

**PURCHASE MONEY
PATHWAY TO PURCHASE DPCCA REGULATORY AGREEMENT,
DECLARATION OF COVENANTS AND DEED OF TRUST
(PRINCIPAL RESIDENCE)**

This **PATHWAY TO PURCHASE DPCCA REGULATORY AGREEMENT, DECLARATION OF COVENANTS AND DEED OF TRUST** (“Deed of Trust”) made this «Settlement_Day_Only» day of «Settlement_Month» «Settlement_Year» by and among «Buyer_1», «Buyer_2», borrower(s), (hereinafter referred to as “Borrower”), whose address is «Street_Address», «City_State_Zip», and Anthony D. Jones, County Attorney, whose address is 1301 McCormick Drive, Largo, MD 20774 (“Trustee”), on behalf of Prince George’s County, Maryland, a body corporate and politic, whose address is 1301 McCormick Drive, Largo, MD 20774 (the County and any subsequent holder of the Note (as defined below), hereinafter is called the “Beneficiary”).

Recitals

WHEREAS, The Prince George’s County **PATHWAY TO PURCHASE** Down Payment and Closing Costs Assistance Loan Program (the “**PATHWAY TO PURCHASE** Program”) is funded by HOME Investment Partnerships Program (HOME). HOME was established under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12721 *et seq.*, (the “Act”), and the regulations promulgated thereunder, to provide funding to state and local governments to expand the supply of decent, safe, sanitary and affordable housing; and

WHEREAS, the **PATHWAY TO PURCHASE** Program provides down payment and closing cost assistance to eligible, first-time homebuyers to purchase vacant, residential properties in the County; and

WHEREAS, the Borrower has filed an application with the County for a **PATHWAY TO PURCHASE** DPCCA Loan; (“Loan Application”); and

WHEREAS, the County has approved Borrower’s Loan Application and has agreed to provide Borrower with a **PATHWAY TO PURCHASE** DPCCA Loan in the amount of «Long_Loan_Amount» («Loan_Amount») (the “**PATHWAY TO PURCHASE** DPCCA Loan” or “Loan”) from the County’s **PATHWAY TO PURCHASE** funding allocation; and

WHEREAS, the Borrower agrees to maintain the property being purchased with the **PATHWAY TO PURCHASE** DPCCA Loan as a primary residence for a period of 15 years (Affordability Period);

WHEREAS, sale or transfer of the property within the 15-year affordability period will result in recapture or repayment of the **PATHWAY TO PURCHASE** DPCCA loan amount in accordance with the recapture schedule provided in Section I. 2A;

WHEREAS, the Borrower is justly indebted to the County in the principal sum of «Long_Loan_Amount» («Loan_Amount»), together with any sums that may become owing under the Loan Documents, (as defined below), for the **PATHWAY TO PURCHASE** DPCCA Loan, which is

evidenced by a **PATHWAY TO PURCHASE** DPCCA Promissory Note ("Note") and this Deed of Trust to be executed by Borrower at the time of closing on this Loan; and

WHEREAS, the Borrower and Beneficiary have mutually agreed to secure the Borrower's repayment obligations to the County pursuant to the terms of this Deed of Trust, the Note, the Loan Application, and any other documents evidencing the indebtedness secured hereby (collectively referred to as the "Loan Documents"); and

WHEREAS, the Borrower, for herself/himself/themselves and her/his/their successors and assigns, covenants and agrees as a part of this Deed of Trust, as follows:

Granting Clause

NOW, THEREFORE, in consideration of the recitals set forth above and other good and valuable consideration, the Borrower irrevocably grants and conveys to the Trustees, in trust for the Beneficiary, in fee simple, all of that land located in the County, which is more particularly described in Exhibit "A" attached hereto (the "Land"), and incorporated by reference, together with:

- A. All buildings and improvements of every kind and description now or hereafter erected or placed on the Land and all fixtures which are, or which may hereafter be, attached to the Land;
- B. All the rights, roads, alleys, ways, waters, privileges, easements, profits and appurtenances thereunto belonging or in any way appertaining, and including any right, title, interest and estate hereafter acquired by the Borrower in the Land;
- C. All building material and other chattels on the Land now owned or hereafter acquired by the Borrower and incorporated or intended to be incorporated in the buildings and improvements on the Land and all fixtures;
- D. Any award made in the nature of compensation for condemnation or appropriation for any of the foregoing property by any governmental body, including awards or damages for matters other than a direct taking which nonetheless affect any of the foregoing property;
- E. All proceeds of casualty insurance on the Land, the improvements or any part thereof; and any real estate tax rebates or refunds which it is determined the Borrower is entitled to receive; and
- F. All rents, profits and proceeds of any of the foregoing.

