

## Deed of Trust

This Deed of Trust (hereinafter known as "Trust Deed") is made as of the \_\_\_\_\_ by and among \_\_\_\_\_, with a mailing address of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (hereinafter known as "Lender") and \_\_\_\_\_, with a mailing address of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (hereinafter known as "Borrower") and \_\_\_\_\_, with a mailing address of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (hereinafter known as "Co-Signer"), and \_\_\_\_\_, with a mailing address of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ ("Trustee").

IN CONSIDERATION OF the sum lent to Borrower by Lender in the amount of \$ \_\_\_\_\_ with an interest rate of \_\_\_\_\_ % on the outstanding balance as evidenced by the Loan Agreement dated \_\_\_\_\_ by and between Lender and Borrower and \_\_\_\_\_ acting as guarantor (the "Note"), this Trust Deed secures to Lender the repayment of the Note, and all renewals, extensions and modifications of the Note, and the performance of Borrower's terms and agreements under this Trust Deed and the Note.

FOR THIS PURPOSE, the Borrower grants to Trustee, in trust, with power of sale the following property located in \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ described as: \_\_\_\_\_ (hereinafter known as "Property"), together with it improvements now or hereafter, including easements and fixtures. All replacement and additions shall also be covered by this Trust Deed.

NOW THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the parties agree as follows:

**I. PAYMENT OF PRINCIPAL AND INTEREST.** The Borrower shall pay the principal together with its interest, fees, charges, escrow funds and other associated funds when due. It also includes any amendment, extension, or renewal according to the terms in the Note. The Lender deems the payment received when received at the location designated in the Note or assigned by the Lender.

**II. PARTIAL PAYMENT.** The Lender may return any payment or partial payment if they are insufficient to bring the Loan current. The Lender may accept any payment or partial payment without waiver of rights or prejudice to its right to refuse payment, but Lender is also not obligated to apply such payment when payments are accepted. No offset or claim that the Borrower has now or in the future against the lender shall relieve the Borrower from making payment due under the Note or this Trust Deed.

**III. PREPAYMENTS.** If the Borrower is not at default, they have the right to prepay all or a portion of the principal among, without penalty and according to the terms of the Note. However,

this prepayment shall not relieve the Borrower of their obligation from making payments when due under the Note or this Trust Deed.

**IV. BORROWER'S REPRESENTATIONS AND WARRANTIES.** The Borrower represents and warrants that they are the legal owner of the Property and has the right to grant and convey it. Moreover, the party claims that the Property is free of encumbrances, except for encumbrances of record.

**V. DEFENSE OF TITLE.** The Borrower will defend the title of the Property against all claims and demands or any action purporting to affect the security or rights or powers of Lender, and will pay all costs and expenses, including the cost of evidence of title and attorney's fees in reasonable amounts.

**VI. CHARGES.** The Borrower shall pay all taxes, assessments, charges, fines, and other fees attributable to the Property. The Borrower shall also pay for leasehold payments or ground rents on the property if there are any. Furthermore, payment for community or association fees or assessments should also be shouldered by the Borrower. All payments must be done in the manner provided in this Trust Deed.

**VII. LIENS.** The Borrower should discharge any lien over this Trust Deed unless the Borrower (a) agrees, in writing, to pay the lien in a manner acceptable to the Lender; contest the lien in good faith; secure an agreement that subordinates the lien to this Trust Deed from the holder of the lien that is acceptable to the Lender. If the Lender determines that any part of the Property is subject to a lien that can attain priority over this Trust Deed, the Lender may provide the Borrower a notice identifying the lien and within ten days, the Borrower must settle this lien.

**VIII. PROPERTY INSURANCE.** The Borrower must pay for an insurance that protects the property from fire, earthquakes, floods, and other hazards within the term extended coverage, and for any other hazard for which the Lender requires insurance. The amount of the insurance must be subject to the Lender's approval. If the Borrower fails to maintain any of the coverages described above, the Lender may obtain insurance coverage, which shall become additional debt of Borrower secured by this Trust Deed. Any amounts paid by the Lender will have the same interest rate as the Principal Amount in the Note.

**IX. MORTGAGE INSURANCE.** The Borrower must maintain a mortgage insurance that protects the Lender from non payment or default on the Note as required by the Lender. This Section will not, in any way, affect the Borrower's obligation in making monthly payments on the Principal Amount and interest stated in the Note.

**X. MAINTENANCE AND REPAIR.** The Borrower shall not commit acts that will destroy, damage, impair, or deteriorate the Property. Regardless if the Borrower is residing in the Property, the Borrower must not allow for its decrease in value due to its condition. If the Property is damaged, the Borrower must promptly repair the Property to avoid further deterioration, unless repair or restoration is not economically feasible.

**XI. HAZARDOUS SUBSTANCES.** The Borrower shall not cause or allow the presence, use, disposal, storage, or release of any hazardous substances, or threaten to release any hazardous substances, on or in the Property.

