

THIS INSTRUMENT PREPARED BY:

The maximum principal indebtedness for Tennessee recording tax purposes is \$0 (Governmental Entity)

Tennessee Housing Development Agency
502 Deaderick Street, Third Floor
Nashville, Tennessee 37243
Attn: Single Family Programs Division

THIS INSTRUMENT IS AN OPEN-ENDED MORTGAGE FOR PURPOSES OF TCA 47-28-103.

TENNESSEE HOUSING DEVELOPMENT AGENCY
TENNESSEE RENOVATION PROGRAM DEED OF TRUST
(DISTRESSED COUNTIES)

THIS DEED OF TRUST is made and entered into as of this ____ day of _____, 20____, by and between (Borrower) _____ and (Co-borrower) _____ (“Property Owner”), Bruce Balcom, Esq., and his successors and assigns (collectively, “Trustees”); and Tennessee Housing Development Agency, whose address is 404 James Robertson Parkway, Suite 1200, Nashville, Tennessee, 37243-0900 (“THDA”).

RECITALS

Property Owner is receiving up to Twenty-Five Thousand Dollars (\$25,000.00) in Tennessee Renovation Loan Program funds (the “TLRP Funds”) for the purposes permitted under the Appalachian Renovation Program Guide dated January, 2016, as may be subsequently amended, and as specified on the THDA website, as may be subsequently amended (the “TRLP Requirements”), in connection with that certain single family housing unit located at _____, _____ County, Tennessee _____, as more fully described in Exhibit A which is attached hereto and incorporated herein by this reference (the “Property”); and

Property Owner desires to secure to THDA the payment of all amounts due under the Tennessee Housing Development Agency Tennessee Renovation Loan Program Note of even date herewith (the “Note”) 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 Note and this Deed of Trust.

NOW THEREFORE; for and in consideration of \$1.00 cash in hand paid and other valuable consideration, the receipt whereof is hereby acknowledged, the Property Owner does hereby grant and convey unto the Trustees in trust, with power of sale and with General Warranty, the Property, together with the housing unit and all buildings, improvements, equipment and fixtures now or hereafter erected thereon; all items of personal property now or hereafter used on or in connection with the Property; all easements and appurtenances benefiting the Property; all unearned hazard insurance premiums with respect to the Property; all rents royalties, revenues, income, issues and profits, which are hereby specifically assigned, transferred and pledged primarily and on a priority with the Property; all existing or future leases with respect to the Property and all amendments, modifications, extensions or renewals thereof; all sums due from third parties with respect to any taking of the Property by or under assertion of power of eminent domain, any damage or destruction to the Property by insured casualty or any other injury or damage to the Property; and all products or proceeds of the foregoing, all of which are hereby pledged and assigned, transferred and set over unto the Trustees, in trust forever, whether now due or hereafter to become due, all of which are incorporated by this reference into the defined term 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:

A. PROPERTY OWNER’S PERFORMANCE

To secure to THDA the due and punctual performance of all obligations under the TRLP Requirements and each and every covenant, condition, agreement and obligation of Property Owner contained in the Note and this Deed of Trust.

B. PAYMENT OF INDEBTEDNESS

To secure to THDA the payments of all sums arising under this Deed of Trust or the Note or advanced to protect the security of this Deed of Trust, including attorneys' fees and all other fees and expenses incurred in connection with the performance or assertion of THDA's rights or duties as set forth in this Deed of Trust or the Note.

In the event of a default under the Note or a default hereunder, the full amount due under the Note and under this Deed of Trust shall be due and payable; provided, however, if the default is a sale of the Property, the amount due under the Note shall be calculated in accordance with Section E of this Deed of Trust. For purposes of this Deed of Trust, a foreclosure shall be treated as a sale.

Collectively, the indebtedness under the Note, Deed of Trust and all other indebtedness is referred to herein as the "Secured Indebtedness". The covenants, conditions, obligations and agreements of Property Owner contained in this Deed of Trust and in the Note are referred to herein as the "Secured Covenants".

C. PROPERTY OWNER REPRESENTATIONS, WARRANTIES AND COVENANTS

Property Owner hereby represents, warrants, and covenants as follows:

1. Occupancy

Property Owner shall occupy the Property as Property Owner's principal residence for five (5) years from the date of the Note (the "Affordability Period"). Property Owner shall retain title to the Property during the entire Affordability Period. Any refinancing, sale, lease or other transfer or conveyance of all or any part of the Property, or any interest therein, during the Affordability Period shall be a default hereunder.

2. Warranty of Title

Property Owner lawfully possesses fee simple title to the Property; has good and valid right and power to convey the Property without the joinder or approval of any other person or entity whatsoever; shall forever warrant and defend the title to the Property against the claims and demands of all persons whomsoever; and shall execute such further assurances as required.

3. Payment and Performance

Property Owner shall pay, without demand or notice, all Secured Indebtedness and shall fully perform, without demand or notice, all Secured Covenants, when such performance is due, time being of the essence for both payment and performance.

4. Payment of Taxes and Utility Charges

Property Owner shall 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 THDA's interest therein.

5. Payment and Discharge of Liens

Property Owner shall 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 THDA.

6. Restrictions on Property

The Property Owner will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the Property on the basis of sex, race, color, religion or creed. The Property Owner shall file for record any instrument imposing restrictions on the Property as required by the TRLP Requirements.

7. Reimbursement of THDA's or Trustees' Fees and Expenses

If the Trustees or THDA are made parties to or intervene in any action or proceeding affecting the Property or the title thereto or the interest of the Trustees or THDA under this Deed of Trust, or if THDA or the Trustees employ an attorney to foreclose this Deed of Trust, or authorizes the Trustees to conduct Trustees' sale proceedings hereunder, the Trustees and THDA shall be reimbursed by the Property Owner, immediately and without demand, for all reasonable costs, charges, fees and expenses, including attorney's fees and court costs, incurred by them or either of them in any such case whether or not suit be commenced, and the same shall be secured hereby as a further charge and lien upon the Property.

8. Insurance/Good Repair

Property Owner shall keep the housing unit on the Property insured by some reliable fire and/or hazard insurance company or companies for the maximum insurable amount against fire and all customary hazards, from the date hereof until the debt secured by this Deed of Trust is fully paid or forgiven in accordance with the Note or this Deed of Trust and to have the loss made payable on the policy to THDA or the Trustee for the benefit of the Property Owner and THDA. Property Owner shall provide THDA or

the Trustee with proof of insurance coverage from the insurance company each time coverage is obtained or renewed and shall immediately notify THDA or the Trustee of any cancellations. Property Owner shall keep the housing unit and improvements on the Property in good repair and preservation and shall pay all taxes and assessments when due. 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 THDA 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.

D. DELAY

No delay by THDA or the Trustees in exercising any right or remedy hereunder or otherwise afforded by law shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

E. EVENTS OF DEFAULT AND REMEDIES

Now, if the Property Owner shall keep and perform each of the covenants, conditions, obligations and agreements of the Property Owner contained in the Note and this Deed of Trust, then, this trust conveyance shall be of no further force or effect. But, if the Property Owner shall fail to keep and perform any of the covenants, conditions, obligations and agreements in the Note and this Deed of Trust, and such defaults are not cured within thirty (30) 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 THDA, all amounts advanced under the Note or hereunder 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.

THDA may, at any time and from time to time, without assigning cause, in THDA'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 THDA 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 repay all amounts advanced pursuant to the Note or hereunder.

Third: To pay the remainder, if any, to Property Owner.

F. INCORPORATION

The provisions of the Note are incorporated herein by reference as fully and to the same extent as though set out herein verbatim.

G. REMEDIES CUMULATIVE

No remedy herein contained or conferred upon THDA or the Trustees is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to THDA or the Trustees, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

H. SUCCESSORS, ASSIGNS, GENDER, NUMBER

The covenants and agreements herein contained shall bind, and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any genders shall be applicable to all genders.

I. HEADINGS

The headings herein are inserted only for convenience of reference and in no way define, limit or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

J. EXPIRATION

This Deed of Trust shall be of no further force and effect upon the expiration of the Affordability Period described herein.

K. SEVERABILITY

The invalidity of any clause, part or provision of this Deed of Trust shall not affect the validity of the remaining portions hereof.

L. NOTICES

Unless otherwise set forth herein, all notices given pursuant to the Note or this Deed of Trust shall be deemed given when mailed. All notices hereunder shall be sent by certified or registered mail, postage prepaid, return receipt requested, to the parties at the addresses set forth above or to such different address or addresses as either party may notify the other from time to time in writing.

M. AMENDMENT

All actions, as deemed necessary by THDA, shall be taken to amend this Deed of Trust to comply with the TRLP Requirements, and any and all applicable rules, regulations, policies, procedures, and rulings or other official statements pertaining to TRLP.

N. COMPLIANCE WITH APPLICABLE LAWS

The Property shall remain in compliance with all TRLP Requirements and all other applicable federal, state or local laws, statutes, ordinances, codes, rules or regulations, as the same may be amended from time to time, for the entire Affordability Period.

O. GOVERNING LAW

This Deed of Trust shall be governed by the laws of the State of Tennessee and, where applicable, laws of the United States of America.

P. ASSIGNMENT

Neither this Deed of Trust nor any obligations hereunder may be assigned without the express written consent of THDA, which consent may be withheld at THDA's sole discretion.

Q. ASSUMPTION

This Deed of Trust and the obligations it secures are not assumable.

R. DEFINITIONS

All terms not otherwise defined herein shall have the meaning ascribed to them in the TRLP Requirements.

IN WITNESS WHEREOF, Property Owner has executed this Deed of Trust effective as of the date first written above.

PROPERTY OWNER:

Borrower Name

Co-borrower Name

STATE OF TENNESSEE)
COUNTY OF _____)

Before me, _____, a Notary Public of the state and county mentioned, personally appeared (Borrower) _____ and (Co-borrower) _____, 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: _____

DEED OF TRUST

EXHIBIT A - PROPERTY DESCRIPTION

A large, empty rectangular box with a thin black border, occupying the central portion of the page. It is intended for the property description as indicated by the section header above it.