TO HAVE AND TO HOLD said Land, property, improvements and other property and rights described above (hereinafter collectively, the "Property") in fee simple, to the Trustees, their successors and assigns, in trust, to secure the Beneficiary with respect to the indebtedness and terms of this Deed of Trust and the indebtedness and terms of the Note executed by the Borrower in favor of Beneficiary.

PROVIDED, HOWEVER, that until the occurrence of a default, and subject to the terms of this Deed of Trust, the Borrower shall have the right to remain in quiet and peaceful possession and enjoyment of the Property.

Section 1

Debt

1. Incorporation of Recitals -The Recitals are incorporated herein by reference and shall become operative provisions of this Deed of Trust.
2. Payment and Terms – The Borrower hereby covenants and agrees as follows:
 - A) Affordability Period/Term of Loan. The term of this Loan shall commence on the date of the Note and continue for a period of fifteen (15) years thereafter, subject to the recapture provisions set forth below (the “Affordability Period”). The principal balance shall be forgiven upon the expiration of the Loan term (as described in the following schedule), provided that no Recapture Event (defined below) has occurred.

Purchaser Remains in Home	Balance Due (As % of Total DPCCA Received)
Less than 6 years	100%
At least 6 years but less than 7 years	90%
At least 7 years but less than 8 years	80%
At least 8 years but less than 9 years	70%
At least 9 years but less than 10 years	60%
At least 10 years but less than 11 years	50%
At least 11 years but less than 12 years	40%
At least 12 years but less than 13 years	30%
At least 13 years but less than 14 years	20%
At least 14 years but less than 15 years	10%
15 years or more	0%

- B) Rate of Interest – Interest shall only be charged upon the occurrence of an Event of Default as defined in the Loan Documents. The interest charged on the outstanding principal balance shall be at the annual simple interest rate of **5.75%**, and shall accrue on a monthly basis from the date of the Event of Default until the Loan is repaid in full.
- C) Late Fee - Any payment due during the term of this Loan not paid within fifteen (15) days of the due date shall incur a late payment charge of five percent (5%) of the amount due.
- D) Application of Payment – Any payment made on account of this Deed of Trust shall be applied (i) first to the payment of late charges and interest, if any, (ii)

second, to any amounts advanced by the Beneficiary pursuant to the Deed of Trust and (iii) third, to the principal balance of the Loan.

- E) Place of Payment - Any payment made on account of the Note shall be made by money order, certified check, bank check, or cashier's check, which at the time is legal tender for the payment of public debt. Other forms of payment may be accepted upon prior approval by the County. Payments shall be made during regular business hours at such offices designated by the County or any other place as the County may designate in writing.
- F) Recapture Provision – The **PATHWAY TO PURCHASE** DPCCA Loan, being secured by this Deed of Trust, shall be forgiven upon the 15th anniversary of the Note at the “end of the Affordability Period (the “Maturity Date”), in accordance with the schedule provided in paragraph 2.A above, PROVIDED THAT no Recapture Event occurs prior to the Maturity Date. If a Recapture Event does occur prior to the Maturity Date, then the full Recapture Amount shall become immediately due and payable. The Borrower certifies that there is no lien, security interest or other encumbrance on Borrower's right, title or interest in the Property other than the purchase money financing, if any, used to acquire the Property.
- G) Recapture Event/Recapture Amount – During the term of the Loan, in addition to the provisions hereunder governing acceleration upon an Event of Default, the entire outstanding principal balance of the Loan, together with any unpaid accrued interest and late charges, and any other sums due under the Loan Documents (collectively, the “Recapture Amount”), shall become immediately due and payable on the first to occur of any of the following (a “Recapture Event”):
- (i) the senior mortgage loan (secured by the deed of trust in first-lien position) is refinanced, where the Beneficiary has consented to such refinance upon the condition that Borrower repay the Loan with cash available from the settlement; or
 - (ii) The Property is sold, assigned, leased (in its entirety), or otherwise transferred during the term of this Loan; or
 - (iii) The Property ceases to be the Borrower's principal residence; or
 - (iv) An Event of Default occurs, and the Trustee or Beneficiary (as applicable) declares the Recapture Amount to be immediately due and payable.
- H) Limitation on Recapture. Notwithstanding anything to the contrary herein, if the Recapture Amount becomes due as a result of the sale or transfer of the Property (whether involuntary or voluntary), the Recapture Amount shall be paid only from (and to the extent of) net proceeds available upon such sale or transfer. For these purposes, “net proceeds” shall mean the sales price of the

Property minus any repayment of a loan senior in priority to this Loan and any reasonable or customary closing costs of the sale of the Property.

