# Equity Stripping Documents

The following documents were created to assist the user in using their own LLC as a lender to secure the equity in their own real estate.

# Revolving Line of Credit Agreement

This Revolving Line of Credit Agreement (the "Agreement") is made and entered into in this

day of , 20 , by and between

(the "Borrower"), and

(the "Lender").

In consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

Revolving Line of Credit. Subject to the terms and conditions contained herein and in the other documents, instruments and agreements executed in connection with the Loan and the security therefor ('Loan Documents'), Lender will establish for Borrower the Loan as a revolving line of credit against which Lender will make advances ('Advances') from time to time for the purpose of providing working capital to Borrower. Subject to the terms hereof, Borrower shall have the right to obtain Advances, repay Advances and obtain additional Advances; however, all of the Advances hereunder shall be viewed as a single loan. At no time shall the unpaid principal balance of the Loan exceed

($ ) (the "Credit Limit").

In connection herewith, Borrower shall execute and deliver to Lender a Promissory Note in the amount of the Credit Limit and in form and content satisfactory to Lender. All sums advanced on the Credit Line or pursuant to the terms of this Agreement (each an "Advance") shall become part of the principal of said Promissory Note.

Note. The Loan shall be evidenced by a promissory note ('Note') of even date herewith in a form prepared and approved by Lender in the Maximum Amount, payable in accordance with the terms thereof. Interest on the principal amount outstanding from time to time shall be charged as provided in the Note and should such rate of interest as calculated thereunder exceed that allowed by law, the applicable rate of interest will be the maximum rate of interest allowed by applicable law.

Security. As security for the payment of the Note, the Loan, and all other liabilities and obligations of Borrower to Lender, now existing or hereafter created, Borrower shall grant to Lender a security interest in all of Borrower's real property by executing and recording a Deed of Trust or other mortgage agreement in favor of lender.

Advances. Any request for an Advance may be made from time to time and in such amounts as Borrower may choose; provided, however, any requested Advance will not, when added to the outstanding principal balance of all previous Advances, exceed the Credit Limit. Requests for Advances may be made orally or in writing by such officer of Borrower authorized by it to request such Advances. Until such time as Lender may be notified otherwise, Borrower hereby authorizes its president or any vice president to request Advances. Lender may deposit or credit the amount of any requested Advance to Borrower's checking account with Lender. Lender may refuse to make any requested Advance if an event of default has occurred and is continuing hereunder either at the time the request is given or the date the Advance is to be made, or if an event has occurred or condition exists which, with the giving of notice or passing of time or both, would constitute an event of default hereunder as of such dates.

Term. The term of this Agreement is from the date of this Agreement through and including

\_, 20 (the "Term"). The last day of the Term will be sometimes

referred to below as the "Maturity Date".

Interest. All sums advanced pursuant to this Agreement shall bear interest from the date each Advance is made until paid in full at the rate of percent ( %) per annum (“Effective Rate”), simple interest

Manner of Calculation. Interest shall be calculated on the basis of a three hundred sixty (360) day year for actual days elapsed. Interest will be charged on the principal balance of the loan that remains outstanding from time to time.

Interest Limitation. Notwithstanding any other provision of this Agreement or of any instrument securing this Agreement or any other instrument executed in connection with the Loan evidenced hereby, it is expressly agreed that the amounts payable under this Agreement or under the other aforesaid instruments for the payment of interest or any other payment in the nature of or which would be considered as interest or other charge for the use or loan of money shall not exceed the highest rate allowed by law, from time to time, to be charged by Lender. In the event the provisions of this Agreement or of any instruments referred to in this paragraph, regarding the payment of interest or other payments in the nature of or which would be considered as interest or other charge for the use or loan of money operate to produce a rate that exceeds such limitation, then the excess over such limitation will not be payable and the amount otherwise agreed to have been paid shall be reduced by the excess so that such limitation will not be exceeded, and if any payment actually made shall result in such limitation being exceeded, the amount of the excess shall constitute and be treated as a payment on the principal hereof and shall operate to reduce such principal by the amount of such excess, or if in excess of the principal indebtedness, such excess shall be refunded.

Payments. Principal and interest shall be due and payable and shall be paid at

, or at such other place as the Lender may designate from time to time as follows:

1. Payments. Accrued interest shall be payable upon refinancing of any proportion to the made from time to time as provided in the Loan Agreement being executed on or about the date hereof. Accrued interest shall be due and payable and shall be paid commencing on the sale of any property secured by this Agreement date that is exactly one (1) month following the date of this Agreement, and on the same day of each succeeding monthly period thereafter through and including the same day of the month next preceding the Maturity Date.
2. Principal Reductions. Principal payments shall be made from time to time as provided in the Loan Agreement being executed on or about the date hereof.
3. Maturity Date. On the Maturity Date, all indebtedness evidenced by this Agreement (whether unpaid principal, accrued interest or otherwise) that remains unpaid shall be due and payable and shall be paid.

