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 3/24/2010 12:45:00 PM \$20.00  
 Book - 9812 Pg - 6765-6770  
 Gary W. Ott  
 Recorder, Salt Lake County, UT  
 LANDMARK TITLE  
 BY: eCASH, DEPUTY - EF 6 P.

When Recorded, Mail to:  
 Brian K. Jones  
 Jones & Quinlisk, LLC  
 205 N. Michigan Ave #2500  
 Chicago, IL 60601

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## MORTGAGE

THIS MORTGAGE (hereinafter, the "Security Instrument") is given on this 24<sup>th</sup> day of March, 2010. The mortgagors are Katherine Carlson Dugan, both individually and as Trustee of the Katherine Carlson Dugan Trust under Agreement dated January 6, 2006 and Thomas A. Dugan, both individually and as Trustee of the Thomas A. Dugan Trust under Agreement dated October 1, 1998, as amended, (hereinafter sometimes collectively referred to as "Borrowers" and "Mortgagors"), both of whose address is 2887 E. Crestview Drive, Salt Lake City, UT 84018. This Security Instrument is given to Madeleine Bronson Dugan and Jerry D. Jones, as co-Trustees of the Dugan Appointment Trust (Northern Trust Company Account No. 23-95459) ("Lender"), whose address is 205 N. Michigan Avenue, Suite 2500, Chicago, IL 60601. Borrowers owe Lender the principal sum of Four Hundred Fifty Thousand and 00/100 Dollars (U.S. \$450,000.00). This debt is evidenced by Borrowers' Promissory Note dated the same date as this Security Instrument (the "Note"), with the full debt, if not paid earlier, due and payable on the earlier to occur of (1) at the option of the Lender, the transfer of any interest in the real property secured by this Security Instrument, or (2) March 23, 2040. This Security Instrument is given by Mortgagors at the request of Borrowers and 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 5 to protect the security of this Security Instrument; and (c) the performance of Mortgagors' covenants and agreements under this Security Instrument and the performance of Borrowers' covenants and agreements under the Note. For this purpose, Mortgagors do hereby mortgage, grant and convey to Lender the following described property located in Salt Lake County, State of Utah:

LOT 2, OAK HILLS PLAT "G", ACCORDING TO THE OFFICIAL PLAT THEREOF, FILED IN BOOK "T" OF PLATS, AT PAGE 9 OF THE OFFICIAL RECORDS OF THE SALT LAKE COUNTY RECORDER.

Tax Parcel No.: 16-11-328-009

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."

LTC # 48925

MORTGAGORS COVENANT that Mortgagors are lawfully seized of the estate hereby conveyed and have the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgagors warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Mortgagors and Lender covenant and agree as follows:

**1. Payment of Principal and Interest; Prepayment and Late Charges.** Borrowers shall 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.

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

**3. Charges; Liens.** Mortgagors shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument. Mortgagors shall pay them on time directly to the person owed payment. Mortgagors shall promptly furnish to Lender all notices of amounts to be paid under this paragraph and furnish to Lender receipts evidencing the payments.

Mortgagors shall promptly discharge any lien which has priority over this Security instrument unless Mortgagors: (a) agree in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contest in good faith the lien by, or defend 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; or (c) secure 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 Mortgagors a notice identifying the lien. Mortgagors 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.** Mortgagors 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 Mortgagors 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, Mortgagors shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Mortgagors shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagors.

Unless Lender and Mortgagors 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 Security Instrument, whether or not then due, with any excess paid to Mortgagors. If Mortgagors abandon the Property, or do 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.

Unless Lender and Mortgagors 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 paragraph 1 or change the amount of the payments. If under paragraph 17 the Property is acquired by Lender, Mortgagors' right to any insurance policies and proceeds resulting from damage to 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. Protection of Lender's Rights in the Property.** If Mortgagors fail 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 5, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 5 shall become additional debt of Mortgagors secured by this Security Instrument. Unless Mortgagors 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 or Mortgagors requesting payment.

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

**7. 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 Mortgagors. In the event of a partial taking of the Property, unless Mortgagors 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 Mortgagors.