- I) All other payment terms of the Note are incorporated herein by reference.
- J) It is a condition precedent to the making of this Loan that the performance of all the Borrower's obligations to the County now or hereafter contracted are to be secured by the execution of this Deed of Trust.

Section 2 Covenants

The Borrower, in order to more fully protect the security of this Deed of Trust, covenants and agrees with the Beneficiary, its successors and assigns, as follows:

1. Amendments. No modification, alteration, extension, release or waiver of this Deed of Trust shall be effective unless expressly made in writing and executed by the Beneficiary.
2. Assent to Decree; Power of Sale. The Borrower hereby, upon the occurrence of an Event of Default that remains uncured after the expiration of any applicable cure periods (a) declares his/her/their assent to the passing of a decree for the sale of the Property or any estate or interest therein by any equity court having jurisdiction over the sale of the Property, and (b) authorizes and empowers the Beneficiary to take possession and sell the Property or interest therein according to the provisions of Title 14 of the Maryland Rules of Procedures, and any applicable Article of the Real Property Article of the Annotated Code of Maryland, as amended, and of laws, statutes, or ordinances relating to or affecting deeds of trust or security agreements, including any amendments thereof or additions thereto. Neither the foregoing assent to decree nor the foregoing power of sale shall be exhausted if such proceeding or sale is dismissed or canceled before the indebtedness secured hereby is paid in full.
3. Beneficiary's Expenses. The Borrower shall pay all reasonable costs, charges and expenses, including reasonable attorneys' fees, unless covered by title insurance, which the Beneficiary may incur or expend in defending or enforcing the validity or priority of this Deed of Trust, or any term, covenant or condition hereof, or in collecting any sum secured hereby, or in protecting the security of the Beneficiary, or, if an Event of Default shall happen, in administering and performing its powers, privileges and duties hereunder. The Beneficiary may make advances or payments for such purposes but all advances or payments made by the Beneficiary for such purposes shall be repayable at once by the Borrower and shall bear interest at the rate provided in the Note from the date the same shall become due and payable until the date paid, and any such sum or sums with interest as aforesaid shall become a part of the indebtedness secured hereby; No such advance or payment shall relieve the Borrower from any Event of Default hereunder.
4. Compliance with Laws. The Borrower shall promptly and faithfully obey and comply with the Act and all laws, statutes, ordinances, rules, regulations, requirements and orders of any governmental authority or agent having jurisdiction over the Property, or the use, condition or occupancy of the Property.

5. Event of Default. The occurrence of any one or more of the following events during the term of the Loan (which list is not exhaustive) shall be deemed an “Event of Default” for the purpose of this Deed of Trust:

- A) The determination by the County, at any time during the life of this Loan, that the Borrower did not meet one or more of the PATHWAY TO PURCHASE Program qualifications at the time of making this Loan;
- B) The refinancing, sale, transfer, conveyance or any encumbrance of the Property (or portion thereof) during the term of this Loan without the prior written consent of the County (**which consent shall not be deemed to have been given in the absence of a County-approved subordination agreement recorded in the County land records**), **the Property is leased in its entirety or the Borrower otherwise violated the permitted use of the property;**
- C) The use of the proceeds of this Loan for any other purpose other than down payment and closing cost assistance associated with the acquisition of the Property;
- D) Borrower defaults or otherwise fails to perform or fulfill any of his/her/their covenants or agreements under any of the Loan Documents or any documents evidencing any other loan affecting the Property, beyond any applicable periods of notice and cure; or
- E) If the Borrower, or any party on behalf of or against Borrower:
 - i) Files any petition for relief under Title 11 of the United States Code, as amended (the “Bankruptcy Code”);
 - ii) Files any petition or pleading initiating any state or federal insolvency proceeding;
 - iii) Makes or files any petition to initiate an assignment or composition for the benefit of creditors; or
 - iv) Files any petition or pleading initiating any action seeking a judicial modification or alteration of the rights of Beneficiary.
- F) If Borrower shall:
 - i) Become insolvent, as that term is defined in the Bankruptcy Code or other applicable law; or
 - ii) Become unable to pay debts generally as they become due.
- G) If any court of competent jurisdiction enters an order appointing a trustee, or receiver of or for the Property, or a substantial portion of the Property, or for Borrower.
- H) If any proceeding instituted under (E) or (G) above is not dismissed or stayed within sixty (60) days of filing:

- I) If the Borrower fails to pay or perform any obligation contained in any other mortgage, deed of trust, security agreement or other instrument that creates a lien upon the title to the Property, which is not cured within any permissible grace period, if any, specified in any such instrument.
- J) If any representation or warranty of the Borrower contained in this Deed of Trust, the Note, or any other Loan Document or certificate executed in connection with the Loan or application for the Loan shall be untrue or becomes untrue while the Loan is outstanding in any material respect and shall not be rectified within thirty (30) days.
- K) If the Property or any part thereof is sold, or conveyed **without prior written notice delivered to** the Beneficiary; or
- L) The failure to timely pay all taxes imposed upon the Borrower and the Property prior to the date when any interest or penalty would accrue for non-payment, except for those taxes the Borrower is contesting in good faith by appropriate legal proceedings.

6. Default Remedies: Beneficiary's Rights. Upon the occurrence of any Event of Default, the Beneficiary (or the Trustee(s)) may, in addition to any remedy granted or existing by law or equity (or by custom, usage or otherwise), without further notice to or demand upon the Borrower or any other party having an interest in the Property, and without regard to the value of the Property held as security for the indebtedness due hereunder or the solvency of any entity liable for the payment of such indebtedness, at its option and whether or not electing to declare the whole indebtedness due and payable, do any or all of the following:

- A) Declare the entire amount of the indebtedness evidenced by the Note (including any fees or debts, interest, or other unpaid sums accruing under, or owed in connection with, this Loan) and any other amounts payable under the provisions of this Deed of Trust, to be immediately due and payable ("Acceleration");
- B) Cure any Event of Default without releasing the Borrower from any obligation hereunder;
- C) Use, convert to cash, dispose of, transfer, sell or assign any and all reserves, deposits or escrows held for its benefit, including letters of credit, for any purpose necessary, desirable, or useful, in Beneficiary's sole discretion, for the construction, maintenance, protection or preservation of the Property;
- D) Commence and maintain one or more actions at law or in equity or by any other appropriate remedy:
 - i) To protect and enforce the Beneficiary's rights, whether for the specific performance of any covenant or agreement herein contained (which covenants and agreements the Borrower agrees shall be specifically enforceable by injunctive or other appropriate equitable remedy);
 - ii) To collect any sum then due hereunder;

iii) To aid the execution of any power herein granted; or

iv) To foreclose this Deed of Trust.

7. Duration of Covenants. The provisions of this Deed of Trust shall remain in full force and effect at all times with respect to the Property so long as this Loan is outstanding. Notwithstanding anything to the contrary, all restrictions relating to any occupancy or resale covenants contained herein shall automatically and permanently terminate upon foreclosure, deed-in-lieu of foreclosure, or, if applicable, any assignment of the insured mortgage to the Department of Housing and Urban Development (HUD). Any and all restrictions permanently terminated through actions listed in this paragraph shall be permanently extinguished and as such shall not be available for enforcement upon subsequent resale by the mortgagee, the County or HUD.

8. Foreclosure Sale. If any or all of the Property or any estate or interest therein is to be sold under the provisions of this Deed of Trust, by virtue of a judicial sale or otherwise, it may be sold at public auction, as an entirety or in one or more parcels, by one or by several sales held at one time or at different times, with such postponement of any such sale as the Trustee may deem appropriate and without regard to any right of the Borrower or any other person to the marshaling of assets. Any such sale or sales shall be held at such time or times and at such place or places, and shall be made upon such terms and conditions and after such previous public notice as required by law, as the Trustee may deem appropriate. The Beneficiary may bid and become the purchaser at any such sale, and shall, upon presentation of the Note or a true copy thereof at such sale, be credited for the unpaid balance due under the Note and any interest accrued and unpaid thereon, or such portion of such unpaid balance or interest as the Beneficiary may specify, against any price bid by the Beneficiary, its Trustees, or agents. The terms of sale being complied with the Trustee shall convey to and at the cost of the purchaser at such sale the Borrower's interest in so much of the Property as is so sold, free of and discharged from all estate, right, title or interest of the Borrower at law or in equity, such purchaser being hereby discharged from all liability to see to the correct application of any financing.