Prepayment. Borrower shall have the option of prepaying all or any part of the principal of this Agreement at any time during the term of this Agreement, without notice, premium or penalty for the privilege of such prepayments. The Lender may require that any partial prepayments be made on the date payments are due. In the event of any full prepayment, all accrued interest and other charges evidenced by this Agreement and the instruments of security for this Agreement shall be paid at the same time as such full principal prepayments.

Consent and Waiver. Each Obligor (which term shall mean and include the Borrower, each guarantor, each endorser, and all others who may become liable for all or any part of the obligations evidenced and secured hereby), does hereby, jointly and severally: (a) consent to any forbearance or extension of the time or manner of payment hereof and to the release of all or any part of any security held by the Lender to secure payment of this Agreement and to the subordination of any instrument of security securing this Agreement as to all or any part of the property encumbered thereby, all without notice or consent of that party; (b) agree that no course of dealing or delay or omission or forbearance on the part of the Lender in exercising or enforcing any of its rights or remedies hereunder or under any instrument securing this Agreement shall impair or be prejudicial to any of the Lender's rights and remedies hereunder or to the enforcement hereof and that the Lender may extend or postpone the time and manner of payment and performance of this Agreement and any instrument securing this Agreement, may grant forbearances and may release, wholly or partially, any security held by the Lender as security for this Agreement and release, partially or wholly, any person or party primarily or secondarily liable with respect to this Agreement, all without notice to or consent by any party primarily or secondarily liable hereunder and without thereby releasing, discharging or diminishing its rights and remedies against any other party primarily or secondarily liable hereunder; and (c) except as otherwise set forth in this Agreement and the instruments of security for this Agreement, waive notice of acceptance of this Agreement, notice of the occurrence of any default hereunder or under any instrument securing this Agreement and presentment, demand, protest, notice of dishonor and notice of protest and notices of any and all action at any time taken or omitted by the Lender in connection with this Agreement or any instrument securing this Agreement and waives all requirements necessary to hold that party to the liability of that party.

Events of Default. The happening of any of the following events shall constitute a default hereunder: (a) failure of any Obligor to pay any principal, interest or any other sums required hereunder when due under this Agreement; or (b) a default shall occur in any instrument securing this Agreement or in any other instrument executed in connection with the Loan evidenced hereby, which is not cured within the applicable curative period set forth in such instruments; (c) a filing by Borrower of a voluntary petition in bankruptcy seeking reorganization, arrangement or readjustment of debts, or any ther relief under the Bankruptcy Code as amended or under any other insolvency act or law, state or federal, now or hereafter existing; or (d) a filing of an involuntary petition against Borrower in bankruptcy seeking reorganization, arrangement or readjustment of debts, or any other relief under the Bankruptcy Code as amended, or under any other insolvency act or law, state or federal, now or hereafter existing, and the continuance thereof for sixty (60) days undismissed, unbonded, or undischarged.

Acceleration. If a default shall occur hereunder which is not cured within thirty (30) days, then at the option of the Lender, the entire principal sum then remaining unpaid and accrued interest shall immediately become due and payable without notice or demand, and said principal shall bear interest from such date at the highest legal rate permitted by law, from time to time, to be charged by Lender; it being agreed that interest not paid when due shall, at the option of the Lender, draw interest at the rate provided for in this paragraph. Failure to exercise the above options shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

Remedies. Upon the occurrence of an event of default as defined above, Lender may declare the entire unpaid principal balance, together with accrued interest thereon, to be immediately due and payable without presentment, demand, protest, or other notice of any kind. Lender may suspend or terminate any obligation it may have hereunder to make additional Advances. To the extent permitted by law, Borrower waives any rights to presentment, demand, protest, or notice of any kind in connection with this Agreement. No failure or delay on the part of Lender in exercising any right, power, or privilege

hereunder will preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided herein are cumulative and not exclusive of any other rights.

Attorneys' Fees. All parties liable for the payment of this Agreement agree to pay the Lender reasonable attorneys' fees and costs, whether or not an action be brought, for the services of counsel employed after maturity or default to collect this Agreement or any principal or interest due hereunder, or to protect the security, if any, or enforce the performance of any other agreement contained in this Agreement or in any instrument of security executed in connection with the Loan, including costs and attorneys' fees on any appeal, or in any proceedings under the National Bankruptcy Code or in any post judgment proceedings. Notwithstanding anything contained in this Agreement, the instruments of security, or any other documents executed in connection therewith to the contrary, the Borrower hereby expressly waives its statutory right under the Statutes to receive attorneys' fees in any cause of action or other litigation based in whole or in part, directly or indirectly, upon the foregoing documents. Such waiver by the Borrower constitutes a material inducement for the Lender to make the Loan to the Borrower.

Set Off. The Obligors shall have no right of set off against the Lender under this Agreement or under any instruments securing this Agreement or executed in connection with the Loan evidenced hereby. The Lender, however, shall have the right, immediately and without further action by it, to set off against this Agreement all money owed by the Lender in any capacity to each or any Obligor, whether or not due.

