

THIS INSTRUMENT PREPARED BY:

The maximum principal indebtedness for  
Tennessee recording tax purposes is  
\$ \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**HOME PROGRAM  
HOMEOWNER RECONSTRUCTION DEED OF TRUST**

THIS DEED OF TRUST is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, whose address is \_\_\_\_\_, \_\_\_\_\_, Tennessee, \_\_\_\_\_ (“Property Owner”), \_\_\_\_\_ and his successors and assigns (collectively, “Trustees”); and \_\_\_\_\_, whose address is \_\_\_\_\_, \_\_\_\_\_ Tennessee, \_\_\_\_\_ (“Grant Recipient”).

**RECITALS**

Grant Recipient is receiving HOME Program funds from the Tennessee Housing Development Agency (“THDA”) through the HOME Investment Partnership Program (the “HOME Program”) subject to the requirements of 24 C.F.R. Part 92, as amended (the “HOME Regulations”), the THDA HOME Program Description and Program Manual, and that certain working agreement between Grant Recipient and THDA dated \_\_\_\_\_ (the “Working Agreement” and together with the THDA HOME Program Description and Program Manual and the HOME Regulations, the “HOME Program Requirements”); and

Grant Recipient has agreed to make \$ \_\_\_\_\_ in HOME Program funds (the “HOME Investment”) available to reconstruct the single family housing unit located at \_\_\_\_\_, Tennessee \_\_\_\_\_, as more fully described in Exhibit A which is attached hereto and incorporated herein by this reference (the “Property”); and

Property Owner is a person of low or very low income as defined in the HOME Program Requirements; and

Property Owner desires to secure to Grant Recipient the payment of all amounts due under the HOME Program Homeowner Reconstruction Note of even date herewith (the “Note”) and the HOME Program Requirements and the due and punctual performance by Property Owner of each and every covenant, condition and agreement applicable to Property Owner and the Property under the HOME Program Requirements, the Note and this Deed of Trust.

NOW THEREFORE; for and in consideration of One Dollar (\$1.00) cash in hand paid, the receipt of which is acknowledged, and the other considerations hereinafter mentioned, Property Owner, does hereby grant and convey unto the Trustees in trust, with power of sale and with General Warranty, the Property.

TO HAVE AND TO HOLD the Property with the appurtenances, estate, title, and interest thereto belonging to Trustees in trust forever.

But, this conveyance is made IN TRUST for the following uses and trusts, and for no other purpose, to wit: to secure to Grant Recipient payment of the indebtedness evidenced by the Note, any modification thereof, and any note given in substitution for or upon any renewal or extension of the Note.

Pursuant to the provisions of T.C.A. Section 66-11-108, Grant Recipient does not consent to the priority of any contract, whether now in existence or hereafter entered into, for the making of improvements upon the Property, over the lien of this Deed of Trust.

As part of the consideration for the execution of this instrument, and of the indebtedness secured hereunder, Property Owner agrees:

1. To pay to Grant Recipient the outstanding principal of the Note, and all interest thereon, and all other sums due thereunder, as and when the same shall become due as provided therein.
2. To retain title to and occupy the Property, and not to convey the same or any interest in the same, without the prior consent, in writing, of Grant Recipient. If any or all of the Property, or any interest in it, is sold or otherwise transferred or conveyed, or if any encumbrance affects the Property, without the prior written consent of Grant Recipient, except as specified in the Note, Grant Recipient may, at its option, require immediate payment of all amounts due under the Note and all amounts secured by this Deed of Trust.
3. To pay when due, all taxes and assessments both general and special, ground rents, fines, penalties, impositions, levies, dues and charges of every type or nature levied upon or assessed against the Property, including any personal property included thereon, or upon the Trustees or Grant Recipient's interest therein.
4. To pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof and shall not, at any time, create or allow to exist any lien on the Property or any part thereof of whatsoever kind or nature, other than this Deed of Trust, except the following:
  - (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien; and
  - (b) liens for taxes and assessments which are being contested by the Property Owner in good faith and by appropriate legal proceedings and for which Property Owner has posted such security for the payment of such contested claims as is requested by Grant Recipient.
5. To keep the housing unit and improvements on the Property in good repair and preservation.
6. If Property Owner fails to keep the housing unit and improvements on the Property in good repair and preservation or fails to pay all taxes and assessments when due, then the Trustee or Grant Recipient may do either, including, but not limited to, obtaining fire and/or hazard insurance, making necessary repairs, paying all taxes and assessments and may charge and treat any amount so expended as part of the debt secured by this Deed of Trust.