9. Foreclosure: Application of Proceeds. In the case of any sale of the Property or any interest thereof, whether under the power of sale herein granted, assent to decree or other judicial proceedings, the purchase money, proceeds and avails thereof, together with any other sums which may then be held as security hereunder or be due under any of the provisions hereof as a part of the Property shall be applied as follows:

- A) FIRST, to pay all proper costs, charges, attorneys' fees and expenses, taxes or other fees due upon the Property at the time of sale unless said sale is made subject to any such taxes and if necessary, to pay a commission to the person or persons making the sale equal to the commission allowed Trustees for making sales of property under decrees of the equity court having jurisdiction;
- B) SECOND, to pay whatever may then remain unpaid of the principal indebtedness hereunder and interest thereon to the date of payment, whether the same shall be due or not, it being agreed that the indebtedness shall, upon such sale being made before the maturity of the indebtedness, be and become immediately due and payable at the election of the Beneficiary;

10. Environmental Covenant.

- A) Borrower shall comply with the requirements of any Hazardous Material (as defined herein) laws and related regulations and shall notify Beneficiary immediately in the event of any discharge or discovery of any Hazardous Material at, upon, under, or within the Property.
- B) Borrower hereby absolutely, unconditionally, and irrevocably indemnifies and holds harmless Beneficiary and Trustees against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by Beneficiary or Trustees, whether as beneficiary under the Deed of Trust, as mortgagee in possession, or as successor-in-interest to Borrower by foreclosure deed or deed in lieu of foreclosure or otherwise, with respect to the following:
- (i) any discharge of Hazardous Material, the threat of a discharge of any Hazardous Material, or the presence of any Hazardous Material affecting the Property whether or not the same originates or emanates from the Property, including any loss of value of the Property as a result of any of the foregoing;
 - (ii) any costs of removal or remedial action incurred by the United States government or any state, county, or municipal governmental authority, any response costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction, or loss, incurred pursuant to any Hazardous Material laws;
 - (iii) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at the Property; or
 - (iv) any other environmental matter affecting the Property within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state, county or municipal environmental agency.
- C) This agreement is made upon the express condition that The Department of Housing and Urban Development (HUD), Prince George's County Maryland, Prince George's County Department of Housing and Community Development (DHCD), Prince George's County **PATHWAY TO PURCHASE** Program, and their respective agents and employees shall be free from all liabilities and claims for damages and/or suits for or by reason of any injury or death to the Borrower, or any person, as a result of the presence of mold or mold spores that may be present or that may have been present upon said premises or any part thereof during the term of occupancy or use of said premises or any activity carried on by the Borrower in connection herewith, and the Borrower hereby covenants and agrees to indemnify, defend, save and hold harmless the Department of Housing and Urban Development (HUD), Prince George's County Maryland, Prince George's

County Department of Housing and Community Development (DHCD), Prince George's County PATHWAY TO PURCHASE Program, their respective agents and employees from all liabilities, claims, suits or losses however occurring or damages growing out of the same.

11. Governing Law and Severability; Waiver.

- A) This Deed of Trust shall be construed according to the laws, rules and regulations of the State of Maryland (the "State") and the County, as well as all applicable federal laws and regulations. Should any article, requirement or provision of the Loan Documents concerning the Property be in conflict with the regulations or rulings of the federal HOME Program, the regulations or rulings of the federal HOME Program will prevail and supersede the conflicting article, requirement or provision of the Loan Documents.
- B) Should any article, requirement or provision of Loan Documents be declared invalid in the lawful judgment or degree of any court of competent jurisdiction, its invalidity shall not affect the validity of any of the remaining articles, requirements or provisions. The parties for themselves, their heirs, successors, executors, administrators, and assigns do hereby agree to the full performance of the covenants herein.
- C) This Deed of Trust may not be modified and no consent or waiver of any breach of any covenant or condition shall be implied or construed unless such modification or consent or waiver is in writing and signed by the party to be bound thereby. Failure of a Trustee or a Beneficiary to insist in any instance on strict performance of any obligation or to exercise any election shall not be deemed a waiver for future performance of that obligation or the right to exercise that election. Receipt of any payment by the County with knowledge or breach or default will not waiver of such breach or default.