Borrower. The Borrower warrants and represents to Lender that it is a limited liability company duly formed, presently existing and in good standing under the laws of the State of

.

Waiver of Jury Trial. Borrower hereby voluntarily and irrevocably waives the right to a trial by jury in connection with any litigation, action or cause of action arising out of or by virtue of: (i) this instrument; or (ii) any other agreement or document executed or contemplated to be in connection with the Loan evidenced or secured hereby, or incident hereto; or (iii) any course of conduct, course of dealing, representation, statement or other action of any party in connection with the Loan. The parties to the Loan have discussed this waiver, have agreed that it is an essential and material part of their agreement concerning the Loan, and that no officer or representative of Lender has the authority to modify, orally or in writing, the terms of this paragraph. This agreement shall be binding on the Borrower, and, if applicable, on all Obligors as defined herein, and constitutes a material inducement for Lender entering into the Loan transaction.

Law. This Agreement is executed under seal and constitutes a contract under the laws of the State of , and shall be enforceable in a Court of competent jurisdiction in that State, regardless of in which jurisdiction this Agreement is being executed.

Headings. The headings of the paragraphs contained in this Agreement are for convenience of reference only and do not form a part hereof and in no way modify, interpret or construe the meaning of the parties hereto.

Identification. This Agreement consists of six (6) pages, all but the last of which have been signed only for identification by , the Authorized Agent of the Borrower, on behalf of the Borrower.

THE UNDERSIGNED ACKNOWLEDGES THAT THE LOAN EVIDENCED HEREBY IS FOR COMMERCIAL PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

EXECUTED on the day and year first written above.

Borrower:

, LLC

Lender:

, LLC

By: , its

By: , its

## Acknowledgement of Lender

STATE OF

COUNTY OF

On this day of \_, , before me, the undersigned, a Notary Public in and for the State of , duly commissioned and sworn, personally appeared , to me

known to be the of

, the Company that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that

is authorized to execute the said instrument and that the seal affixed is the corporate seal of said Company.

Witness my hand and seal the day and year first above written.

Notary Public residing at

My Commission Expires:

## Acknowledgement of Borrower

STATE OF

COUNTY OF

On this day of \_, , before me, the undersigned, a Notary Public in and for the State of , duly commissioned and sworn, personally appeared , to me

known to be the of

, the Company that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that

is authorized to execute the said instrument and that the seal affixed is the corporate seal of said Company.

Witness my hand and seal the day and year first above written.

Notary Public residing at

My Commission Expires:

# Promissory Note

$ .00

, 20

This Promissory Note (the "Note") is made and executed as of the date referred to above, by and between (the "Borrower"), promises to pay to the order of (the "Lender"). By this Note, the Borrower promises and agrees to pay to the order of Lender, at

or at such other place as Lender may designate in writing, the principal sum of Dollars ($ ), or the aggregate unpaid principal amount of all advances made by Lender to Borrower pursuant to the terms of a Revolving Line of Credit Agreement (the "Loan Agreement") of even date herewith, whichever is less, together with interest thereon from the date each advance is made until paid in full, both before and after judgment, at the rate of percent ( %) per annum, simple interest.

Borrower shall pay accrued interest on the outstanding principal balance under the Note on a monthly basis commencing on \_, 20 \_, and continuing on the fifteenth day of each month thereafter until paid in full. The entire unpaid principal balance, together with any accrued interest and other unpaid charges or fees hereunder, shall be due and payable on

, 20 (the "Maturity Date").

This Note shall be secured by the following real property:

Address County

Prepayment in whole or part may occur at any time hereunder without penalty; provided that the Lender shall be provided with not less than ten (10) days notice of the Borrower's intent to pre-pay; and provided further that any such partial prepayment shall not operate to postpone or suspend the obligation to make, and shall not have the effect of altering the time for payment of the remaining balance of the Note as provided for above, unless and until the entire obligation is paid in full. All payments received hereunder shall be applied, first, to any costs or expenses incurred by Lender in collecting such payment or to any other unpaid charges or expenses due hereunder; second, to accrued interest; and third, to principal.

An event of default will occur if any of the following events occurs: (a) failure to pay any principal or interest hereunder within ten (10) days after the same becomes due; (b) if any representation or warranty made by Borrower in the Loan Agreement or in connection with any borrowing or request for an advance thereunder, or in any certificate, financial statement, or other statement furnished by Borrower to Lender is untrue in any material respect at the time when made; (c) default by Borrower in the observance or performance of any other covenant or agreement contained in the Loan Agreement; (d) filing by Borrower of a voluntary petition in bankruptcy seeking reorganization, arrangement or readjustment of debts, or any other relief under the Bankruptcy Code as amended or under any other insolvency act or law, state or federal, now or hereafter existing; or (e) filing of an involuntary petition against Borrower in bankruptcy seeking reorganization, arrangement or readjustment of debts, or any

other relief under the Bankruptcy Code as amended, or under any other insolvency act or law, state or federal, now or hereafter existing, and the continuance thereof for sixty (60) days undismissed, unbonded, or undischarged.