If the Property is abandoned by Mortgagors, or if, after notice by Lender to Mortgagors that the condemnor offers to make an award or settle a claim for damages, Mortgagors 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 Mortgagors 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 paragraph 1 or change the amount of such payments.

**8. Mortgagors Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment granted by Lender to any successor in interest of Mortgagors shall not operate to release the liability of the original Mortgagors or Mortgagors' successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment by reason of any demand made by the original Mortgagors or Mortgagors' 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.

**9. Successors and Assigns Bound.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Mortgagors, subject to the provisions of paragraph 15.

**10. 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 Mortgagors which exceeded permitted limits will be refunded to Mortgagors. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Mortgagors. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

**11. 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 17. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 15.

**12. Notices.** Any notice to Mortgagors 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 Mortgagors 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 Mortgagors. Any notice provided for in this Security Instrument shall be deemed to have been given to Mortgagors or Lender when given as provided in this paragraph.

**13. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of Illinois. 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.

**14. Mortgagors' Copy.** Mortgagors shall be given one conformed copy of the Note and of this Security Instrument.

**15. Transfer of the Property or a Beneficial Interest in Mortgagors.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Mortgagors 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 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 exercised this option, Lender shall give Mortgagors 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 Mortgagors must pay all sums secured by this Security Instrument. If Mortgagors fail 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 Mortgagors.

**16. Mortgagors' Right to Reinstate.** If Mortgagors meet certain conditions, Mortgagors shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 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 Mortgagors: (a) pay Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cure any default of 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) take such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Mortgagors' obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Mortgagors, 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 11 or 15.

Mortgagors and Lender further covenant and agree as follows:

**17. Acceleration; Remedies.** Lender shall give notice to Mortgagors prior to acceleration following Mortgagors' breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 11 and 15 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 Mortgagors, 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 Mortgagors 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 Mortgagors 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 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

18. **Lender in Possession.** Upon acceleration under paragraph 17 or abandonment of the Property, Lender (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, 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.

19. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Mortgagors. Mortgagors shall pay any recordation costs.

20. **Attorneys' Fees.** As used in this Security Instrument and the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

BY SIGNING BELOW, Mortgagors accept and agree to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Mortgagors and recorded with it.

**MORTGAGORS:**

Katherine Carlson Dugan, both individually and as Trustee of the Katherine Carlson Dugan Trust U/A dated January 6, 2006

Thomas A. Dugan, both individually and as Trustee of the Thomas A. Dugan Trust U/A October 1, 1998, as amended

By: *Katherine Carlson Dugan*  
Katherine Carlson Dugan

By: *Thomas A. Dugan*  
Thomas A. Dugan

Date: March 24, 2010

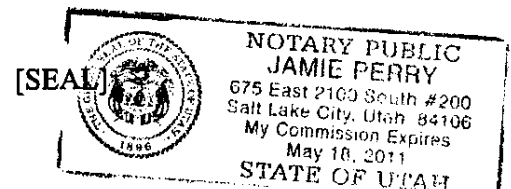
Date: March 24, 2010

\_\_\_\_\_ [Space Below This Line For Acknowledgment] \_\_\_\_\_

STATE OF UTAH            )  
  )  
COUNTY OF SALT LAKE )

The foregoing instrument was acknowledged before me this 24 day of March, 2010, by Katherine Carlson Dugan, both individually and as Trustee of the Katherine Carlson Dugan Trust U/A dated January 6, 2006 and Thomas A. Dugan, both individually and as Trustee of the Thomas A. Dugan Trust U/A October 1, 1998, as amended.

*Jamie Perry*  
Notary Public



**This Instrument Prepared By and after Recording Return to:**

Jones & Quinlisk, LLC  
Attn: Brian K. Jones  
205 N. Michigan Avenue, Suite 2500  
Chicago, Illinois 60601  
(312) 606-2698

**COURTESY RECORDING**

This document is being recorded solely as a courtesy and an accommodation to the parties named therein. LANDMARK TITLE COMPANY hereby expressly disclaims any responsibility or liability for the accuracy or the content thereof.