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Prepared by and mail after recording to:
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2840 Plaza Place
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Raleigh, North Carolina 27612

The collateral includes fixtures.

CITY DEED OF TRUST

(Real Property, Improvements and Other Property)

THIS CITY DEED OF TRUST (the “Deed of Trust”) made this ___th day of _____, 202__, by and between _____, a North Carolina nonprofit corporation (hereinafter referred to as “Grantor”) and **SUSAN Y. ELLINGER** (hereinafter “Trustee”) and the owner and holder of a promissory note, the **CITY OF CHARLOTTE, NORTH CAROLINA**, a municipal corporation chartered by the State of North Carolina (hereinafter “Beneficiary” or “City”); and

WHEREAS, Grantor is indebted to Beneficiary for money advanced and/or to be advanced pursuant to that certain Acquisition Rehabilitation and Resell Development Agreement dated _____, 2024 between Grantor and Beneficiary (hereinafter called the “Agreement”), to finance the acquisition and rehabilitation of a home owned by the Beneficiary and described in Exhibit A attached hereto (the “Property”), as evidenced by that City Note dated _____, 2024 by Grantor in the principal amount of _____ **and xx/100 Dollars (\$ _____)** bearing interest and being payable as set forth therein (hereinafter called the “Note”); and

WHEREAS, to induce Beneficiary to make said loan, Grantor agreed to execute this Deed of Trust as security for the full and punctual payment of said Note and of the indebtedness evidenced thereby and the interest thereon, and of any renewal, refinancing, extension, amendment, replacement or substitution of said Note, and the full performance of all the provisions, agreements and covenants therein and herein contained in the Agreement; and

WHEREAS, this Deed of Trust is given to secure present and/or future obligations of the Grantor as more particularly described below.

NOW, THEREFORE, in consideration of the debt and trust herein mentioned and created and in further consideration of the sum of One Dollar (\$1.00) paid by the Trustee to Grantor, receipt of which is hereby acknowledged, the Grantor has granted, bargained,

sold, assigned, and conveyed and does by these presents grant, bargain, sell, assign, and convey unto the said Trustee, her heirs, successors and assigns, with power of sale, interest, Improvements, Fixtures and Personalty and Other Rights and Property (all of which, together with the Land, as defined below, are referred to collectively as the “Property”), more particularly described as follows:

SAMPLE

1. all that certain Lot and parcel of land more particularly described within Exhibit A attached hereto, together with any and all privileges and appurtenances thereto (the "Land"); and

2. all buildings, structures and other improvements of every nature whatsoever now or hereafter situated on the Land (the "Improvements"); and

3. all fixtures, equipment, general intangibles, inventory and personal property of every kind and nature whatsoever, now or hereafter owned by Grantor and/or located in, on, about or attached to the Improvements or used or intended to be used with or in connection with the use, operation, maintenance or enjoyment of the Improvements or relating or appertaining thereto, and all extensions, additions, improvements, betterments, renewals, replacements or proceeds (including, but not limited to, insurance and condemnation proceeds) of the foregoing, including, but not limited to, all goods, furniture, appliances, furnishings, apparatus, machinery, equipment, motors, fittings, ranges, refrigerators, awnings, shades, screens, blinds, carpeting, office equipment and other furnishings and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air conditioning and sprinkler equipment, telephone systems, television and television systems, computer systems and appurtenances thereto and all renewals or replacements thereof or articles in substitution thereof, all of which are hereby declared and shall be deemed to be accessions and a part of the Improvements as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the indebtedness herein mentioned and to be covered by this Deed of Trust (the "Fixtures and Personalty"); and

4. all articles of personal property (including software embedded therein) now owned or hereafter acquired by Grantor and attached to, placed upon for an indefinite term, or used in connection with the Land and/or Improvements, together with all goods and other property that are, or at any time become, related to the Property that an interest in them arises under real estate law, or they are otherwise adjudged to be a "fixture" under applicable law (each a "Fixture," collectively "Fixtures"); and

5. all easements, rights-of-way, gores of land, utility vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating to or appertaining to the Project, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Grantor, and the reversion and reversions, remainder and remainders, and all rents, issues, profits, revenues thereof (including, but not limited to, all condemnation payments, insurance proceeds, payments under leases and tenancies, sale proceeds, purchase deposits, tenant security deposits and escrow funds), and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Grantor of, in and to the same (the "Other Rights and Property").