Any notice or demand to be given to the parties hereunder shall be deemed to have been given to and received by them and shall be effective when personally delivered or when deposited in the U.S. mail, certified or registered mail, return receipt requested, postage prepaid, and addressed to the party at his or its last known address, or at such other address as the one of the parties may hereafter designate in writing to the other party.

The Borrower hereof waives presentment for payment, protest, demand, notice of protest, notice of dishonor, and notice of nonpayment, and expressly agrees that this Note, or any payment hereunder, may be extended from time to time by the Lender without in any way affecting its liability hereunder.

In the event any payment under this Note is not made at the time and in the manner required, the Borrower agrees to pay any and all costs and expenses which may be incurred by the Lender hereof in connection with the enforcement of any of its rights under this Note or under any such other instrument, including court costs and reasonable attorneys' fees. This Note shall be governed by and construed and enforced in accordance with the laws of .

EXECUTED on the day and year first written above.

Borrower:

, LLC

By: , its

## Acknowledgement of Borrower

STATE OF

COUNTY OF

On this day of \_, , before me, the undersigned, a Notary Public in and for the State of , duly commissioned and sworn, personally appeared , to me known to be the of , the Company that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that is authorized to execute the said instrument and that the seal affixed is the corporate seal of said Company.

Witness my hand and seal the day and year first above written.

Notary Public residing at

My Commission Expires:

# Agreement Of

**, LLC**

**A Limited Liability Company To Obtain Line of Credit**

It was resolved that it is in the best interests of the LLC to obtain a line of credit for borrowing funds from .

, manager of the LLC, is authorized to complete all necessary forms, documents, and notes and to pledge as security for the loan any LLC assets necessary to obtain and use the line of credit.

It was further decided that the authority granted by this resolution is not limited.

Dated this day of \_, 20

On Behalf of

, LLC

# Agreement Of

**, LLC**

**A Limited Liability Company to Loan Money**

It was resolved that the Company shall enter into a line of credit agreement with

, agreeing to advance said company no more than

$ .

Dated this day of \_, 20

On Behalf of

, LLC

WHEN RECORDED RETURN TO:

This space reserved for Recorder’s use

## DEED OF TRUST

THIS DEED OF TRUST, made and entered into this day by and between

, whose addresses is

hereinafter designated as "Grantor", and , hereinafter designated as Trustee, and

, whose address is

, hereinafter designated as Beneficiary WITNESSETH:

WHEREAS, Grantor is indebted to Beneficiary evidenced by a Promissory Note of even date herewith in favor of Beneficiary, providing for payment of attorney's fees for collection if not paid according to the terms thereof and being due and payable as set forth below:

Note in the amount of Dollars and No Cents, together with % annual interest and

payable in full on or before

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

WHEREAS, Grantor desires to secure prompt payment of (a) the indebtedness described above according to its terms and any extensions thereof, (b) any additional and future advances with interest thereon which Beneficiary may make to Grantor as provided in Paragraph 1, (c) any other indebtedness which Grantor may now or hereafter owe to Beneficiary as provided in Paragraph 2 and (d) any advances with interest which Beneficiary may make to protect the property herein conveyed as provided in Paragraphs 3, 4, 5 and 6 (all being herein referred to as the "indebtedness").

NOW THEREFORE, in consideration of the indebtedness herein recited, Grantor hereby conveys and warrants unto Trustee the land described below situated in the County of , State of , and particularly described as follows:

together with all improvements and appurtenances now or hereafter erected on, and all fixtures of

any and every description now or hereafter attached to, said land (all being herein referred to as the "Property").

THIS CONVEYANCE, HOWEVER, IS IN TRUST (subject to the covenants, stipulations and conditions below), to secure prompt payment of all existing and future indebtedness due by Grantor to Beneficiary under the provisions of this Deed of Trust. If Grantor shall pay said indebtedness promptly when due and shall perform all covenants made by Grantor, then this conveyance shall be void and of no effect. If Grantor shall be in default as provided in Paragraph 9, then, in that event, the entire indebtedness, together with all interest accrued thereon, shall, at the option of Beneficiary, be and become at once due and payable without notice to Grantor, and Trustee shall, at the request of Beneficiary, sell the Property conveyed, or a sufficiency thereof, to satisfy the indebtedness at public outcry to the highest bidder for cash in accordance with the laws of the state in which the property is located.

Should Beneficiary be a corporation or an unincorporated association, then any officer thereof may declare Grantor to be in default as provided in Paragraph 9 and request Trustee to sell the Property. Beneficiary shall have the same right to purchase the property at the foreclosure sale, as would a purchaser who is not a Party to this Deed of Trust.

From the proceeds of the sale Trustee shall first pay all costs of the sale including reasonable compensation to the Trustee; then the indebtedness due Beneficiary by Grantor, including accrued interest and attorney's fees due for collection of the debt; and then, lastly, any balance remaining to Grantor.