12. Housing Quality. The Property must (1) pass a Housing Quality Standards (HQS) Inspection and (2) if the Property is included within an FHA program, meet minimum FHA Housing Standards as determined by the FHA Appraisal. The County and/or its Agents shall have the right to inspect the Property for compliance with the **PATHWAY TO PURCHASE** guidelines, including, but not limited to, all applicable local codes and zoning ordinances. Deficiencies identified in both the HQS Inspection and any FHA Appraisal, as reflected in FHA Compliance Inspection Report (HUD-92051), must be corrected prior to closing. All deficiencies identified in the HQS Inspection Report that are an *imminent threat to life, health, or safety*, as determined by the HQS inspector and **PATHWAY TO PURCHASE** staff, must be corrected *prior to occupancy*. In addition, the Borrower must procure an independent home inspection performed by a home inspector licensed by the State (such inspection, an "Independent Inspection"). **Notwithstanding the foregoing, if and only if the improvements in and on the Property are newly constructed (i.e. never before occupied and completed within sixty (60) days prior to the date first written above) and a use and occupancy certificate has been issued the County for said improvements, then the Borrower may proceed without an Independent Inspection, provided that Borrower acknowledges as follows:**

Borrower understands that the HQS Inspection Report is not the equivalent of an Independent Inspection, and Borrower is not relying on said HQS Inspection Report for the purpose of ascertaining whether the improvements in and on the Property are constructed without defect or in violation of any applicable codes, laws, or regulations. Moreover, Borrower forever waives any and all rights it may have against Beneficiary as a result of Borrower's decision to proceed without an Independent Inspection.

Borrower's Initials: _____/_____

13. **Indemnity.** The Beneficiary shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Borrower under any lease; and the Borrower hereby agrees to indemnify the Beneficiary for and to save it harmless from any and all liability or reasonable expenses (including that of attorneys' fees and expenses and costs of collection) arising from any obligations, duties or responsibilities under the Loan Documents. The Beneficiary shall not be liable for any negligence of the Borrower or any agent, invitee or licensee of the Borrower in the upkeep, repair or control of the property resulting in any property damage, personal injury or death. This indemnification shall survive the foreclosure of this Deed of Trust, the Acceleration of the Note, assignment of the mortgage or the acceptance of a deed in lieu of foreclosure.

14. **Insurance.** The Borrower shall maintain, at all times during the term of this Loan, liability and property hazard and replacement insurance in form, substance and amounts, and with companies as the Beneficiary may require from time to time to protect the Property against risk of loss, including, but not limited to, the replacement value of the Property.

15. **Liens.** The Borrower shall keep the Property free from all liens and claims of every kind, except such as are approved by the Beneficiary in writing or as permitted by this Deed of Trust.

16. **PATHWAY TO PURCHASE DPCCA Requirements and Use of PATHWAY TO PURCHASE DPCCA Funds.**

A) Use of **PATHWAY TO PURCHASE DPCCA Funds.** The Loan proceeds shall be disbursed at the settlement for the acquisition of the Property. The Borrower covenants that said funds will be used in accordance with HUD regulations at 24 CFR Part 570 and other applicable provisions of law and the PATHWAY TO PURCHASE Program guidelines.

B) Flood Insurance. The property is not located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless:

(i) The area participates in the National Flood Insurance Program; and

(ii) Flood insurance is obtained.

17. **Non-Discrimination.** The Borrower will comply with the provisions of all federal, state and local laws prohibiting discrimination in housing on the grounds of race, color, creed, national origin, sex, familial status, marital status, age or physical or mental handicap, including Title VI and VII of the Civil Rights Act of 1964, as amended (Public Law 88-352); and Title VII of the Civil Rights Act of

1968, as amended (Public Law 90-284); and the Fair Housing Act (42 U.S.C. Subsection 3601-3620), and Sections 19 and 20 of Article 49B of the Annotated Code of Maryland, as amended.

18. Notices. Any notice to the Borrower shall be sufficient if made in writing and delivered to the Borrower, or sent by certified, registered or express U.S. mail; return receipt requested to the Borrower at the address set forth on the first page of this Deed of Trust or at such other address as the Borrower may notify the Beneficiary in writing. Mailed notices to the Borrower shall be considered to have been given at the time they are delivered or deposited in the mail. Notwithstanding the foregoing, any notice in fact received shall be sufficient. All notices to the Beneficiary shall be effective when written notice is received in hand by the Beneficiary. Borrower hereby states that a copy of all notices will be sent as follows:

FOR THE COUNTY/BENEFICIARY:

Prince George's County
Deputy Chief Administrative Officer
Office of the County Executive
1301 McCormick Drive, Suite 4000
Largo, Maryland 20774

FOR THE BORROWER:

«Buyer_1_»
«Street_Address»
«City_State_Zip»

With copies to:

Prince George's County Attorney
Office of Law,
1301 McCormick Drive, Suite 4000
Largo, Maryland 20774

19. Payment of Principal and Interest. The Borrower covenants to pay promptly the principal and interest of this Loan at the date, place and in the manner provided in the Note or this Deed of Trust.