TO HAVE AND TO HOLD, the Property, with all rights, privileges and appurtenances thereunto belonging to Trustee, upon the trusts and for the uses and purposes hereinafter set out.

GRANTOR COVENANTS with Trustee and Beneficiary (and their respective heirs, successors, substitutes and assigns) as follows:

1. **Future Advances.** This Deed of Trust secures all present and future loan disbursements made by the Beneficiary under the Note, and all other sums from time to time owing to the Beneficiary by the Grantor under the Agreement. The amount of the present disbursement secured hereby is _____ and xx/100 Dollars (\$ _____), and the maximum principal amount which may be secured hereby at any one time is _____ and xx/100 Dollars (\$ _____). The time period within which such future disbursements are to be made is the period between the date hereof and the date thirty (30) years from the date hereof.

2. **City Note Payments.** Grantor shall make timely payments of principal and interest on the above-mentioned Note in the amounts, in the manner, and at the place set forth therein. This Deed of Trust secures payment of said Note as well as any amounts advanced or paid by the City pursuant to the Agreement, according to the terms thereof, each of which are incorporated herein by reference.

3. **Taxes and Charges.** Grantor shall pay all taxes, charges and assessments which may become a lien upon the Property hereby conveyed before any penalty or interest accrues thereon and shall promptly deliver to Beneficiary official receipts evidencing payment thereof. Grantor shall pay all recording fees, filing fees and documentary stamp taxes associated with the recording of this Deed of Trust and any modifications, extensions or amendments thereto.

4. **Insurance.** Grantor shall continually maintain insurance against loss by fire, hazards included in the term “extended coverage” and such other hazards including flood as Beneficiary may reasonably require in such a manner and in such companies as Beneficiary may from time to time reasonably require on the improvements now or hereafter located on the Property and shall promptly pay all premiums, therefore, when due.

5. **Care of Property.** Grantor will keep the Property in good order and repair and will not commit or permit any waste, deterioration, impairment or any other thing whereby the value of the Property might be impaired. Grantor will not remove or demolish any building or materially alter any part or all of the Property without the written consent of Beneficiary, which shall not be unreasonably withheld, conditioned or delayed.

6. **Compliance with Laws.** Grantor shall promptly comply with any applicable legal requirements of the State of North Carolina or other governmental entity, agency or instrumentality relating to the use or condition of the Property.

7. **Condemnation Award.** Subject to the requirements of any senior lender, any award for the taking of, or damages to, all or any part of the Property or any interest therein upon the lawful exercise of power of eminent domain shall be payable to Beneficiary who, after deducting its expenses, including attorneys’ fees, may apply the sums so received to the portion of the Note hereby secured last falling due or in such other manner as Beneficiary may desire. Grantor agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as Beneficiary may require.

8. **Insurance and Condemnation Proceeds.** Grantor further authorizes Beneficiary, at Beneficiary's option and in Beneficiary's sole discretion, subject to the rights of any senior lender, and regardless of whether there is any impairment of the Property, (i) to apply the balance of such proceeds, or any portion of them, to pay or prepay some or all of the amounts due under the Note in such order or proportion as Beneficiary may determine, or (ii) to hold the balance of such proceeds, or any portion of them, in an interest-bearing account to be used for the cost of reconstruction, repair or alteration of the Property, or (iii) to release the balance of such proceeds, or any portion of them, to Grantor. If the proceeds are held by Beneficiary to be used to reimburse Grantor for the costs of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition, or such other condition as Beneficiary may approve in writing, which shall not be unreasonably withheld, conditioned or delayed. Beneficiary may, at Beneficiary's option, condition disbursement of the proceeds on Beneficiary's approval of such plans and specifications prepared by an architect satisfactory to Beneficiary, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen, and such other evidence of costs, percentage of completion of construction, application of payments, and satisfaction of liens as Beneficiary may reasonably require.

9. **Payments by Beneficiary.** If Grantor shall be in default in the timely payment or performance of any obligation under this Deed of Trust, the Note or the Agreement hereby secured, Beneficiary, at its option and without any obligation on its part to determine the validity or necessity thereof, may pay the sums for which Grantor is obligated. Further, Beneficiary, at its option, may advance, pay, or expend such sums as may be proper and necessary for the protection of the Property and the maintenance of this trust including but not limited to sums to satisfy taxes or other levies, and assessments, liens, and/or encumbrances, to maintain insurance (including title insurance), to make repairs, to provide security guards, or to intervene in any condemnation proceedings or foreclosures or other proceedings or disputes affecting the Property or as may otherwise be permitted by the Agreement. Any amounts so advanced, paid or expended shall be deemed principal advances secured by this Deed of Trust (even though when added to other advances the sum thereof may exceed the face amount of the Note), shall bear interest from the time advanced, paid or expended at the rate prescribed in the Note secured hereby and be secured by this Deed of Trust and its payment enforced as if it were part of the original debt. Any sum expended, paid or advanced under this paragraph shall be at Beneficiary's sole option and shall not constitute a waiver of any default or right arising from the breach by Grantor of any covenant or agreement contained herein or in the Note or the Agreement.

10. **Substitute Trustees.** Beneficiary shall have the unqualified right to remove the Trustee and to appoint one or more substitute or successor Trustees by instruments filed for registration in the Office of the Register of Deeds of Mecklenburg County, North Carolina. Any such removal or appointment may be made any time without notice, without specifying any reason therefor and without any court approval. Any such appointee shall become vested with title to the Property and with all rights, powers and duties conferred upon the Trustee herein in the same manner and to the same effect as though he or she were named herein as the original Trustee. The necessity of the Trustee herein named, or any successor in trust, making oath or giving bond is expressly waived.

11. **Attorneys' Fees.** In the event that Grantor shall default in its obligations hereunder and in the reasonable opinion of Trustee it becomes necessary or proper to employ an attorney to enforce compliance by Grantor with any of the provisions herein contained, or in the event the Trustee voluntarily or otherwise shall become a party to any suit or legal proceeding (including a proceeding conducted

under the Bankruptcy Code) to protect the Property herein conveyed or to protect the lien of the Deed of Trust, Grantor agrees to pay reasonable attorney's fees and all of the costs that may reasonably be incurred and such fees and costs shall be secured by this Deed of Trust and its payment enforced as if it were a part of the Note. Grantor shall be liable for such reasonable attorney's fees and costs of Trustee whether or not any suit or proceeding is commenced.

12. **Anti-Marshalling Provision.** The right is hereby given by Grantor to Trustee and Beneficiary to make a partial release or releases of security hereunder provided Grantor is not in default under the Note or the Agreement, (whether or not such releases are required by agreement among the parties) agreeable to Trustee and Beneficiary without notice to, or the consent, approval or agreement of other parties in interest, including junior lienors and purchasers subject to this lien, which partial release or releases shall not impair in any manner the validity of or priority of this Deed of Trust on the Property remaining hereunder. Notwithstanding the existence of any other security interests in the Property held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Beneficiary shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Grantor, any party who consents to this or who has actual or constructive notice hereof, hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

13. **Notice to Grantor.** All notices required to be given to Grantor shall be mailed or delivered to Grantor at the address stated herein or such other address as given in writing to Beneficiary, with a copy to the Grantor's investor member at the address set forth in the Agreement.

14. **Notice to Beneficiary.** All notices required to be given to Beneficiary by Grantor or any intervening lienor or encumbrancer shall be mailed or delivered to Beneficiary, at the address stated herein or at such other address given to Grantor in writing.

15. **Transfer of Property.** If all or any part of the Property or any interest therein is sold, leased or otherwise transferred by deed, land sales contract or any other means, except by easement, and/or license agreement reasonably necessary or desirable for the development and/or operation of the Property for the purposes described in the Agreement, including the execution or enforcement of any lien, security interest or other right whether subordinate, superior or equal to this Deed of Trust, without Beneficiary's prior written consent, Beneficiary may, at Beneficiary's option, declare all sums secured by this Deed of Trust to be immediately due and payable.

16. **Uniform Commercial Code Security Agreement.** This Deed of Trust constitutes a security agreement with respect to property referred to herein which may be subject to a security interest pursuant to the Uniform Commercial Code, and Grantor hereby grants Beneficiary a security interest in said property (and the proceeds thereof) included in the Project which might be deemed "personal property". If there is any conflict between this security agreement and another security agreement to Beneficiary, this security agreement will control as to fixtures and the other security agreement(s) will control as to non-fixtures. Grantor agrees that this Deed of Trust is a financing statement filed as a fixture filing for the goods described herein which are or are to become fixtures. At Beneficiary's request, Grantor agrees to execute such other financing statements, extensions or amendments or other security agreements as Beneficiary may require to perfect a security interest with respect to the Property or other property. In the event of default, Beneficiary shall have, in addition to its other remedies, all rights and remedies provided for in the Uniform Commercial Code as enacted in North Carolina.

17. **Appointment of Receiver.** Beneficiary may immediately, after any default, under the terms and conditions of the Deed of Trust, apply for the appointment of a receiver of the rents, income and profits from said Property, without notice, and Beneficiary shall be entitled to the appointment of such receiver as a matter of right, without consideration to the value of the Property as security for the amounts due or the solvency of any person or persons liable for the payment of such amounts.

18. **Use of Property.** Unless required by applicable law or unless Beneficiary has otherwise agreed in writing, Grantor shall not allow changes in the designated use of the Property as described in the Agreement. Grantor shall not initiate or acquiesce in a change in the zoning classification of the Property without Beneficiary's prior written consent.

19. **Books and Records.** Grantor shall keep and maintain at all times at Grantor's address as set forth herein, or such other place as Beneficiary may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly Grantor's financial condition and copies of all the written contracts, leases, rent schedules and other instruments which may affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Beneficiary. Upon Beneficiary's request, Grantor shall furnish to Beneficiary within 180 days after the end of each fiscal year of Grantor, a balance sheet, a statement of income and expenses, and a statement of changes in financial position, each in reasonable detail and certified by Grantor and, if Beneficiary shall require, by an independent certified public accountant. Additionally, at the written request

of Beneficiary, quarterly internally prepared financial statements are required within 45 days of each quarter end from Grantor. If Grantor is an individual, Grantor shall furnish such financial information as Beneficiary may request in a form satisfactory to Beneficiary.

20. **Inspection.** Beneficiary may make or cause to be made reasonable entries, with reasonable advance notice, upon and inspection of the Property and Grantor agrees to pay all costs incurred by Beneficiary in said inspection.

21. **Definitions.** The term “Grantor”, as used herein, shall include all parties hereinabove named as Grantor, its legal representatives, successors and assigns, and subsequent owners of the Property hereby conveyed; the term “Beneficiary”, as used herein, shall include any lawful owner or holder of the indebtedness secured hereby; the term “Trustee” shall include any subsequent or successor trustee or trustees hereunder; any other capitalized terms herein shall have the same meaning as set forth in the Agreement and the Note unless the context clearly implies otherwise; the singular as used herein shall include the plural; and the use of one gender shall include all genders.

22. **Remedies.** All remedies provided in this Deed of Trust to Beneficiary are cumulative to any other right or remedy under this Deed of Trust or the Agreement or afforded by law or equity, and may be exercised concurrently, independently or successively and any costs, expenses or monetary rights (including rights of the Beneficiary to attorneys' fees) associated with the exercise of such remedy or remedies shall be secured by this Deed of Trust in addition to all other obligations herein provided for.

23. **Recapture Remedies.** In addition to the foregoing remedies, if the City discovers (a) that Grantor has committed any act of fraud or made any false representations in any proposal to the City in connection with the Agreement or in any other statements to the City or any other documents related to the development of the Property or other properties as described in the Agreement or (b) that Grantor has failed to timely fulfill its responsibilities in accordance with the Agreement, or (c) Grantor has defaulted on any of its obligations under the Agreement and has not effected a satisfactory cure within the Cure Period described in the Agreement, the City may, in its sole discretion, immediately recapture the City Loan funds (the “Recapture Remedies”). Grantor agrees that the City shall have and may exercise these Recapture Remedies, in addition to the foregoing remedies, any remedies provided in the Agreement, and any remedies provided in the Note, and that if the City exercises such Recapture Remedies, Borrower shall waive any rights to avoid foreclosure and any other rights Grantor may have to avoid a recapture and foreclosure under N.C. Gen. Stat. §45-21.1 *et seq.*, and Grantor will also agree to convey to the City a deed in lieu of such foreclosure to the Lot and any and all other lots affected and recaptured by the City.

24. **Modification of Loan Amount.** In the event the City subordinates this Deed of Trust to another deed of trust securing a construction loan to Grantor (the “Construction Loan”) and the City expends funds to cure a default under the Construction Loan, Borrower agrees to execute a modification to the Note and this Deed of Trust to increase Grantor’s indebtedness to the City accordingly.

It is specifically understood and agreed that the City’s Housing and Neighborhood Services Department and all other departments and divisions of the City of Charlotte, in the exercise of their governmental and police powers or by separate agreement or contract, may reasonably require or contract for actions, approvals or consents which are in addition to those provided herein, and that any such other contracts or agreements as well as the exercise of governmental and police powers, to the reasonable extent otherwise valid, are not hereby limited in any respect; provided, however, that the foregoing shall not in any way diminish any requirement(s) expressly stated herein for the City to act in a reasonable manner, and such requirement(s) for the City to act in a reasonable manner shall extend to such other contracts or agreements as well as the exercise of governmental and police powers to the extent legally possible.

No agreement herein made by or on behalf of the City shall reduce or alter any requirement that the Grantor comply with any other contracts or agreements to which Grantor is a party or with any and all rules, regulations or laws of the City of Charlotte to the same extent as if the loan hereby made were made by a lender other than the City of Raleigh.

BUT THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST: If the total amount of the debt, interest, advances and other sums secured hereby are paid in full in accordance with the terms of the above-mentioned Note and each of the Agreement and this Deed of Trust, this conveyance shall be null and void and may be canceled of record at the request and cost of the Grantor and title shall revert as provided by law. If, however, there shall be a default in any of the terms and conditions of this Deed of Trust, the Note, the Agreement, or any related agreements or documents, any other instrument securing the Note or any advance secured hereby, all sums owing to Beneficiary thereunder regardless of maturity and without notice shall immediately become due and payable at the option of Beneficiary; and, on application of Beneficiary, Trustee shall foreclose this Deed of Trust by judicial proceedings or at Beneficiary's election Trustee shall sell (and is hereby empowered to sell) the Property at public sale to the last and highest bidder for cash (free of any equity of redemption, homestead, dower, curtesy or other exemption, all of which are expressly waived by Grantor) after compliance with applicable North Carolina laws relating to foreclosure sales under power of sale and shall execute a conveyance

to the successful purchaser at said sale. Pursuant to the provisions of North Carolina General Statute 45-21.8, the Trustee or Trustees are hereby empowered to sell any parcel of the Property, whether or not, in the judgment of the Trustee or Trustees, the proceeds of the parcel sold will be sufficient to satisfy the Note and any and all other obligations of Grantor to Beneficiary secured hereby, and this provision shall govern the sale or sales of the parcels of Property. The proceeds of the sale shall, after the Trustee retains her commission, together with reasonable attorneys fees incurred by the Trustee in such proceedings, be applied to the costs of sale, including, but not limited to, costs of collection, taxes, assessments, costs of recording, service fees and incidental expenditures, the amount due on the Note hereby secured and advancements and other sums expended by the Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures. The Trustee's commission shall be one percent (1%) of the gross sales price or the minimum sum of \$5,000.00 whichever is greater, for a completed foreclosure. In the event foreclosure is commenced, but not completed, the Grantor shall pay all expenses incurred by Trustee, including reasonable attorneys fees, and a partial commission computed on five percent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule, to-wit: one-fourth ($\frac{1}{4}$) thereof before the Trustee issues a notice of hearing on the right to foreclosure; one-half ($\frac{1}{2}$) thereof after issuance of said notice, three-fourths ($\frac{3}{4}$) thereof after such hearing; and the greater of the full commission or minimum sum after the initial sale. Beneficiary may bid and become the purchaser at any sale under this Deed of Trust. At any such sale, Trustee may at its election require the successful bidder immediately to deposit with Trustee cash or certified check in an amount equal to all or any part of the successful bid, and notice of any such requirement need not be included in the advertisement of the notice of such sale.

(SIGNATURE ON FOLLOWING PAGE)

SAMPLE

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust under seal the date first above written.

GRANTOR:

_____ a North Carolina nonprofit corporation

By: _____ (SEAL)
Name: _____
Title: Executive Director

Address for Grantor:

Address for Beneficiary:
City of Charlotte
600 East Trade Street
Charlotte, NC 28202
Attn: Director, Housing and Neighborhood
Services Department

STATE OF NORTH CAROLINA
COUNTY OF _____

I, the undersigned, a Notary Public for the state and county aforesaid, certify that _____ personally appeared before me this day and acknowledged that (s)he is the _____ of _____, a North Carolina nonprofit corporation, and that (s)he as _____, by the authority duly given and as the act of the nonprofit corporation, executed the foregoing on behalf of the nonprofit corporation. Witness my hand and official stamp or seal this the _____ day of _____, 2024.

My commission expires:

Notary Public
Printed Name: _____

EXHIBIT A