**XII. INSPECTIONS.** The Lender or Agent may make reasonable entries to inspect the Property. The Lender may inspect the interior of the Property and improvements. The Lender must send a notice before the inspection stating the reason for the visit.

**XIII. PROTECTION OF LENDER'S INTEREST.** The Lender may take appropriate action to protect their interest in the Property and its rights under this Trust Deed, including assessing the value of the Property, and securing and repairing the Property. Any amount disbursed by the Lender will become additional debt secured in this Trust Deed bearing the same rate as the Principal Amount in the Note.

**XIV. SALE OF PROPERTY.** The Borrower is not allowed to sell, transfer, lease, assign, or dispose the Property without the Lender's written consent.

**XV. DEFAULT.** The following shall be considered as default: Borrower fails to make the required payment due under the Note or this Trust Deed; Borrower fails to comply with any of the terms and conditions of the Note or this Trust Deed; Borrower gave false, misleading, or inaccurate information about the Loan to the Lender; Borrower abandons the Property; if a default, lien, or encumbrance is registered on the Property without the Lender's consent; if any action or proceeding, civil or criminal, could result in forfeiture of the Property or other material impairment of Lender's interest.

**XVI. ACCELERATION OF DEFAULT.** If any condition of this Mortgage will be in default for more than \_\_\_\_\_ days, the entire principal amount and interest shall become immediately due and payable at the option of the Lender. The lender is entitled to collect all costs and expenses, which can include the professional fee. If the default is not cured on or before the date specified in the notice, the Lender may require immediate payment in full of all sums secured by this Trust Deed without further demand and may invoke the power of sale and any other remedies permitted by applicable law

**XVII. POWER OF SALE.** If there is a default under this Mortgage, the Lender has the option to foreclose or force the sale of the Property without a judicial proceeding. If the Lender invokes the power of sale, the Lender shall give written notice to Trustee of the occurrence of an event of default and of Lender's election to cause the Property to be sold.

**XVIII. REMEDIES.** The Lender may enforce its rights or remedies in equity or at law, or both, whether for a specific performance of any provision in this Agreement or to enforce the payment of the Loan or any legal or equitable right. The rights and remedies of the Lender are cumulative

in nature. Furthermore, the Lender is entitled to collect all expenses incurred in pursuing the remedies in this Trust Deed, including attorney's fees and costs of title evidence.

**XIX. SUBSTITUTE TRUSTEE.** The Lender, for whatever reason, may remove the Trustee and appoint a successor trustee. The successor trustee will succeed all the title, power, and duties conferred upon the Trustee without the conveyance of the Property.

**XX. RELEASE.** Upon the full payment of the sum, the Lender shall release this Trust Deed and request the Trustee to reconvey the Property to the Borrower. The Trust Deed and all notes evidencing the debt will be surrendered.

**XXI. JOINT AND SEVERAL LIABILITY.** The Borrower agrees that their obligations and liability will be joint and several. The Co-signer of this Trust Deed does not execute the Note. Rather, the Co-signer co-signs this Trust Deed to mortgage, grant and convey their interest in the Property under the terms of this Trust Deed. Moreover, the Co-signer is not personally obligated to pay the amount required by this Trust Deed. The Co-signer further agrees that the Lender and Borrower can agree to extend, modify, forbear or make accommodations with regard to this Trust Deed or Note.

**XXII. NOTICES.** All notices sent by either Borrower or Lender related with this Trust Deed must be in writing and sent to the addresses stated above, unless stated otherwise. The notices must be sent personally, through an overnight courier, or through registered mail.

**XXIII. SUCCESSORS AND ASSIGNS.** The Borrower's successor who assumes the Borrower's obligation under this Trust Deed, and approved by the Lender, will obtain all the Borrower's rights and benefits under this Trust Deed. The Borrower will not be released from their obligations and liabilities unless a written consent from the Lender is granted.

**XXIV. GOVERNING LAW.** This Trust Deed shall be governed and regulated by the laws of \_\_\_\_\_.

**XXV. WAIVER.** A waiver does not constitute any right or remedy by the Lender or Trustee contained in this Trust Deed or provided by law. Moreover, a waiver for one will not carry over to another.

**XXVI. SEVERABILITY.** If any provision of this Trust Deed is deemed invalid, illegal, or unenforceable, in whole or part, the remaining provisions shall remain valid, legal, or enforceable as if the illegal stipulations are not present.

**XXVII. COPIES.** All parties will receive a copy of this Trust Deed and Note.

IN WITNESS WHEREOF, this Trust Deed is executed and delivered as of the date first written above.

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Agreed and acknowledged by:

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**ACKNOWLEDGEMENT OF NOTARY PUBLIC**

STATE OF \_\_\_\_\_

On this day, personally appeared to me, \_\_\_\_\_, \_\_\_\_\_, to me known to be the persons described in and who executed this document and acknowledged that they signed the same as their voluntary act and deed, for the uses and purposes mentioned.

Witness my hand and official seal affixed on this day, \_\_\_\_\_

\_\_\_\_\_  
My commission expires: \_\_\_\_\_