

# UNOFFICIAL COPY

This Instrument was prepared  
by and when recorded should  
be mailed to:

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Oak Brook, Illinois 60521



Doc#: 0811954078 Fee: \$54.50  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 04/28/2008 03:36 PM Pg: 1 of 10

*KS*  
Forty two thousand Five hundred  
**MORTGAGE**

*KS*  
*DS*  
*442,500*  
THIS MORTGAGE ("Security Instrument") is given as of May 22, 2007. The mortgagor is David and Katherine Mae Scerfield ("Borrower"). This Security Instrument is given to John and Ann Nolan, whose address is 45140 SW 139<sup>th</sup> Avenue, Tigard, Oregon, 97224 ("Lender"). Borrower owes Lender the principal sum of ~~Four Hundred Fifty Five Thousand~~ and 00/100 Dollars (US\$~~455,000.00~~). This debt is evidenced by Borrower's Installment Promissory Note in the principal amount of ~~Four Hundred Fifty Five Thousand~~ and 00/100 Dollars (US\$~~455,000.00~~) dated as of the same date as this Security Instrument (the "Note"), with monthly payments as described in the Note, with the balance of the principal debt payable in full, if not paid earlier, due and payable on May 18, 2012. 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 Section 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:

*KS*  
*DS*  
*442,500*

SEE ATTACHED LEGAL DESCRIPTION.

which has the address of 4302 West 143<sup>rd</sup> Street, Crestwood, IL ("Property Address")

P.I.N. 28-03-410-038-0000

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."

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered,

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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; Prepayment and Late Charges.** Borrower 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. Funds for Taxes and Insurance.** Borrower shall not be required to make deposits for yearly taxes and assessments and yearly hazard insurance premiums with Lender; provided, however, Borrower shall provide Lender with evidence of such payment. If Borrower shall fail to pay such yearly taxes and assessments when due or fail to maintain hazard insurance as described in Section 5, herein, Lender may require, upon written notice to Borrower that Borrower pay to an escrow account established by Lender and Borrower with a mutually agreeable escrow agent on the day monthly payments are due under the Note, until the Note are paid in full, a sum ("*Funds*") equal to one-twelfth of yearly taxes and assessments which may attain priority over this Security Instrument and yearly hazard insurance premiums. These items are called "*escrow items*." Escrow agent may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held by escrow agent in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency. Escrow agent shall apply the Funds to pay the escrow items. Borrower and Lender agree that interest shall be paid on the Funds. Borrower shall be liable for and pay all annual fees and expenses charged by escrow agent for maintenance of the escrow account. Escrow agent 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 escrow agent, 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 escrow agent is not sufficient to pay the escrow items when due, Borrower shall pay to escrow agents any amount necessary to make up the deficiency in one or more payments as required by escrow agent.

Upon payment in full of all sums secured by this Security Instrument, escrow agent shall promptly refund to Borrower any Funds held by escrow agent. If under paragraph 19 the Property is sold or acquired by escrow agent, escrow agent shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by escrow agent at the time of application as a credit against the sums secured by this Security Instrument.

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

**4. Charges; Lien.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument. Borrower shall pay these obligations in the manner provided in Section 2.

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; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may 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.

Notwithstanding the terms of this Section 4, Borrower shall not be obligated to discharge the lien of the Superior Financing Documents (as defined in Section 22 below), except as otherwise provided in the Superior Financing Documents.

**5. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be reasonably acceptable to Lender and shall include a standard mortgage clause. Subject to the terms of the Superior Financing Documents, if Lender requires, Borrower shall name Lender as "loss-payee" and shall promptly give to Lender all receipts of paid premiums and renewal notices. 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.

Subject to the terms of the Superior Financing Documents, unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair if economically feasible and Lender's security is not lessened. 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 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

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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 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 Sections 1 and 2 or change the amount of the payments. If under Section 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. 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.

**7. Protection of Lender's Rights in the Property.** 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 Section 7, Lender does not have to do so.

Any amounts disbursed by Lender under this Section 7 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.

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

**9. Condemnation.** Subject to the terms of the Superior Financing Documents, 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.

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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 Sections 1 and 2 or change the amount of such payments.

**10. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification 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.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Section 17, Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (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.

**12. 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.

**13. 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 Section 18. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of Section 16.

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**14. 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.

**15. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note 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.

**16. Transfer of the Property or a Beneficial Interest in Borrower.** Borrower shall not sell, convey, transfer or assign (a) the Property or any interest therein or any part thereof, or (b) the beneficial interest in Borrower if Borrower is not a natural person whether by operation of law or otherwise, without the prior written notice to Lender. In the event of such a sale, conveyance, transfer or assignment, Lender may, at their 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 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.

**17. 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) 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 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 Sections 13 or 16.

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

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**18. 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 Sections 13 or 16 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 18, including, but not limited to, reasonable attorney's fees and costs of title evidence.

**19. Lender in Possession.** Upon acceleration under Section 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 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.

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

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

**22. Subordination.** Notwithstanding anything herein contained to the contrary, this Security Instrument is a subordinate lien on the Property subject only to the existing purchase money mortgage and home equity loan mortgages currently recorded against the Property (the "*Superior Mortgage*"). Borrower covenants that it shall faithfully and fully observe and perform each and every term, covenant and condition of the Superior Mortgage and of any and all loan agreements, notes, security agreements and other loan documents related to the Superior Mortgage (collectively, including the Superior Mortgage, the "*Superior Financing Documents*"), and shall not permit any of such Superior Financing Documents to go into default. Any default under the Superior Financing Documents shall constitute a default hereunder without notice of any kind and shall entitle Lender to exercise any and all remedies available to it, including, without limitation, acceleration of the principal amounts due under the Note.

**BY SIGNING BELOW,** Borrower accepts and agrees to the terms and covenants contained in this Security Instrument.

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David Somerfield

By: David Somerfield

Katherine Mae Somerfield

By: Katherine M. Somerfield

Property of Cook County Clerk's Office

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## EXHIBIT A LEGAL DESCRIPTION

LOT 1 OF BERNARD'S RESUBDIVISION NUMBER 1, A RESUBDIVISION OF LOT 6 IN BLOCK 5 IN ARTHUR T. MCINTOSH AND COMPANY'S MIDLOTHIAN HIGHLANDS, A SUBDIVISION IN THE SOUTHEAST  $\frac{1}{4}$  OF SECTION 3, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

4302 West 143<sup>rd</sup> St. Crestwood, IL 60445.  
PIN 28-03-410-038-0000

Property of Cook County Clerk's Office