20. Prepayment of Loan. The Borrower may prepay this Loan in part or in full at any time. Such prepayment shall be without premium or penalty; provided, however, that the foregoing shall in no way limit accruing interest charges for an Event of Default, advances, expenses or late fees. If the Borrower elects to prepay the full indebtedness of this Loan in accordance with the terms of the Note, the County will release the covenants and the restrictions set forth herein.

21. Representations and Warranties. The Borrower represents and warrants to the Beneficiary that as of the date hereof:

- A) The Borrower has the authority to enter into this Deed of Trust pursuant to the laws of and may hold title to real property in the State.
- B) All statements or information contained in all applications, correspondence or other materials delivered to the Beneficiary for its consideration of the Loan or the **PATHWAY TO PURCHASE** Program are true and correct as of the date hereof in all

material respects and Borrower has not misstated, misrepresented or otherwise provided misleading facts, statements or information.

- C) No event has occurred and no condition exists that constitutes an Event of Default under this Deed of Trust or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.
 - D) Borrower has no knowledge of any Hazardous Material at, upon, under, or within the Property or, to the best of its knowledge, within any contiguous real estate and (ii) Borrower shall not cause or permit to exist any Hazardous Material at, upon, under, or within the Property. (The term "Hazardous Material" means (i) any hazardous or toxic substance, material, or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302); or (ii) such substances, materials, or wastes as are regulated by the Resource Conservation and Recovery Act of 1976 or the Comprehensive Environmental Response, Compensation and Liability Act of 1980, and any amendments thereto or orders, regulations, directions, or requirements thereunder; or (iii) such hazardous or toxic substances, materials, or wastes that are or may become regulated under any other applicable local, state, or federal law, rule, ordinance, direction, or regulation.
22. Representations: Further Assurances. The Borrower shall, within fifteen (15) days after being requested to do so, execute and record, or file, every further instrument, document, renewal or assurance as may be requisite in the Beneficiary's sole and reasonable opinion to (a) subject the Property to the lien of this Deed of Trust, (b) perfect, preserve or protect such lien, (c) secure the rights and remedies of the Beneficiary and the Trustees, or (d) transfer the Property to any new trustee or trustees. The Borrower shall repay to the Beneficiary promptly after demand of all reasonable expenses, charges and taxes if any are due in connection therewith.
23. Rights Cumulative, Non-Exclusive. The rights, powers, and privileges specifically granted to the Beneficiary under this Deed of Trust (hereinafter collectively called "Rights") are not in limitation of but in addition to those which it is entitled under any general or local law, now or hereafter existing. The Rights to which the Beneficiary may be entitled shall inure to the benefit of its, successors and assigns. All of the Rights of the Beneficiary are cumulative and not alternative and may be enforced successively or concurrently. Failure of the Beneficiary to exercise any of its Rights shall not impair any of its Rights nor be deemed to apply to any other such Rights nor shall any waiver be effective unless in writing and signed by the party waiving the right.
24. Substitution of Trustees. The Beneficiary shall have, and is hereby granted with warranty of further assurance, the irrevocable power to appoint a substitute trustee(s) hereunder to be exercised at any time without notice by filing for record in the office where this instrument is recorded a deed of appointment. Upon the recordation of such deed of appointment, the trustee(s) so appointed shall become fully vested with identically the same title and estate

in and to the Property and with all the rights, powers, trusts and duties of their/his/her predecessor in trust, with like effect as if originally named as Trustee or Trustees hereunder.