Now, if the Property Owner shall pay said indebtedness, and all installments thereof, including both principal and interest, when due, according to the terms of the Note, and if the Property Owner shall keep and perform each of the other covenants and agreements herein contained, then, this trust conveyance shall be of no further force or effect. But, if the Property Owner shall fail to pay said indebtedness, or any part or installment thereof, or any interest thereon, when due, or if the Property Owner shall fail to keep and perform any of the other covenants and agreements herein contained, or if the Property Owner shall make an assignment for the benefit of creditors, or should a receiver, liquidator, or trustee of the Property Owner, or of any of the Property Owner's property, be appointed, or should any petition in bankruptcy, or for the reorganization or arrangement of the Property Owner pursuant to the Federal Bankruptcy Code, or any statute, federal or state, similar thereto, be filed by or against the Property Owner, and such defaults are not cured within ten (10) days from written notice to Property Owner specifying such default, then, and in any of such events, this trust conveyance shall remain in full force and effect, and at the option of the Grant Recipient, all remaining unpaid indebtedness shall become due and payable at once, without notice, and the Trustee, acting in person or through an agent or agents duly appointed by him for this purpose, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in the county in which the Property is located, to sell the Property at the front door of the Courthouse in said county (or at such other place at said Courthouse as is usually and customarily used for the conduct of foreclosure

sales) to the highest bidder for cash, at public outcry, free from the equity of redemption, any and all statutory rights of redemption including, without limitation, those provided in T.C.A. Section 66-8-101, as amended, or as may be hereinafter enacted, homestead, dower, courtesy, any elective share, and all other exemptions or marital rights of every kind, which are hereby expressly waived; and the Trustee is authorized and empowered to execute and deliver a deed to the purchaser. The sale may be adjourned from day to day by the Trustee or his agent or successor, by announcement at the Courthouse on the date the sale is originally set, or any adjournment thereof, and may be reset at a later date without any additional publication. The creditor may bid at any sale under this trust conveyance. Property Owner agrees that the Trustee may, at any time after default in the payment of any part of the indebtedness, enter and take possession of the Property, and shall only account for the net rents actually received by him. Property Owner further agrees that, in the event the Trustee fails, before selling the Property as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for the Property.

Grant Recipient may, at any time and from time to time, without assigning cause, in Grant Recipient's sole and absolute discretion, remove the Trustee herein named and appoint a successor to execute this trust, by an instrument in writing duly executed by Grant Recipient and filed for record in the county in which the Property is located and, upon the execution and filing of such instrument, the title herein conveyed to the Trustee shall be vested in the successor so appointed.

In the event of a sale of the Property under and by virtue of this trust, the Property Owner, and all persons holding under Property Owner, shall be and become the tenants at will of the purchaser from and after the execution and delivery of a deed to the purchaser.

Upon any sale under this Deed of Trust, the proceeds will be applied by the Trustee:

First: To pay all the costs and charges of executing this trust, including attorney's fees and the expenses of any litigation which may arise on account of the execution and enforcement of this trust, or in connection therewith as above provided.

Second: To pay the outstanding indebtedness, or any balance thereof, then remaining unpaid.

Third: To pay the remainder, if any, to Property Owner, or Property Owner's order.

Wherever used herein, the singular number shall be deemed to include the plural, and vice versa, and the masculine gender shall be deemed to include the feminine or neuter, and vice versa. In addition, the word "Property Owner" shall be deemed to include not only the Property Owner specifically named in this Deed of Trust, but also all successors of such Property Owner in title to the Property.

IN WITNESS WHEREOF, Property Owner and Grant Recipient, through a duly authorized representative, have executed this Deed of Trust effective as of the date first written above.

PROPERTY OWNER:

GRANT RECIPIENT:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

[Acknowledgment Page Follows]

[Acknowledgment Page for HOME Homeowner Reconstruction Deed of Trust]

STATE OF TENNESSEE )  
COUNTY OF \_\_\_\_\_ )

Before me, \_\_\_\_\_, a Notary Public of the state and county mentioned, personally appeared \_\_\_\_\_, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that (s)he is the within named bargainor and that (s)he executed the foregoing instrument for the purpose therein.

Witness my hand and seal, at office, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF TENNESSEE )  
COUNTY OF \_\_\_\_\_ )

Before me, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, personally appeared \_\_\_\_\_, with whom I am acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that (s)he is \_\_\_\_\_ of \_\_\_\_\_, the within named bargainor, and (s)he as such \_\_\_\_\_ executed the foregoing instrument for the purpose therein, by signing the name of \_\_\_\_\_ by (her)himself as \_\_\_\_\_.

Witness my hand and seal, at office, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

EXHIBIT A

PROPERTY DESCRIPTION