IT IS AGREED that this conveyance is made subject to the covenants, stipulations and conditions set forth below which shall be binding upon all parties hereto.

* 1. This Deed of Trust shall also secure all future and additional advances which Beneficiary may make to Grantor from time to time upon the security herein conveyed. Such advances shall be optional with Beneficiary and shall be on such terms as to amount, maturity and rate of interest as may be mutually agreeable to both Grantor and Beneficiary. Any such advance may be made to any one of the Grantors should there be more than one, and if so made, shall be secured by this Deed of Trust to the same extent as if made to all Grantors. However, on all transactions covered by Truth in Lending, when Grantor's notes, debts, obligations and liabilities to Beneficiary (in any form) arising out of existing, concurrent and future credit granted by Beneficiary are secured by this Deed of Trust, it will be so indicated on the document that evidences the transaction. Therefore this Deed of Trust will in no way secure any form of credit governed by the Truth in Lending Act unless the document which evidences the Credit Transaction indicates by proper disclosure that the Transaction is secured by this Deed of Trust.
  2. This Deed of Trust shall also secure any and all other indebtedness of Grantor due to Beneficiary with interest thereon as specified, or of any one of the Grantors should there be more than one, whether direct or contingent, primary or secondary, sole, joint or

several, now existing or hereafter arising at any time before cancellation of this Deed of Trust. Such indebtedness may be evidenced by note, open account, overdraft, endorsement, guaranty or otherwise. However, on all transactions covered by Truth in Lending, when Grantor's notes, debts, obligations and liabilities to Beneficiary (in any form) arising out of existing, concurrent and future credit granted by Beneficiary are secured by this Deed of Trust, it will be so indicated on the document that evidences the transaction. Therefore this Deed of Trust will in no way secure any form of credit governed by the Truth in Lending Act unless the document which evidences the Credit Transaction indicates by proper disclosure that the Transaction is secured by this Deed of Trust.

* 1. Grantor shall keep all improvements on the land herein conveyed insured against fire, all hazards included within the term "extended coverage", flood in areas designated by the

U. S. Department of Housing and Urban Development as being subject to overflow and such other hazards as Beneficiary may reasonable require in such amounts as Grantor may determine but for not less than the indebtedness secured by this Deed of Trust. All policies shall be written by reliable insurance companies acceptable to Beneficiary, shall include standard loss payable clauses in favor of Beneficiary and shall be delivered to Beneficiary, Grantor shall promptly pay when due all premiums charged for such insurance, and shall furnish Beneficiary the premium receipts for inspection. Upon Grantor's failure to pay the premiums, Beneficiary shall have the right, but not the obligation, to pay such premiums. In the event of a loss covered by the insurance in force, Grantor shall promptly notify Beneficiary who may make proof of loss if timely proof is not made by Grantor. All loss payments shall be made directly to Beneficiary as loss payee who may either apply the proceeds to the repair or restoration of the damaged improvements or to the indebtedness of Grantor, or release such proceeds in whole or in part to Grantor.

* 1. Grantor shall pay all taxes and assessments, general or special, levied against the Property or upon the Interest of Trustee or Beneficiary therein, during the term of this Deed of Trust before such taxes or assessments become delinquent, and shall furnish Beneficiary the tax receipts for inspection. Should Grantor fail to pay all taxes and assessments when due, Beneficiary shall have the right, but not the obligation, to make these payments.
  2. Grantor shall keep the Property in good repair and shall not permit or commit waste, impairment or deterioration thereof. Grantor shall use the Property for lawful purposes only. Beneficiary may make or arrange to be made entries upon and inspections of the Property after first giving Grantor notice prior to any inspection specifying a just cause related to Beneficiary's interest in the Property. Beneficiary shall have the right, but not the obligation, to cause needed repairs to be made to the Property after first affording Grantor a reasonable opportunity to make the repairs.

Should the purpose of the primary indebtedness for which this Deed of Trust is given as

security be for construction of improvements on the land herein conveyed, Beneficiary shall have the right to make or arrange to be made entries upon the Property and inspections of the construction in progress. Should Beneficiary determine that Grantor is failing to perform such construction in a timely and satisfactory manner, Beneficiary shall have the right, but not the obligation, to take charge of and proceed with the construction at the expense of Grantor after first affording Grantor a reasonable opportunity to continue the construction in a manner agreeable to Beneficiary.

