions and covenants of any Mortgage, trust deed, or Security Instrument affecting the Property which has or may have priority over this Mortgage, including such payments or keep such terms, conditions and covenants as provided for in such prior mortgages, trust deeds or security agreements, shall constitute a default under this mortgage and Lender may invoke the remedy specified in paragraph 18 herein.
23. **Default.**
 - (a) The occurrence of any of the following events shall constitute a default by Borrower under this Mortgage: (1) failure to pay when due any sum of money due under the Note and Agreement or pursuant to this Mortgage, (2) failure to perform, keep or observe any term, provisions, conditions, covenants, warranty or representation contained in the Note, Agreement, or in the Mortgage, which is required to be performed, kept or observed by Borrower, now or at any time hereafter default or an event of default under any agreement, instrument or document before, now or at any time hereafter delivered by or on Borrower's behalf to Lender; (4) occurrence of a default in an event of default under any agreement, obligations under the Note, Agreement, or the Mortgage; (5) if the Property that is the subject of this Mortgage, or the beneficial interest in any land trust holding title to that Property, is attached, seized, subject to a writ of distress warrant, or is levied upon or becomes subject to any lien or comes within possession of any receiver, trustee, custodian or assignee for benefit of creditors, or if such Property of beneficial interest is encumbered or suffers such an encumbrance or claim of lien (except such encumbrances that are expressly subordinate to Mortgage); (6) the filing of any petition under any Federal Bankruptcy Law or any similar law by Borrower or against Borrower and such petition is not dismissed within 30 days, or if Borrower shall be declared incompetent, or if a conservator shall be appointed for any or all of Borrower's assets, including the Property; (7) Borrower defaults in, or an action is filed alleging a default in any other obligation of Borrower to creditors other than Lender; (8) Lender receives actual knowledge that Borrower made any material misrepresentation or omitted any material information in the Agreement, Mortgage, the Security Agreement, or in Borrower's application for the Agreement.
 - (b) If Borrower is in default under the Agreement, Lender may require Borrower to pay immediately the principal balance outstanding, any and all FINANCE CHARGE Borrower may owe on that amount, together with all other fees, cost or premiums charged to Borrower's account. The principal balance outstanding under the Agreement after default shall continue to accrue FINANCE CHARGE until paid at the rate provided for in the Agreement as if no default had occurred.

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24. **Expense of Litigation.** In any suit to foreclose the lien of this Mortgage or to enforce any other remedy of the Lender under this Mortgage or the Note or the Credit Documents there shall be allowed and included, as additional indebtedness in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Borrower for attorney's fees, appraiser's fees, outlays for documentary expert evidence, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Property. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees may be incurred in the protection of said Property and all the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceeding affecting this Mortgage, the Note or the Property or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Borrower, with interest thereon at the rate from time to time in effect under the Note.

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

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

Alfonso Salgado
Alfonso Salgado

Angela Salgado
Angela Salgado

State of Illinois

County of Cook

I, the undersigned, a Notary Public in and for said County, in the State of aforesaid, DO HEREBY CERTIFY that Alfonso Salgado and Angela Salgado, as husband and wife

personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal, this 7th day of March, 2015.

Grace Chlebek
Notary Public

My Commission expires: 01/17/2016



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RIDER

This Rider is made this 7th day of March, 2015 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned ("the Borrower") to secure Borrower's Note to

**Prospect Federal Savings Bank
11139 S. Harlem Ave.
Worth, IL 60482-1817**

(the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at 4604 S Sawyer Ave Chicago, IL 60632-2908

If anything contained in this Rider shall be inconsistent in any way with the Security Instrument, the terms and conditions of this Rider shall control.

To more fully define what is meant in paragraph 17 of the Security Instrument concerning transfer of property, change in ownership shall mean any transfer of title to the subject premises, whether direct or indirect, which shall include, but not be limited to, by virtue of the generality thereof, an option to purchase contained in a lease or in a separate document, a change of ownership of more than ten percent of the corporate stock whether common or preferred, if the borrower is a corporation, or a change of more than ten percent of the ownership of the beneficial interest in a land trust, if the borrower is a land trust. The meaning of this provision is that there shall be an acceleration of the obligation as set forth in the Security Instrument in the event of any change in ownership, however said ownership is held, and whether or not said change is legal, equitable, or otherwise, whether it be directly or indirectly, of the premises covered hereby without the consent of the mortgagee.

By signing this, Borrower agrees to all of the above.

Alfonso Salgado (Seal)
(Borrower) **Alfonso Salgado**

Angela Salgado (Seal)
(Borrower) **Angela Salgado**

____ (Seal)
(Borrower)

____ (Seal)
(Borrower)

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1-4 FAMILY RIDER (Assignment of Rents)

THIS 1-4 FAMILY RIDER is made this 7th day of March, 2015, 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 **Prospect Federal Savings Bank** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

4604 S Sawyer Ave Chicago, IL 60632-2908

[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. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property described in Security Instrument, the following items now or hereafter attached to the Property to the extent they are fixtures are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. 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.

C. 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.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Section 5.

E. "BORROWER'S RIGHT TO REINSTATE" DELETED. Section 19 is deleted.

F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, Section 6 concerning Borrower's occupancy of the Property is deleted.

G. ASSIGNMENT OF LEASES. Upon Lender's request after default, 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 G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to Section 22 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the 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; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by

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GOTO(00033332)

Form 3170 1/01 (page 2 of 2 pages)
Creative Thinking, Inc.

MULTISTATE 1-4 FAMILY RIDER--Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
PL054 11334.CV (12/05)

Borrower (Seal)

Borrower (Seal)

Borrower *Angela Salgado* (Seal)

Borrower *Alfonso Salgado* (Seal)

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this 1-4 Family Rider.

Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on the Property's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Section 9. Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not performed, and will not perform, any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. 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 all the sums secured by the Security Instrument are paid in full.

CROSS-DEFAULT PROVISION. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