25. Successors and Assigns. The terms and conditions agreed to by the Borrower and the grants and covenants of the Borrower hereof shall run with the land and shall be binding upon the Borrower, and successors and assigns of the Borrower and shall inure to the benefit of the Beneficiary, its successors and assigns. This provision does not waive any prohibition of assignment or any requirement of consent to any assignment under the other provisions of this Deed of Trust; and consent to an assignment shall not be consent to any further assignment, each of which must be specifically obtained in writing.
26. Time of Essence. Time is of the essence with respect to every term and condition of this Deed of Trust.
27. Use of Property: The Borrower shall not:
- A) Sell, assign, encumber or otherwise transfer the Property or any part thereof, permit the refinancing, sale, assignment, transfer or encumbrance of the Property or any part thereof, or permit any other lien against the Property, without the express prior written permission of the Beneficiary and in accordance with this Deed of Trust.
 - B) Permit the use of the Property for any purpose except as a primary residence of the Borrower.
28. Warranty of Title. The Borrower hereby warrants specially the Property and every part thereof, whether now owned or hereafter acquired, to the Beneficiary and its successors and assigns subject only to the encumbrances of record in the land records for the County. The Borrower covenants that it will comply with all the terms, covenants and conditions of all agreements and instruments of writing which have been recorded in the land records for the County, or which are known to Borrower affecting the Property.
29. Primary Residence Restrictions. The **PATHWAY TO PURCHASE** Program does not provide assistance to investors or for the purchase of rental properties or second homes. The property secured by the Deed of Trust must be the Borrower's primary residence for the entire Loan term. This Deed of Trust shall be recorded in the land records of the County, and Borrower agrees to comply with the primary residence requirements. In addition, DHCD or its designated agent will conduct an annual certification and may require proof of residency to ensure compliance with this requirement.
30. Joint and Several Liability. If the Borrower consists of more than one party, then the obligations and liabilities of each such party under this Deed of Trust and the Note shall be joint and several.

Exhibit A: Legal Description of the Land

Property Address: «Street_Address»,«City_State_Zip»

Property Owner: «Buyer_1_»«Buyer_2_»

Addenda or Riders (mark if attached):

CERTIFICATION

This is to certify that the foregoing **PATHWAY TO PURCHASE** DPCCA Regulatory Agreement,
Declaration of Covenants and Deed of Trust: (mark the appropriate item)

_____ was prepared by or under the supervision of _____, an attorney
admitted to practice before the Court of Appeals of Maryland; or

__x__ was prepared by __Sandra V. Dixon__, an authorized representative of
one of the parties to the instrument.

Signed by: __Sandra V. Dixon__ Title: __Manager__ Date: _____

IN WITNESS WHEREOF, this PATHWAY TO PURCHASE DPCCA Regulatory Agreement, Declaration of Covenants and Deed of Trust has been duly executed by the Borrower and the County as of the date first written above.

ATTEST/WITNESS:

BORROWER:

By: _____

By: _____
«Buyer_1_»

By: _____

By: _____
«Buyer_2_»

STATE OF: _____

COUNTY OF: _____ to wit:

I HEREBY CERTIFY that on this _____ day of _____, 2025, before me, the undersigned Subscriber, a Notary Public of the State of _____ in and for the County aforesaid, personally appeared «Buyer_1_» **and «Buyer_2_»** who identified himself/herself/themselves as the Borrower and executed the foregoing Deed of Trust.

My Commission expires: _____

WITNESS My hand and seal.

Notary Public

ATTEST/WITNESS:

BENEFICIARY:

Prince George's County, Maryland

By: _____

By: _____

Tracy M. Benjamin, Esq.
Deputy Chief Administrative Officer for
Economic Development

STATE OF MARYLAND:

COUNTY OF PRINCE GEORGE'S to wit:

I HEREBY CERTIFY that on this ____ day of _____ 2026 before me, the undersigned subscriber, a Notary Public of the State and County aforesaid, personally appeared, Tracy M. Benjamin, Esq. who acknowledged herself to be the Deputy Chief Administrative Officer for Economic Development for Prince George's County, Maryland, a body corporate and politic, and that as Deputy Chief Administrative Officer for PRINCE GEORGE'S COUNTY, MARYLAND, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing in the name of the county by herself as Deputy Chief Administrative Officer for Economic Development and that she has the power and authority to sign in said capacity to bind PRINCE GEORGE'S COUNTY, MARYLAND.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF MARYLAND:

COUNTY OF PRINCE GEORGE'S to wit:

I HEREBY CERTIFY that on this ____ day of _____, 2026, before me, the undersigned Subscriber, a Notary Public of the State and County aforesaid, personally appeared _____ **as agent of the party secured by this foregoing Deed of Trust**, and made oath in due form of law that the consideration recited in said Deed of Trust is true and bona fide as therein set forth and that the actual sum of money advanced at the closing transaction by the secured party was paid over and disbursed by the secured party to the Borrower or to the person responsible for disbursement of funds in the closing transaction or their respective agent at a time no later than the execution and delivery by the Borrower of said Deed of Trust and also made oath that he/she is the agent of the party secured and is duly authorized to make this affidavit.

WITNESS My hand and seal.

Notary Public

My Commission expires: _____

AFTER RECORDING RETURN TO:

PATHWAY TO PURCHASE PROGRAM MANAGER
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
9200 Basil Court, Suite 306
Largo, MD 20774

EXHIBIT "A"

«Legal_Description»