* 1. Any sums advanced by Beneficiary for Insurance, taxes, repairs or construction as provided in Paragraphs 3, 4 and 5 shall be secured by this Deed of Trust as advances made to protect the Property and shall be payable by Grantor to Beneficiary, with interest at the rate specified in the note representing the primary indebtedness, within thirty days following written demand for payment sent by Beneficiary to Grantor by certified mail. Receipts for insurance premiums, taxes and repair or construction costs for which Beneficiary has made payment shall serve as conclusive evidence thereof.
  2. As additional security Grantor hereby assigns to Beneficiary all rents accruing on the Property. Grantor shall have the right to collect and retain the rents as long as Grantor is not in default as provided in Paragraph 9. In the event of default, Beneficiary in person, by an agent or by a judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and collect the rents. All rents so collected shall be applied first to the costs of managing the Property and collecting the rents, including fees for a receiver and an attorney, commissions to rental agents, repairs and other necessary related expenses and then to payments on the indebtedness.
  3. This Deed of Trust (indenture) may not be assumed by any buyer from Grantor. Any attempted transfer of any interest in this property (including, but not limited to possession) will constitute a default and Beneficiary may accelerate the entire balance of the indebtedness.
  4. If Beneficiary elects to exercise the option to accelerate, Beneficiary shall send Grantor notice of acceleration by certified mail. Such notice shall provide a period of thirty days from the date of mailing within which Grantor may pay the indebtedness in full. If Grantor fails to pay such indebtedness prior to the expiration of thirty days, Beneficiary may, without further notice to Grantor, invoke any remedies set forth in this Deed of Trust.
  5. Grantor shall be in default under the provisions of the Deed of Trust if Grantor (a) shall fail to comply with any of Grantor's covenants or obligations contained herein, (b) shall fail to pay any of the indebtedness secured hereby, or any installment thereof or interest thereon, as such indebtedness, installment or interest shall be due by contractual agreement or by acceleration, (c) shall become bankrupt or insolvent or be placed in receivership, (d) shall, if a corporation, a partnership or an unincorporated association be dissolved voluntarily or involuntarily, or (e) if Beneficiary in good faith deems itself

insecure and its prospect of repayment seriously impaired.

* 1. Beneficiary may at any time, without giving formal notice to the original or any successor Trustee, or to Grantor, and without regard to the willingness or inability of any such Trustee to execute this trust, appoint another person or succession of persons to act as Trustee, and such appointee in the execution of this trust shall have all the powers vested in and obligations imposed upon Trustee. Should Beneficiary be a corporation or an unincorporated association, then any officer thereof may make such appointment.
  2. Each privilege, option or remedy provided in this Deed of Trust to Beneficiary is distinct from every other privilege, option or remedy contained herein or afforded by law or equity, and may be exercised independently, concurrently, cumulatively or successively by Beneficiary or by any other owner or holder of the indebtedness. Forbearance by Beneficiary in exercising any privilege, option or remedy after the right to do so has accrued shall not constitute a waiver of Beneficiary's right to exercise such privilege, option or remedy in event of any subsequent accrual.
  3. The words "Grantor" or "Beneficiary" shall each embrace one individual, two or more individuals, a corporation, a partnership or an unincorporated association, depending on the recital herein of the parties to this Deed of Trust. The covenants herein contained shall bind, and the benefits herein provided shall inure to, the respective legal or personal representatives, successors or assigns of the parties hereto subject to the provisions of Paragraph 8. If there be more than one Grantor, then Grantor's obligations shall be joint and several. Whenever in this Deed of Trust the context so requires, the singular shall include the plural and the plural the singular. Notices required herein from Beneficiary to Grantor shall be sent to the address of Grantor shown in the Deed of Trust.
  4. If any provision of this deed of trust shall be declared invalid, the intent of the parties is that the remaining provisions shall remain in full force and effect and shall be enforced.
  5. This deed of trust shall be governed by the laws of the State of .

In WITNESS WHEREOF, Grantor has executed this Deed of Trust on the day of

, 20 .

, Grantor Date

, Grantor Date

|  |  |
| --- | --- |
| State of | ) |
| )ss. | |
| County of | ) |

On before me, \_, notary public, personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)

My Commission Expires:

WHEN RECORDED RETURN TO:

This space reserved for Recorder’s use

## SECOND DEED OF TRUST

THIS DEED OF TRUST, made and entered into this day by and between

, whose addresses is

hereinafter designated as "Grantor", and , hereinafter designated as Trustee, and

, whose address is

, hereinafter designated as Beneficiary WITNESSETH:

WHEREAS, Grantor is indebted to Beneficiary evidenced by a Promissory Note of even date herewith in favor of Beneficiary, providing for payment of attorney's fees for collection if not paid according to the terms thereof and being due and payable as set forth below:

Note in the amount of Dollars and No Cents, together with % annual interest and

payable in full on or before

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

WHEREAS, Grantor desires to secure prompt payment of (a) the indebtedness described above according to its terms and any extensions thereof, (b) any additional and future advances with interest thereon which Beneficiary may make to Grantor as provided in Paragraph 2, (c) any other indebtedness which Grantor may now or hereafter owe to Beneficiary as provided in Paragraph 3 and (d) any advances with interest which Beneficiary may make to protect the property herein conveyed as provided in Paragraphs 4, 5, 6 and 7 (all being herein referred to as the "indebtedness").

NOW THEREFORE, in consideration of the indebtedness herein recited, Grantor hereby conveys and warrants unto Trustee the land described below situated in the County of , State of , and particularly described as follows:

together with all improvements and appurtenances now or hereafter erected on, and all fixtures of any and every description now or hereafter attached to, said land (all being herein referred to as the "Property").

