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## DEED OF TRUST

FHA Case No.  
**092-8888888**

State of Tennessee

**THIS DEED OF TRUST** (“Security Instrument”) is made on **December 10, 2013**. The Grantor is **Edward T. Wallace and Mary B. Wallace, husband and wife**, (“Borrowers”). The trustee is **Bob Alobo of Davidson County, Tennessee**, (“Trustee”). The beneficiary is **Bank of Upson**, which is organized and existing under the laws of the State of **the State of Georgia**, and whose address is **108 South Church Street, Thomaston, GA 30286-0010** (“Lender”). Borrowers owe Lender the principal sum of **Thirty-One Thousand Two Hundred and 00/100 (\$31,200.00)**.

This debt is evidenced by Borrowers’ note dated the same date as this Security Instrument (“Note”), which provided for monthly payments, with the full debt, if not paid earlier, due and payable on **January 1st, 2029**. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under Paragraph 7 to protect the security of this Security Instrument and (c) the performance of Borrowers’ covenants and agreements under the Security Instrument and the Note. For this purpose, Borrowers irrevocably grants and conveys to Trustee, in trust, with power of sale, the following property located in **Williamson County, Tennessee**:

**Lot 5, Block 6, of Taylor Subdivision, according to the Plat thereof, as recorded in Plat Book 25, Page 78, of the Public Records of Williamson County, Tennessee.**

which has the address of **412 Taylor Street, Punta Gorda, FL 33950**.



**TOGETHER WITH** all the improvements now or hereafter erected on the property, and all easements, appurtenances and fixture now or hereafter a part of the property. All replacements and additions shall also be covered by the Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

**BORROWERS COVENANTS** that Borrowers is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrowers warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

**THIS SECURITY INSTRUMENT** combines uniform covenants for national use and non-uniform covenants with limited variations jurisdiction to constitute a uniform security instrument covering real property.

Borrowers and Lender covenant and agree as follows:

**UNIFORM COVENANTS:**

**1. Payment of Principal, Interest and Late Charge.** Borrowers shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

**2. Monthly Payments of Taxes, Insurance and Other Charges.** Borrowers shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required by Paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either: (i) a sum of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrowers' escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 *et seq.* and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrowers' payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall account to Borrowers for the excess funds required by RESPA. If the amounts of funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lend may notify the Borrowers and require Borrowers to make up the shortage as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrowers tender to Lender the full payment of all sums, Borrowers' account shall be credited with the balance remaining for all Installment Items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrowers. Immediately prior to a foreclosure sale of the Property or its acquisitions by Lender, Borrowers' account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

**3. Applications of Payments.** All payments under Paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by Secretary instead of the monthly mortgage insurance premium;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note;

Fifth, to late charges due under the Note.

**4. Fire, Flood and Other Hazard Insurance.** Borrowers shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrowers shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to Lender.

In the event of loss, Borrowers shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrowers. Each insurance company concerned is hereby authorized and directed to make payment for such loss



directly to Lender, instead of to Borrowers and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess Insurance proceeds over an amount requires to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrowers in and to insurance policies in force shall pass to the purchasers.

**5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrowers' Loan Application; Leaseholds.**

Borrowers shall occupy, establish, and use the Property as Borrowers' principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrowers' principal residence for at least one year after the date of occupancy, unless the Secretary determines this requirement will cause undue hardship for Borrowers, or unless extenuating circumstances exist which are beyond Borrowers' control. Borrowers shall notify Lenders of any extenuation circumstances. Borrowers shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrowers shall also be in default if Borrowers, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrowers' occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrowers shall comply with the provisions of the lease. If Borrowers acquire fee title to the Property, the leasehold and fee title shall not be merged unless Lender agree to the merger in writing.

**6. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, or to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2 or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness and the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

**7. Charges to Borrowers and Protection of Lender's Rights in the Property.** Borrowers shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrowers shall pay these obligations on time direct to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrowers shall promptly furnish to Lender receipts evidencing these payments.

If Borrowers fail to make these payments or the payments required by Paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's right to the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrowers and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

Borrowers shall promptly discharge a lien which has priority over this Security Instrument unless Borrowers: (a) agree in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, (b) contests in good faith the lien by, or defends against enforcement of the lien in legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrowers a notice identifying the lien. Borrowers shall satisfy the lien or take one or more of the actions set forth above within 10 days of the given of notice.

**8. Fees.** Lender may collect fees and charges authorized by the Secretary.

**9. Grounds for Acceleration of Debt.**

**(a) Default.** Lender may, except as limited by regulations issued by the Secretary in the case of payment default require immediate payments in full of all sums secured by this Security Instrument if:

(i) Borrowers default by failing to pay in full any monthly payment required by the Security Instrument



prior to or on the due date of the next monthly payment, or

(ii) Borrowers default by failing, for a period of thirty days, to perform any obligations contained in this security instrument.

**(b) Sale without Credit Approval.** Lender shall if permitted by applicable law (including section 341(d) of the Garn-St. Germain Depository Institutions Act of 1982, 12 U.S.C. 1701]-3(d)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

(i) All or part of the property, or a beneficial Interest In a trust owning all or part of the property, is sold or otherwise transferred {other than by devise or descent} by the Borrowers, and

(ii) The Property is not occupied by the purchasers or grantees as their principal residence, or the purchasers or grantees do so occupy the property but their credit has not been approved in accordance with the requirements of the Secretary.

**(c) No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

**(d) Regulations of HUD Secretary.** In many circumstances regulations issued by the secretary will limit Lender's rights, in case of payment defaults, to require immediate payment in full and foreclose if not paid .This security instrument does not authorize acceleration or foreclosure if not permitted by regulations of the secretary.

**(e) Mortgage Not Insured.** Borrowers agree that if this security Instrument and the note are not determined to be eligible for insurance under the national housing act within 60 days from the date hereof, Lender may, at its option ,require immediate payment in full of all sums secured by this Security instrument. A written statement of any authorized agent of the secretary dated subsequent to 60 days from the date hereof, declining to insure this security instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

**10. Reinstatement.** Borrowers have a right to be reinstated if Lender has required immediate payment in full because of Borrowers' failure to pay an amount due under the Note of this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrowers shall tender in a lump sum all amounts required to bring Borrowers' account current including, to the extent they are obligations of Borrowers under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrowers, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

**11. Borrowers Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrowers shall not operate to release the liability of the original Borrowers or Borrowers' successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrowers or Borrowers' successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right remedy.

**12. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrowers, subject to the provisions of Paragraph 9(b). Borrowers' covenants and agreements shall be joint and several. Any Borrowers who co-sign this Security Instrument but do not execute the Note: (a) are co-signing this Security Instrument only to mortgage, grant and convey that Borrowers' interest in the Property under the terms of this Security Instrument; (b) are not personally obligated to pay the sums secured by this Security Instrument; and (c) agree that Lender and any other Borrowers may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrowers' consent.

**13. Notices.** Any notice to Borrowers provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or another address Borrowers designate by notice to Lender. Any notice to Lender shall deliver by first class mail to Lender's address stated herein or any address Lender designated by notice to Borrowers. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrowers or Lender when given as provided in this Paragraph.

**14. Governing Law; Severability.** This Security Instrument shall be governed by Federal law and the law of the



Jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to the severable.

**15. Borrowers' Copy.** Borrowers shall be given one conformed copy of the Note and of this Security Instrument.

**16. Hazardous Substances.** Borrowers shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrowers shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the present, use, or storage on the Property of small quantities of Hazardous Substances that are generally reorganized to be appropriate to normal residential uses and to maintenance of the Property.

Borrowers shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by a governmental or regulatory agency or private party involving the property and any Hazardous Substance or Environmental Law of which Borrowers have actual knowledge. If Borrowers learn, or is notified by a governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrowers shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Paragraph 16, "Hazardous Substances" are those defined as toxic or hazardous substances to Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticide, and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Paragraph 16, "Environmental Law" means federal laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**NON-UNIFORM COVENANTS.** Borrowers and Lender further covenant and agree as follows:

**17. Assignment of Rents.** Borrowers unconditionally assign and transfer to Lender all the rents and revenues of the Property. Borrowers authorize Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrowers of Borrowers' breach of any covenants or agreement in the Security Instrument, Borrowers shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrowers. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrowers: (a) all rents received by Borrowers shall be held by Borrowers as trustee for benefit of Lender only, to be applied to the sums secured by the security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrowers have not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under Paragraph 17.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrowers. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

**18. Foreclosure Procedure.** If Lender requires immediate payment in full under Paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 18, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Trustee shall give notice of sale by public advertisement in the county in which the Property is located for the time and in the manner provided by applicable law, and Lender or Trustee shall mail a copy of the notice of sale to Borrowers in the manner provided in Paragraph 13, Trustee, without demand on Borrowers, shall sell the Property at public auction to the highest bidder at the time and under the terms designated in the notice of sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchasers Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prime facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it. If the Property sold pursuant to this Paragraph 18, Borrowers, or any person holding possession of the Property through Borrowers, shall immediately surrender possession of the Property to the purchasers at the sale. If possession is not surrendered, Borrowers or



such persons shall be a tenant at will of the purchasers and hereby agrees to pay the purchasers the reasonable rental value of the Property after sale.

If the Lender’s interest in the Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 (“Act”) (12 U.S.C. 3751 *et seq.*) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Paragraph 18 or applicable law.

**19. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrowers.

**20. Substitute Trustee.** Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which the Security Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

**21. Waivers.** Borrowers waive all right of homestead, equity of redemption, statutory right of redemption and relinquishes all other rights and exemptions of every kind, including, but not limited to, a statutory right to an elective share in the Property.

**22.** Maximum principal indebtedness for Tennessee recording tax purposes is **Thirty-One Thousand Two Hundred and 00/100.**

**23. Riders to this Security Instrument.** If one or more riders are executed by Borrowers and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- |   |  |  |
|---|--|--|
| <input checked="" type="checkbox"/> Condominium Rider   | <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Other [Specify] |
| <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Growing Equity Rider    |  |

**BY SIGNING BELOW,** Borrowers accept and agree to the terms contained in Pages 1 through 6 of this Security Instrument and to any rider(s) executed by Borrowers and recorded with it.

IN WITNESS WHEREOF, Borrower has executed this Security Instrument.

Witnesses:

**Witnesses:**

**Borrowers**

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

\_\_\_\_\_ - Borrower

**Edward T. Wallace**

\_\_\_\_\_ - Borrower

**Mary B. Wallace**

**STATE OF Florida**  
**COUNTY OF Williamson**

On this 10 day of December, 2013, before me personally appeared **Edward T. Wallace and Mary B. Wallace**, to me known to be the persons described in and who executed the foregoing instrument, and who acknowledged the execution of the same to be their free act and deed. Witness my hand and official seal.

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

My Commission expires: \_\_\_\_\_