THIS CONVEYANCE, HOWEVER, IS IN TRUST (subject to the covenants,

stipulations and conditions below), to secure prompt payment of all existing and future indebtedness due by Grantor to Beneficiary under the provisions of this Deed of Trust. If Grantor shall pay said indebtedness promptly when due and shall perform all covenants made by Grantor, then this conveyance shall be void and of no effect. If Grantor shall be in default as provided in Paragraph 9, then, in that event, the entire indebtedness, together with all interest accrued thereon, shall, at the option of Beneficiary, be and become at once due and payable without notice to Grantor, and Trustee shall, at the request of Beneficiary, sell the Property conveyed, or a sufficiency thereof, to satisfy the indebtedness at public outcry to the highest bidder for cash in accordance with the laws of the state in which the property is located.

Should Beneficiary be a corporation or an unincorporated association, then any officer thereof may declare Grantor to be in default as provided in Paragraph 9 and request Trustee to sell the Property. Beneficiary shall have the same right to purchase the property at the foreclosure sale, as would a purchaser who is not a Party to this Deed of Trust.

From the proceeds of the sale Trustee shall first pay all costs of the sale including reasonable compensation to the Trustee; then the indebtedness due Beneficiary by Grantor, including accrued interest and attorney's fees due for collection of the debt; and then, lastly, any balance remaining to Grantor.

IT IS AGREED that this conveyance is made subject to the covenants, stipulations and conditions set forth below which shall be binding upon all parties hereto.

1. This Deed of Trust is subject to that First Deed of Trust dated in favor of

recorded in the records of the County

on , as Daily No. ("Prior Mortgage")

1. This Deed of Trust shall also secure all future and additional advances which Beneficiary may make to Grantor from time to time upon the security herein conveyed. Such advances shall be optional with Beneficiary and shall be on such terms as to amount, maturity and rate of interest as may be mutually agreeable to both Grantor and Beneficiary. Any such advance may be made to any one of the Grantors should there be more than one, and if so made, shall be secured by this Deed of Trust to the same extent as if made to all Grantors. However, on all transactions covered by Truth in Lending, when Grantor's notes, debts, obligations and liabilities to Beneficiary (in any form) arising out of existing, concurrent and future credit granted by Beneficiary are secured by this Deed of Trust, it will be so indicated on the document that evidences the transaction. Therefore this Deed of Trust will in no way secure any form of credit governed by the Truth in Lending Act unless the document which evidences the Credit Transaction indicates by proper disclosure that the Transaction is secured by this Deed of Trust.
2. This Deed of Trust shall also secure any and all other indebtedness of Grantor due to Beneficiary with interest thereon as specified, or of any one of the Grantors should there be more than one, whether direct or contingent, primary or secondary, sole, joint or

several, now existing or hereafter arising at any time before cancellation of this Deed of Trust. Such indebtedness may be evidenced by note, open account, overdraft, endorsement, guaranty or otherwise. However, on all transactions covered by Truth in Lending, when Grantor's notes, debts, obligations and liabilities to Beneficiary (in any form) arising out of existing, concurrent and future credit granted by Beneficiary are secured by this Deed of Trust, it will be so indicated on the document that evidences the transaction. Therefore this Deed of Trust will in no way secure any form of credit governed by the Truth in Lending Act unless the document which evidences the Credit Transaction indicates by proper disclosure that the Transaction is secured by this Deed of Trust.

1. Grantor shall keep all improvements on the land herein conveyed insured against fire, all hazards included within the term "extended coverage", flood in areas designated by the

U. S. Department of Housing and Urban Development as being subject to overflow and such other hazards as Beneficiary may reasonable require in such amounts as Grantor may determine but for not less than the indebtedness secured by this Deed of Trust. All policies shall be written by reliable insurance companies acceptable to Beneficiary, shall include standard loss payable clauses in favor of Beneficiary and shall be delivered to Beneficiary, Grantor shall promptly pay when due all premiums charged for such insurance, and shall furnish Beneficiary the premium receipts for inspection. Upon Grantor's failure to pay the premiums, Beneficiary shall have the right, but not the obligation, to pay such premiums. In the event of a loss covered by the insurance in force, Grantor shall promptly notify Beneficiary who may make proof of loss if timely proof is not made by Grantor. All loss payments shall be made directly to Beneficiary as loss payee who may either apply the proceeds to the repair or restoration of the damaged improvements or to the indebtedness of Grantor, or release such proceeds in whole or in part to Grantor.

1. Grantor shall pay all taxes and assessments, general or special, levied against the Property or upon the Interest of Trustee or Beneficiary therein, during the term of this Deed of Trust before such taxes or assessments become delinquent, and shall furnish Beneficiary the tax receipts for inspection. Should Grantor fail to pay all taxes and assessments when due, Beneficiary shall have the right, but not the obligation, to make these payments.
2. Grantor shall keep the Property in good repair and shall not permit or commit waste, impairment or deterioration thereof. Grantor shall use the Property for lawful purposes only. Beneficiary may make or arrange to be made entries upon and inspections of the Property after first giving Grantor notice prior to any inspection specifying a just cause related to Beneficiary's interest in the Property. Beneficiary shall have the right, but not the obligation, to cause needed repairs to be made to the Property after first affording Grantor a reasonable opportunity to make the repairs.

Should the purpose of the primary indebtedness for which this Deed of Trust is given as

security be for construction of improvements on the land herein conveyed, Beneficiary shall have the right to make or arrange to be made entries upon the Property and inspections of the construction in progress. Should Beneficiary determine that Grantor is failing to perform such construction in a timely and satisfactory manner, Beneficiary shall have the right, but not the obligation, to take charge of and proceed with the construction at the expense of Grantor after first affording Grantor a reasonable opportunity to continue the construction in a manner agreeable to Beneficiary.

1. Any sums advanced by Beneficiary for Insurance, taxes, repairs or construction as provided in Paragraphs 3, 4 and 5 shall be secured by this Deed of Trust as advances made to protect the Property and shall be payable by Grantor to Beneficiary, with interest at the rate specified in the note representing the primary indebtedness, within thirty days following written demand for payment sent by Beneficiary to Grantor by certified mail. Receipts for insurance premiums, taxes and repair or construction costs for which Beneficiary has made payment shall serve as conclusive evidence thereof.
2. As additional security Grantor hereby assigns to Beneficiary all rents accruing on the Property. Grantor shall have the right to collect and retain the rents as long as Grantor is not in default as provided in Paragraph 9. In the event of default, Beneficiary in person, by an agent or by a judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and collect the rents. All rents so collected shall be applied first to the costs of managing the Property and collecting the rents, including fees for a receiver and an attorney, commissions to rental agents, repairs and other necessary related expenses and then to payments on the indebtedness.
3. This Deed of Trust (indenture) may not be assumed by any buyer from Grantor. Any attempted transfer of any interest in this property (including, but not limited to possession) will constitute a default and Beneficiary may accelerate the entire balance of the indebtedness.
4. If Beneficiary elects to exercise the option to accelerate, Beneficiary shall send Grantor notice of acceleration by certified mail. Such notice shall provide a period of thirty days from the date of mailing within which Grantor may pay the indebtedness in full. If Grantor fails to pay such indebtedness prior to the expiration of thirty days, Beneficiary may, without further notice to Grantor, invoke any remedies set forth in this Deed of Trust.
5. Grantor shall be in default under the provisions of the Deed of Trust if Grantor (a) shall fail to comply with any of Grantor's covenants or obligations contained herein, (b) shall fail to pay any of the indebtedness secured hereby, or any installment thereof or interest thereon, as such indebtedness, installment or interest shall be due by contractual agreement or by acceleration, (c) shall become bankrupt or insolvent or be placed in receivership, (d) shall, if a corporation, a partnership or an unincorporated association be dissolved voluntarily or involuntarily, or (e) if Beneficiary in good faith deems itself

insecure and its prospect of repayment seriously impaired.

1. Beneficiary may at any time, without giving formal notice to the original or any successor Trustee, or to Grantor, and without regard to the willingness or inability of any such Trustee to execute this trust, appoint another person or succession of persons to act as Trustee, and such appointee in the execution of this trust shall have all the powers vested in and obligations imposed upon Trustee. Should Beneficiary be a corporation or an unincorporated association, then any officer thereof may make such appointment.
2. Each privilege, option or remedy provided in this Deed of Trust to Beneficiary is distinct from every other privilege, option or remedy contained herein or afforded by law or equity, and may be exercised independently, concurrently, cumulatively or successively by Beneficiary or by any other owner or holder of the indebtedness. Forbearance by Beneficiary in exercising any privilege, option or remedy after the right to do so has accrued shall not constitute a waiver of Beneficiary's right to exercise such privilege, option or remedy in event of any subsequent accrual.
3. The words "Grantor" or "Beneficiary" shall each embrace one individual, two or more individuals, a corporation, a partnership or an unincorporated association, depending on the recital herein of the parties to this Deed of Trust. The covenants herein contained shall bind, and the benefits herein provided shall inure to, the respective legal or personal representatives, successors or assigns of the parties hereto subject to the provisions of Paragraph 8. If there be more than one Grantor, then Grantor's obligations shall be joint and several. Whenever in this Deed of Trust the context so requires, the singular shall include the plural and the plural the singular. Notices required herein from Beneficiary to Grantor shall be sent to the address of Grantor shown in the Deed of Trust.
4. If any provision of this deed of trust shall be declared invalid, the intent of the parties is that the remaining provisions shall remain in full force and effect and shall be enforced.
5. This deed of trust shall be governed by the laws of the State of .

In WITNESS WHEREOF, Grantor has executed this Deed of Trust on the day of

, 20 .

, Grantor Date

, Grantor Date

|  |  |
| --- | --- |
| State of | ) |
| )ss. | |
| County of | ) |

On before me, \_, notary public, personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)

My Commission Expires: