

WHEN RECORDED, RETURN TO:

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEVELOPMENT AGREEMENT FOR INFILL  
HOUSING DEVELOPMENT  
UNDER THE HOME INVESTMENT PARTNERSHIP PROGRAM  
FY2012-2013

This Development Agreement for Infill Housing Development under the Home Investment Partnership Program ("Agreement") is entered into this 9<sup>th</sup> day of January, 2013, by and between the City of Glendale, an Arizona municipal corporation ("City"), and Habitat for Humanity Central Arizona, an Arizona non-profit corporation ("Developer").

RECITALS

**WHEREAS**, the City has applied for and received federal funds pursuant to the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C 12701, *et seq.* ("HOME Program") to assist low-income persons and families in obtaining decent and affordable homeownership opportunities;

**WHEREAS**, the Maricopa County HOME Consortium administers the HOME Program in Maricopa County, Arizona;

**WHEREAS**, the City has received an allocation of \$487,282 from the Maricopa County HOME Consortium from a direct entitlement made by the U.S. Department of Housing and Urban Development ("HUD");

**WHEREAS**, Developer is a non-profit corporation that has applied for HOME Program funds from the City to be used to assist low-income persons and families in obtaining decent and affordable homeownership opportunities,

**WHEREAS**, the City believes that the activities of the Developer described in the Project comply with the requirements of the HOME Program regulations,

**WHEREAS**, it is necessary that the City and Developer to enter into an Agreement for the implementation of eligible activities; and

**WHEREAS**, the City desires to enter into this Agreement and provide Developer \$229,390 in HOME Program funds to pay for the costs the implementation of the Project.

AGREEMENT

- HOME Program Activity.** Developer, in close coordination with the City, will perform all professional, technical and construction services necessary to purchase, rehabilitate or provide new construction of single family homes as detailed in **Exhibit A** ("Project").
- Agreement Amount.** The City shall provide financial assistance in an amount not to exceed \$229,390 subject to the terms of this Agreement and availability of federal funds. Providing this Agreement amount constitutes the City's entire participation and obligation in the performance and completion of all work to be performed under this Agreement.
- Commitment of Match.** Pursuant to 24 C.F.R. §§ 92.504 & 219, Developer agrees to make a match of 25% of the City's Agreement Amount. The commitment of match is for the amount of

\$57,347 as defined by the Match Letter attached as **Exhibit B** and the Memorandum of Agreement attached as **Exhibit C**.

4. **Duration of the Agreement.** This Agreement shall be effective for 18 months commencing on the date of this Agreement and expiring on July 4, 2014, unless sooner terminated pursuant to the provisions contained herein.
5. **Project Budget.** The City will pay Developer, as maximum compensation or fee in the amount contained in the Project Budget that is attached as **Exhibit D**.
6. **Eligibility of Homeowner.**
  - 6.1 In order to be eligible for HOME Program assistance, Homeowners must have a gross annual household income that does not exceed 80% percent of area median income (“AMI”), adjusted for household size. Verification of household income must be conducted by Developer in accordance with 24 C.F.R. § 92.203.
  - 6.2 Homeowners must produce documentation certifying to the Developer his or her lawful presence in the United States, as required by A.R.S. §§ 1-501 or 1-502, as applicable.
7. **Developer’s Responsibilities.** Developer is responsible for performing those tasks defined in the Project for the purchase, rehabilitation or new construction of homes receiving HOME Program assistance and in the sale of homes in zip codes of 85301, 85302, & 85303, including:
  - 7.1 Enter into appropriate agreements with Homeowners.
    - a That require the recapture of all or a portion of the Home Program funds if the housing does not continue to be the “Principle Residence” of the family for the duration of affordability in accordance with 24 C.F.R. § 92.254(a)(5)(ii). For this requirement, “Principal Residence” is defined as the homeowner occupying the home no less than nine (9) months in a year.
    - B. As required by 24 C.F.R. § 92.254, the loan documents necessary to recapture the Home Program funds are a Homeowner Deferred Loan Agreement for HOME Investment Partnership Funds (“Homeowner Deferred Loan Agreement”) attached as **Exhibit E**, a Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”) attached as **Exhibit F**, and a Promissory Note (“Homeowner Note”) attached as **Exhibit G**.
  - 7.2 Enter into appropriate agreements with the City.
    - a. That require the recapture of all or a portion of the Home Program funds if the housing does not continue to be the “Principle Residence” of the family for the duration of affordability in accordance with 24 C.F.R. § 92.254(a)(5)(ii)
    - b. The HOME Program funds designated for the Project will be secured by a Deed of Trust and Assignment of Rents (“Developer Deed of Trust”) attached as **Exhibit H** and a Promissory Note (“Developer Note”) attached as **Exhibit I**, as required by 24 C.F.R. Part 92. These documents must be recorded with the County Recorder. Related documents, such as restrictive land covenants, must also be recorded, if applicable
  - 7.3 Draft and enter into appropriate agreements with each entity being contracted to perform work. Oversee the performance of architects, engineers, attorneys, accountants, contractors and subcontractors and others that are constructing the housing to assure compliance with this Agreement and with all applicable federal, state and local laws and regulations.
  - 7.4 Assure that any payments made for professional and construction services to attorneys, consultants, developers, general contractors, subcontractors, architects, engineers and others

are reasonable, competitive and necessary to carry out the Project in accordance with federal OMB Circular A-122 and 24 C.F.R. § 84, *et seq.*

- 7.5 Assure that all HOME Program funds provided under this Agreement are used only for eligible Project expenses and that there is no misuse and/or mismanagement of HOME Program funds.
- 7.6 Maintain an accurate accounting of any "Program Income," which is defined as the gross income received by Developer directly generated from the use of HOME Program funds or matching contributions ("Program Income").
- 7.7 Report Program Income to the City quarterly. Any Program Income may be retained by Developer, but must be used on HOME Program eligible projects within City municipal boundaries.
- 7.8 Monitor and document affordability requirements, affordability period and affirmatively market assisted housing to protected classes of citizens as required in 24 C.F.R. § 92.254.
- 7.9 Submit support documents which demonstrate continued compliance with affordability requirements annually by June 30.
- 7.10 Review appropriate documents to verify household income, family size, sources of income, current address, location and condition of home to be acquired, appraised home values, completeness and accuracy of information provided by household members and determine the type and amount of assistance to be provided in accordance with 24 C.F.R. § 92.203.
- 7.11 Assure that all Homes purchased, rehabilitated or constructed with HOME Program funds meet HUD Section 8 Housing Quality Standards ("HQS") and local building codes in accordance with 24 C.F.R. § 92.251 upon completion and during the period of affordability.
- 7.12 Assure the legal sufficiency of loan instruments, attend loan closings and facilitate the filing and recordation of liens and/or deed restrictions required by the HOME Program in accordance with 24 C.F.R. § 92.254(a)(5)(i).
- 7.13 Assure that Homeowners are protected against fraudulent and predatory lending practices and that prudent business practices including underwriting standards reviewed by a licensed mortgage underwriter are followed that assure affordability and sustainability of the mortgage throughout the HOME Program affordability period and the mortgage term.
- 7.14 Maintain a complete file for each approved application for assistance and such additional records as may be required by law and/or regulation, and in accordance with applicable sections of 24 C.F.R. § 92.508.
- 7.15 Complete the Project as expeditiously as possible and undertake every effort to ensure that the Project will proceed and will not be delayed. Failure to adhere to the Project can result in cancellation of this Agreement and the revocation of HOME Program funds.
- 7.16 Assure that the amount of HOME Program funds invested in each Home is in compliance with the minimum and maximum subsidy requirements. Assure that a minimum of \$1,000 in assistance is invested per home in accordance with 24 C.F.R. § 92.205(c), and no more than the maximum per unit subsidy allowed in 24 C.F.R. § 92.250(a)
- 7.17 Collect and maintain Homeowner information pertaining to household size, income levels, racial characteristics, and the presence of Female Headed Households in order to determine low- and moderate income benefit in a cumulative and individual manner.
- 7.19 Execute and abide by Certifications mandated by federal grant requirements as listed in **Exhibit J**.
- 7.20 Carry out projects and perform services administered in compliance with all federal laws and regulations as further described in **Exhibit K**.

**8. City Responsibilities.**

- 8.1 City will provide Developer information regarding its requirements for the Project.
- 8.2 City will conduct progress inspections of work completed to ensure that the Project complies with federal regulations to protect its interests as lender.
- 8.3 City will provide information to the Developer regarding any progress inspections or monitoring to assist it in ensuring compliance.

**9. Period of Affordability.**

- 9.1. The Project is subject to ongoing compliance requirements of the HOME Program for the length of the affordability period identified in 24 C.F.R. § 92.254.
- 9.2 The affordability period begins once Maricopa County HOME Consortium records the close of the Project in the Integrated Disbursement Information System, a nationwide database providing HUD with current information regarding the Home Program activities underway across the nation, including funding data ("IDIS").
- 9.3 The affordability period is dependent upon expenditures provided in the table below:

HOME \$ Per Unit	Length of Affordability/Compliance
Less than \$15,000	5 Years
\$15,000 - \$40,000	10 Years
More than \$40,000	15 Years
New Construction of Rental Housing (regardless of the expenditure amount)	20 Years

**10. Use of HOME Program Funds.**

- 10.1 Developer will utilize the HOME Program funds awarded by this Agreement, solely for activities eligible under the provisions of the HOME Investment Partnerships Act, the Project application, this Agreement, and applicable federal laws, federal regulations and Executive Orders as well as HUD notifications and guidance that currently exist and that may be issued in the future, and will use said funds for no other purpose.
- 10.2 The amount of HOME Program direct Project costs spent will not exceed any line item as shown in the Project Budget by more than 10% percent without the expressed written approval of the City. Additionally, in no event will Developer exceed the total amount of HOME Program funds provided under the Project Budget.
- 10.3 The City will review and provide prompt approval for reasonable and unforeseen cost increases provided such cost increases do not exceed the statutory per unit cost limits in 24 C.F.R. § 92.250 or the amount of funds provided in the Project Budget.

**11. Reimbursement of Expenses & Developer Fees.**

- 11.1 Project expenses (excluding developer fees) will be paid based on invoices for actual expenses incurred or paid. All such expenses will be in conformance to the approved Project Budget. Developer will be responsible for any cost overruns.
- 11.2 The City will pay Developer, as maximum compensation or fee for the Developer services for the amount identified in the Project Budget.

- 11.3 Developer covenants that all expenditures will comply with OMB circular A-122, and will be allowable, allocable and reasonable. The City reserves the right to inspect records and Project sites to determine that reimbursement and compensation requests meet the terms of OMB circular A-122. The City also reserves the right to hold payment until adequate documentation has been provided and reviewed.
- 11.4 Developer may submit a final invoice upon completion of the Project. Final payment will be made after the City has determined that all services have been rendered, files and documentation delivered, and Homes have been acquired, rehabilitated or constructed in full compliance with HOME Program regulations, including submission of a completion report and documentation of eligible occupancy, property standards and long-term use restrictions.
- 11.5 Developer will be monitored by the City for compliance with the regulations of 24 C.F.R. § 92.254(a)(4) for the affordability period specified above. Developer will provide reports and access to Project files as requested by the City during the construction of the Project and for six (6) years after completion and closeout of the Agreement or during the affordability period, whichever is longer.

**12. Project Requirements.**

- 12.1 Environmental Review. No HOME Program funds may be encumbered until the City has completed an Environment Review pursuant to the provisions of the National Environmental Policy Act of 1969 (“NEPA”) and the related authorities listed in HUD’s implementing regulations at 24 C.F.R. § 50.1, *et seq.* and 24 C.R.F. § 58.1, *et seq.* Until the Environment Review is complete, Developer will not undertake or commit any HOME Program funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to environmental clearance. The results of the Environmental Review may result in a decision to proceed with, modify or cancel the Project.
- 12.2 Non-Discrimination. In the selection of Homeowners, Developer will comply with all non-discrimination requirements of 24 C.F.R. § 92.350. Developer agrees to post notices containing this policy against discrimination in conspicuous places available to applicants for employment and employees. All solicitations or advertisements for employees, placed by or on the behalf of Developer, will state that all qualified applicants will receive consideration for employment without regard to race, color, religion, disability, sex, national origin, financial status, age, sexual orientation, gender identity, or marital status.
- 12.3 Relocation. No Project or activity that entails the relocation of occupants before, during or after the award of HOME Program funds under this Agreement will be conducted without the express written approval and coordination of the relocation activity with the City. The Project will not be approved where it is determined that any relocation of occupants has taken place prior to the submission of the Project Application.
- 12.5 Affordability Requirements.
  - a. Developer will adhere to the repayment of investment requirements set forth in 24 C.F.R. § 92.503. Any HOME Program funds invested in the Project that do not meet the affordability requirements for the period specified in 24 C.F.R. §§ 92.252 or 92.254, as applicable, must be repaid in accordance with 24 C.F.R. § 92.503(b)(3).
  - b. Housing assisted with HOME Program funds meet the affordability requirements of 24 C.F.R. §§ 92.252 or 92.254, as applicable. Repayment of the HOME Program funds will be required if the housing does not meet the affordability requirements for the specified time period. The affordability period must be enforced by means of liens on real property, deed restrictions or covenants running with the land. Homeownership projects must set forth resale or recapture requirements as part of the enforcement.

- c. All HOME Program funds recaptured because the housing no longer meets affordability requirements, will be forwarded to the City in accordance with 24 C.F.R. § 92.503.

**13. Repayment of HOME Program Funds.**

- 13.1 All HOME Program funds are subject to repayment in the event that Developer does not complete all professional, technical and construction services necessary to complete the Project.
- 13.2 Items that trigger full repayment prior to property transfer include, but are not limited to, the following:
  - a. The Home does meet Property standards as adopted by the City in the 2012 IBC Building Code; or
  - b. The Home is not sold to an income-eligible homebuyer; or
  - c. Developer does not comply with the HOME Program federal regulations.
- 13.3 Items that trigger repayment based on Net Proceeds occur subsequent to a Property transfer, and include, but are not limited to, the following:
  - a. The Home owner does not maintain compliance during affordability period; or
  - b. The Home owner does not maintain principal residency requirements.
- 13.4 Upon completion of the Project, any HOME Program funds reserved but not expended under this Agreement will revert to the City.
- 13.5 Any repayment of HOME Program funds will be made out of Net Proceeds from the sale of the HOME Program assisted unit. "Net Proceeds" are defined as: Sales Price minus non-HOME debt minus closing cost.

**14. Procurement Standards.**

- 14.1 Developer will comply with local procurement requirements as listed in the Additional Requirements as further described in **Exhibit L**.
- 14.2 Developer will establish procurement procedures to ensure that materials and services are obtained in a cost-effective manner. When procuring services to be provided under this Agreement, Developer will comply, at a minimum, with the nonprofit procurement standards at 24 C.F.R. §§ 84.40-48.
- 14.3 Any Developer that can be considered to be a religious organization will abide by all portions of 24 C.F.R. § 92.257.

**15. Maximum Home Value.** Developer must assure that the value as well as the purchase price of any home assisted with HOME Program funds does not exceed 95% of the home value limits in the Metropolitan Statistical Area as defined in Federal Housing Administration Section 203(b) and 24 C.F.R. § 92.250.

**16. Uniform Administrative Requirements.** To the extent applicable to a nongovernmental recipient of federal funds, Developer will comply with OMB Circulars A-87, A-102, A-110, A-122, A-133, as amended, the Davis-Bacon Act (40 U.S.C. 276a *et seq.*), as amended, and as supplemented by Department of Labor regulations (29 C.F.R. Part 5, as amended), the Copeland Anti-Kickback Act (18 U.S.C. 874), as amended, and as supplemented by Department of Labor regulations (29 C.F.R. Part 3, as amended), the Agreement Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*), as amended, and as supplemented by Department of Labor regulations (29 C.F.R. Part 5, as amended); Executive Order 11246 (Equal Opportunity), as amended, and as supplemented by Department of Labor regulations (41 C.F.R., chapter 60, as amended); and the Uniform Relocation Assistance and

Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*, as amended and Section 104(d) of the Act), and in accordance with 24 C.F.R. Part 42, as amended.

**17. Other Federal Requirements.**

17.1 Affirmative Marketing. Developer must adopt affirmative marketing procedures and requirements for HOME Program-assisted housing containing three (3) or more housing units. Affirmative marketing steps will consist of actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing and will comply with the requirements and procedures of 24 C.F.R. § 92.351.

17.2 Displacement, Relocation, and Acquisition.

- a. Developer must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of the Project.
- b. Developer will consult the City prior to proceeding with any Project activity with HOME Program funds that may cause temporary or permanent displacement of the beneficiary of HOME Program investment. Such consultation shall assure compliance with appropriate relocation requirements of 24 C.F.R. § 92.353 in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”) (42 U.S.C. §§ 4201-4655) and implementing regulations at 49 C.F.R. Part 24, as amended and the Fair Housing Act (42 U.S.C. §§ 3601-19).
- c. The Project is subject to the requirements of the Housing and Community Development Act of 1974, and implementing regulation at 24 C.F.R. § 570. This includes the section 104 (d) requirements to provide relocation assistance and replace low- and moderate-income housing as described at 24 C.F.R. § 570 606(c).
- d. The acquisition of the Homes is subject to the URA and the requirements of 49 C.F.R. Part 24.1, *et seq.*

17.3 Labor Requirements.

- a. Federal regulation 24 C.F.R. § 92.354 requires that any contract for the construction (rehabilitation or new construction) of affordable housing with 12 or more units assisted with funds made available under the HOME Program must contain a provision requiring that the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §§ 276a-5), will be paid to all laborers and mechanics employed in the development of affordable housing involved. Such agreements must also be subject to the overtime provisions, as applicable, to the Work Hours and Safety Standards Act (40 U.S.C. §§ 327-332).
- b. Developer will comply with regulations issued under Federal Laws and Regulations pertaining to labor standards and HUD handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable.

17.4 Debarment and Suspension. As required by 24 C.F.R. Part 24.1, federal funds will not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any contractor, subcontractor, developer, business, consultant or any entity during any period of debarment, suspension, or placement in ineligibility status, including the beneficiary of HOME Program investment.

**18. Immigration Law Compliance.**

18.1 Contractor, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their

employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

- 18.2 Any breach of warranty under subsection 18.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 18.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 18.1 above.
- 18.4 City may conduct random inspections, and upon request of City, Contractor will provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 18.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 18.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 18.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 18.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

**19. Conditions of Religious Organizations.**

- 19.1 Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME Program. Neither the federal government nor a state or local government receiving funds under the HOME Program will discriminate against an organization on the basis of the organization's religious character or affiliation.
- 19.2 Organizations that are directly funded under the HOME Program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under this section.
- 19.3 If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided.
- 19.4 The completed Project must be used exclusively by the owner entity for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the Property.
- 19.5 An organization that participates in the HOME Program will not, in providing HOME Program assistance, discriminate against a Program beneficiary or prospective Program beneficiary on the basis of religion, religious belief or lack thereof.
- 19.6 The City will assure that any use of HOME Program funds by a religious organization, when commingled with funds of the religious organization, meet the requirements of 24 C.F.R. § 92.257.

20. **Insurance.**

20.1 Requirements. Developer must obtain, maintain and provide evidence of the following insurance ("Required Insurance") consistent with **Exhibit M**, Insurance Certificate:

- a. Developer and Sub-contractors. Developer, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively "Contractor's Policies"), until each Parties' obligations under this Agreement are completed.
- b. General Liability.
  - (1) Developer must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
  - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
  - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU hazards if requested by the City, and a separation of insurance provision.
  - (4) These limits may be met through a combination of primary and excess liability coverage.
- c. Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Developer and 1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- d. Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- e. Equipment Insurance. Developer must secure, pay for, and maintain all-risk insurance as necessary to protect the City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by Developer or its Sub-contractors
- f. Notice of Changes. Developer's Policies must provide for not less than 30 days' advance written notice to City Representative of:
  - (1) Cancellation or termination of Developer or Sub-contractor's Policies;
  - (2) Reduction of the coverage limits of any of Developer or and Sub-contractor's Policies; and
  - (3) Any other material modification of Developer or Sub-contractor's Policies related to this Agreement.
- g. Certificates of Insurance.
  - (1) Within 10 business days after the execution of the Agreement, Developer must deliver to City Representative certificates of insurance for each of Developer and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Developer and Sub-contractor's Policies in accordance with the provisions of this section.

- (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Developer and Sub-contractor's Policies, or to examine Developer and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
  - (3) Developer's failure to secure and maintain Developer Policies and to assure Sub-contractor policies as required will constitute a material default under this Agreement.
- h. Other Contractors or Vendors.
- (1) Other contractors or vendors that may be contracted by Developer with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular agreement.
  - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- i. Policies. Except with respect to workers' compensation and employer's liability coverages, the City must be named and properly endorsed as additional insureds on all liability policies required by this section.
- (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self-insurance policies or programs maintained by the additional insureds.
  - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and acceptable to all parties.

20.2 Sub-contractors.

- a. Developer must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- b. City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- c. Developer and Sub-contractors must provide to the City proof of Required Insurance whenever requested.

21. **Bonds.** Upon execution of this Agreement, and if applicable, Developer must furnish payment and performance bonds as required under A.R.S. § 34-608 and 24 C.F.R. Part 85.36(h).

22. **Conflict.**

- 22.1 Developer acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.
- 22.2 Developer agrees to abide by the provisions of 24 C.F.R. § 92.356 with respect to conflicts of interest, and covenants that no person who exercises or have exercised any functions or responsibilities with respect to activities assisted with HOME Program funds or who are in a position to participate in a decision making process or gain any inside information with regard to these activities, may obtain a financial interest or benefit from the Project, or have

an interest in any contract, subcontract or agreement with respect thereto, or proceeds derived from the Project, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

- 22.3 Developer covenants that no person on its Board of Directors or any member of its staff has an identity of interest with any person or entities that might benefit directly or indirectly financially from this Agreement.
- 22.4 Developer further covenants that in the performance of this Agreement no person, having such a financial interest and/or influence with regard to the Project, will be employed or retained by Developer.
- 22.5 No owner, developer or sponsor of a project assisted with HOME Program funds (or officer, employee, agent or consultant of the owner, developer or sponsor) whether private, for profit or nonprofit (when acting as an owner, developer or sponsor) may occupy a HOME Program-assisted affordable housing unit in the Project. This provision does not apply to an individual who receives HOME Program funds to acquire or rehabilitate his or her principle residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the Project manager or maintenance worker.
- 22.6 If such conflict as outlined above does exist, Developer is bound to disclose officially in writing, on Developer's letterhead, the nature and extent of that conflict prior to execution of this Agreement, or if discovered subsequently, to disclose such conflict as soon as it occurs or is known.
- 22.7 Exceptions to above requirements are allowed under certain circumstances in accordance with 24 C.F.R. §§ 92.356(d), (e) and (f)(2). Requests for exceptions must be made to the City who, after determination as to whether an exception request is warranted, will render a decision and/or seek the approval of HUD to render a decision.
- 22.8 Developer will exercise due diligence and take all necessary steps to assure compliance with the requirements of this Section.

**23. Equal Employment Opportunity.**

- 23.1 Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, national origin, financial status, age, sexual orientation, gender identity, or marital status. Developer take affirmative action to ensure the applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin(s). Such action will include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City's Representative setting forth the provisions of this nondiscrimination clause.
- 23.2 Developer will, in all solicitations or advertisements for employees placed by or on behalf of Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, disability, national origin, financial status, age, sexual orientation, gender identity, or marital status.
- 23.3 Developer will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the City's Representative, advising the labor union or worker's representative of Developer's commitments under Executive Order No 11246 of September 24, 1965, and will post copies of the notice in conspicuous places available to employees and applicants for employment.

- 23.4 Developer will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 23.5 Developer will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the City and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and order.
- 23.6 In the event Developer is found to be in noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and Developer may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule, regulations, or order of the Secretary of Labor or as otherwise provided by law.
- 23.7 Developer will include the provisions of paragraphs this section of this Agreement in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor.

**24. Labor, Training & Business Opportunity.**

- 24.1 It is agreed that performance under this Agreement is on a Project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. § 1701u), as well as any and all applicable amendments thereto. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be provided to low and moderate income residents of the Project area, and that contracts for work in connection with the Project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the Project area.
- 24.2 Developer will comply with the regulations issued pursuant thereto by HUD as set forth in 24 Code of Federal Regulations and all applicable rules and orders of HUD issued there under as well as any and all applicable amendments thereto prior to the execution of this Agreement as well as during the term of this Agreement. Developer certifies and agrees that it is under no contractual or other disability, which would prevent it from complying with these requirements as well as any and all applicable amendments thereto.
- 24.3 In construction contracts of \$100,000 or more, Developer will include a clause that in every subcontract performing work in connection with the Project and will, at the direction of the City, take appropriate action under 24 C.F.R. Part 135 Developer will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 code of Federal Regulations and will not enter into any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with these requirements as well as with any and all applicable amendments thereto.
- 24.4 Compliance with the provisions of Section 3, the regulations set forth in 24 Code of Federal Regulations and all applicable rules and orders of HUD issued thereunder is a condition precedent to federal financial assistance being provided to and continuing to be provided to the Developer. Such compliance will be binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject Developer or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by 24 Code of Federal Regulations, as amended, and may be cause to terminate this Agreement.

25. **Compliance with Federal, State & Local Laws.** Developer covenants and warrants that it will comply with all applicable laws, ordinances, codes, rules and regulations of the state local and federal governments, and all amendments thereto, including, but not limited to; Title 8 of the Civil Rights Act of 1968 PL.90-284; Executive Order 11063 on Equal Opportunity and Housing Section 3 of the Housing and Urban Development Act of 1968; Housing and Community Development Act of 1974, and all requirements of the Home Program as set forth in 24 C.F.R. 92.

26. **Suspension & Termination.**

26.1 In accordance with 24 C.F.R. § 85.43, suspension or termination may occur if Developer materially fails to comply with any term of the award, and that the award may be terminated for convenience in accordance with 24 C.F.R. § 85.44.

26.2 If Developer is unable to meet the approved timelines as required by HOME Program regulations or complete the Project because of delays resulting from Acts of God, untimely review and approval by the City and other governmental authorities having jurisdiction over the Project, or other delays that are not caused solely by Developer, the City will grant a reasonable extension of time for completion of the Project. It will be the responsibility of Developer to notify the City promptly in writing whenever a delay is anticipated or experienced, and to inform the City of all facts and details related to the delay. Developer will also inform the City when it expects the delay to end and when it expects the Project to be complete.

26.3 If Developer fails in any manner to fully perform and carry out any of the terms, covenants, and conditions of the Agreement, or if Developer refuses or fails to proceed with the Project with such diligence as will ensure its completion within the time fixed by HOME Program regulations, Developer will be in default and notice in writing will be given to Developer's Representative of such default by the City or an agent of the City. If Developer fails to cure such default within such time as may be required by such notice, the City may at its option terminate and cancel the Agreement at the expiration of the cure period.

26.4 In the event of such termination, all HOME Program funds awarded to Developer pursuant to this Agreement will be immediately revoked and any approvals related to the Project will immediately be deemed revoked and canceled. In such event, Developer will no longer be entitled to receive any compensation for work undertaken after the date of the termination of this Agreement, as the grant funds will no longer be available for this Project.

26.5 In the event of such termination, Developer will be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder prior to the date of said termination.

26.6 Notwithstanding the above, Developer will not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Developer. The City may withhold any payments to the Developer for the purpose of setoff against such damages until such time as the exact amount of damages due the City from Developer is determined whether by court of competent jurisdiction or otherwise.

26.7 The waiver or failure to enforce a breach of any term, covenant or condition hereof will not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition hereof.

27. **Default-Loss of HOME Program Funds.**

27.1 If Developer fails in any manner to fully perform and carry out any of the terms, covenants, and conditions of the Agreement, and more particularly if Developer refuses or fails to proceed with the work with such diligence as will ensure its completion within the time fixed by the schedule set forth in HOME Program regulations, Developer will be in default and notice in writing will be given to Developer of such default by the City or an agent of the

- City. If Developer fails to cure such default within such time as may be required by such notice, the City, may at its option terminate and cancel the Agreement.
- 27.2 In the event of such termination, all HOME Program funds awarded to Developer pursuant to this Agreement will be immediately revoked and any approvals related to the Project will immediately be deemed revoked and canceled. In such event, Developer will no longer be entitled to receive any compensation for work undertaken after the date of the termination of this Agreement, as the HOME Program funds will no longer be available for this Project.
- 27.3 Such termination will not affect or terminate any of the rights of the City as against Developer then existing, or which may thereafter accrue because of such default, and the foregoing provision will be in addition to all other rights and remedies available to the City under the law and the Note and Deed of Trust (if in effect), including but not limited to compelling Developer to complete the Project in accordance with the terms of this Agreement, in a court of equity.
- 27.4 The waiver of a breach of any term, covenant or condition hereof will not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition hereof.
28. **Inspection, Monitoring & Access to Records.**
- 28.1 The City reserves the right to inspect, monitor, and observe work and services performed by Developer at any and all reasonable times.
- 28.2 The City reserves the right to audit the records of Developer any time during the performance of this Agreement and for a period of six (6) years after the period of affordability has been satisfied under this Agreement.
- 28.3 Developer will provide the City with a copy of their single audit and management letter pursuant to the requirements of OMB Circular A-133 annually, but no later than 30 days after completion of single audit.
- 28.4 Access will be immediately granted to the City, HUD, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of Developer or its contractors which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
29. **Indemnification Agreement.** Developer will, during the term of this Agreement, indemnify, hold, protect, and save harmless the City and any and all of its officers, elected officials, agents, and employees from and against any all actions, audits, proceedings, claims and demands, loss, liens, costs, expenses and liability of any kind and nature whatsoever, for injury to or death of persons, or damage to property, including property owned by the City brought, made, filed against, imposed upon or sustained by the City, its officers, agents, or employees in and arising from attributable to or caused directly or indirectly by the negligence, wrongful acts, omissions or from operations conducted by the Developer, its officers, agents or employees, or by any person acting on behalf of Developer and with Developer's knowledge and consent, expressed or implied.
30. **Prohibited Lobbying Activities.** Developer, his/her agent or representative will not have any lobbying contact, as defined by the Lobbying Disclosure Act (2 U.S.C. 1602), orally or in any written form with any City elected official or any City employee other than the Planning and Community Development Department, City Manager, Deputy City Manager or City Attorney's office (for legal issues only) regarding the contents of this Agreement.
31. **Prohibited Political Contribution.** Developer during the term of this Agreement will not make a contribution reportable under Title 16, Chapter 6, Article 1, Arizona Revised Statutes to a candidate or candidate committee for any City elective office during the term of this Agreement. The City reserves the right to terminate the Agreement without penalty for any violation of this provision.

32. **Contingent Fees.** Developer promises that it has not employed or retained any company or person, other than bona fide employees working solely for Developer, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than bona fide employees working solely for Developer, any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award or making of this Agreement. For breach of this promise, the City may cancel this Agreement without liability or, at its discretion, deduct the full amount of the fee, commission, percentage, brokerage fee, gift or contingent fee from the compensation due Developer.

33. **Successors and Assigns.** This Agreement is binding on the City and Developer, and its successors and assigns. Neither the City nor Developer will assign or transfer its interest in this Agreement without the written consent of the other.

34. **Enforcement of the Agreement.**

34.1 The City will enforce this Agreement in accordance with 24 C.F.R. § 85.43, by suspension or termination of the Agreement should Developer fail to comply with any term of the Agreement, or for convenience in accordance with 24 C.F.R. § 85.44.

34.2 Developer acknowledges and agrees that it will be subject to sanctions set forth in HOME Program Regulation 24 C.F.R. Part 92, if determined to be applicable by the City.

34.3 The parties hereto agree that this Agreement will be construed and enforced according to the laws of the State of Arizona and all applicable federal laws and regulations.

35. **Representatives.**

35.1 Developer. Developer's representative ("Developer's Representative") authorized to act on Developer's behalf with respect to the Project, and his or her address for Notice delivery is:

Attn: Lisa Weide, Grant Administrator  
Habitat for Humanity Central Arizona  
9133 NW Grand Ave Ste. 1  
Peoria, Arizona 85345

35.2 City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale  
Attn: Gilbert Lopez  
Community Revitalization Division  
5850 West Glendale Avenue  
Glendale, Arizona 85301

With required copies to:

City of Glendale  
City Manager  
5850 West Glendale Avenue  
Glendale, Arizona 85301

City of Glendale  
City Attorney  
5850 West Glendale Avenue  
Glendale, Arizona 85301

35.3 Concurrent Notices.

- a. All notices to City's Representative must be given concurrently to City Manager and City Attorney.
- b. A notice will not be considered to have been received by City's Representative until the time that it has also been received by the City Manager and City Attorney.

- c. City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

35.4 Changes. Developer or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

**36. Other Provisions.**

- 36.1 Developer is responsible for all applicable state and federal social security benefits and unemployment taxes and agrees to indemnify and protect the City against such liability.
- 36.2 Developer will maintain a procurement Code of Conduct for its organization, and ensure compliance by all employees.
- 36.3 Alternations to the Project and Budget must be mutually agreed upon by the City and Developer, and will be incorporated into this Agreement by written amendments signed by both parties.
- 36.4 This Agreement represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements whether written or oral.
- 36.5 Title and paragraph headings are for convenient reference and are not a part of this Agreement.
- 36.6 In the event of conflict between the terms of this Agreement and any terms or conditions contained in any attached documents, the terms in this Agreement will rule.
- 36.7 No waiver or breach of any provision of this Agreement will constitute a waiver of a subsequent breach of the same or any other provision hereof, and no waiver will be effective unless made in writing.
- 36.8 Should any provisions, paragraphs, sentences, words or phrases contained in this Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable under the laws of the State of Arizona, such provisions, paragraphs, sentences, words or phrases will be deemed modified to the extent necessary in order to conform with such laws, or if not modifiable to conform with such laws, then same will be deemed severable, and in either event, the remaining terms and provisions of this Agreement will remain unmodified and in full force and effect.
- 36.9 Developer and its employees and agents will be deemed to be independent contractors, and not agents or employees of the City, and will not attain any rights or benefits under the civil service or pension ordinances of the City, or any rights generally afforded classified or unclassified employee; further they will not be deemed entitled to state compensation benefits as an employee of the City.
- 36.10 Funding for this Agreement is contingent on the availability of funds and continued authorization for the Project and is subject to amendment or termination due to lack of funds, or authorization, reduction of funds, and/or change in regulations.

**37. Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

- Exhibit A      Project
- Exhibit B      Match Letter
- Exhibit C      Memorandum of Agreement
- Exhibit D      Project Budget

Exhibit E	Homeowner Deferred Loan Agreement for HOME Program Funds
Exhibit F	Homeowner Deed of Trust and Assignment of Rents
Exhibit G	Homeowner Promissory Note
Exhibit H	Developer Deed of Trust and Assignment of Rents
Exhibit I	Developer Promissory Note
Exhibit J	Certifications
Exhibit K	Federal Laws and Regulations
Exhibit L	Additional Requirements
Exhibit M	Insurance

*(Signatures Appear on the Next Page)*



**PROJECT**  
**EXHIBIT "A"**

EXHIBIT A

PROJECT

1. The City has awarded Developer \$229,390 in HOME Program funds to be for constructions cost associated with the renovation of six (5) homes to assist low-income persons and families in obtaining decent and affordable homeownership opportunities within the zip codes 85301, 85302, & 85303. The funds will be put into the following properties which Habitat Central Arizona hold title too an has site control.:

5602 N 61<sup>st</sup> Ave Glendale AZ 85301

7315 N 54<sup>th</sup> Ave Glendale AZ 85301

6730 N 55<sup>th</sup> Ave Glendale AZ 85301

6717 N 54<sup>th</sup> Drive Glendale AZ 85301

6713 N 54<sup>th</sup> Drive Glendale AZ 85301

2. The total budget for the Project is \$426,390
3. The average cost to renovate the homes is \$38,000 per home. The developer will be allowed a maximum of \$10,000 of the Home grant award for Developer Fees associated with this project.
4. The remaining balance of \$125,000 will be paid directly from the Developer, from sponsor funds, and from volunteer labor.
5. The Developer will match the HOME Program funds provided in the amount of \$57,347.50 from a Federal Home Loan.
6. Any cost overruns will be handled using Developer's general donations, Developer's fund for mortgages or Developer's line of credit.

**MATCH LETTER**

**EXHIBIT "B"**

EXHIBIT B  
MATCH LETTER  
(On Developer Letterhead)

Date

Gilbert Lopez  
Community Revitalization Division  
City of Glendale  
5850 West Glendale Avenue  
Glendale, Arizona 85301

COMMITMENT OF MATCH

Dear Gilbert Lopez

Habitat for Humanity Central Arizona (“Developer”) is committed to making a match of \$57,347 which constitutes 25% of the Home Investment Partnerships Program (“HOME Program”) funds contributed by the City of Glendale for the purchase, rehabilitation or construction of single family homes

The non-federal match funds of amount of funded amount are committed for the Fiscal Year 2012-2013 Agreement. The source of the match funds is \_\_\_\_\_.

If you should have any additional questions, or need additional information, please contact me by phone at ( ) ###-#### or by email (insert email address)

Sincerely,

Habitat for Humanity Central Arizona

By \_\_\_\_\_

Its \_\_\_\_\_

EXHIBIT B  
MATCH LETTER

September 9, 2013

Gilbert Lopez  
Community Revitalization Division  
City of Glendale  
5850 West Glendale Avenue  
Glendale, Arizona 85301

COMMITMENT OF MATCH

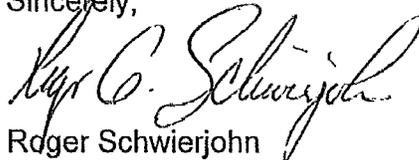
Dear Gilbert Lopez:

Habitat for Humanity Central Arizona ("Developer") is committed to making a match of at least \$57,347.50 which constitutes 25% of the Home Investment Partnerships Program ("HOME Program") funds contributed by the City of Glendale for the purchase, rehabilitation or construction of single family homes.

The non-federal matching funds are committed for the Fiscal Year 2013-2014 Agreement. The source of the matching funds is American Express.

If you should have any additional questions, or need additional information, please contact Lisa Weide, Director of Grants & Compliance at 623-377-3317 or by email at [lisa@habitatcaz.org](mailto:lisa@habitatcaz.org).

Sincerely,



Roger Schwierjohn  
President/CEO



ROC#251891

**MEMORANDUM OF AGREEMENT**

**EXHIBIT "C"**

EXHIBIT C

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("MOA") is entered into this 4<sup>th</sup> day of January, 2013, by and between the City of Glendale, an Arizona municipal corporation ("City"), and Habitat for Humanity Central Arizona, an Arizona non-profit corporation ("Developer")

RECITALS

**WHEREAS**, Congress established a partnership between the federal government, states, local government and non-profit organizations pursuant to the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U S C 12701, *et seq.* ("HOME Program") to assist low-income persons and families in obtaining decent and affordable homeownership opportunities

**WHEREAS**, in order to participate in the HOME Program Developer is required to make matching contributions in an amount that equals 25% of certain HOME Program expenditures,

**WHEREAS**, the Developer is a non-profit organization that builds affordable infill housing that meets HOME Program qualifications,

**WHEREAS**, the Developer desires to donate a portion of their HOME Program eligible match credit to the City; and

**WHEREAS**, the provisions of this MOA are intended to, and shall be construed to be, a binding agreement among the parties hereto.

AGREEMENT

1. **Commitment of Match.** Developer will make a matching contribution of \$57,347.50 which constitutes 25% of the HOME Program funds contributed by the City for the purchase, rehabilitation or construction of single family homes
2. **Duration of the MOA.** This MOA shall be effective for eighteen (18) months commencing on January 4, 2013 and expiring on July 4, 2014, unless sooner terminated pursuant to the provisions contained herein
3. **Foregone Taxes, Fees and Charges.** The Developer may donate all of their HOME Program eligible match credit for development impact fee waivers, if any, to the City for the term of this MOA
4. **Future Match Donations.** The Developer may donate additional HOME Program eligible match credit to the City. Such additional donations will be at the Developer's discretion
5. **City's Ownership of Match Credit.** Once the Developer donates HOME Program eligible match credit to the City, the match credit belongs to the City. The City may use the match credit as needed to meet any HOME Program-mandated match obligations. The City may, at its discretion, return any unused match credit to the Developer
6. **Developer's Ownership of Match Credit.** The Developer's remaining HOME Program eligible match credit not otherwise donated to the City, shall belong to the Developer

IN WITNESS WHEREOF, all parties concerned acknowledge that they have read, understand, approve, and accept all of the provisions of this MOA

CITY OF GLENDALE, an Arizona municipal corporation

*Brenda S Fischer*

Brenda S Fischer  
City Manager

ATTEST

*Pam Hanna*

Pam Hanna  
City Clerk

(SEAL)

APPROVED AS TO FORM

*Michael D Bailey*

Michael D Bailey  
City Attorney

Habitat for Humanity Central Arizona,  
an Arizona non-profit corporation

*Roger Schwierjohn*

By  
Its

*President*

STATE OF ARIZONA )  
                                  ) ss.  
County of Maricopa )

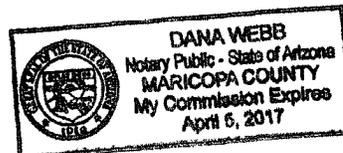
SUBSCRIBED AND SWORN to before me this 9 day of October, 2013, by Roger Schwierjohn, the Developer who signed the above document

*Dana Webb*

Notary Public

My Commission Expires

April 5, 2017



**PROJECT BUDGET**

**EXHIBIT "D"**

EXHIBIT D  
PROGRAM BUDGET

REVENUE	TOTAL PROGRAM FUNDING FY 2013/2014
City HOME Program Funding	\$229,390
Other City of Glendale Funding	\$0
Other Federal Funding	\$0
State Funding	\$0
Municipal Funding (Other Cities and Maricopa County)	\$0
Non-Faith Based Charity	\$0
Foundation and Corporate Support	\$125,000
Volunteer In-Kind Contributions	\$48,000
Other Income	\$24,000
Total	\$426,390

EXPENSES	GLENDALE FUNDING	OTHER RESOURCES	VOLUNTEER / IN-KIND CONTRIBUTIONS	TOTAL PROGRAM BUDGET FY 2013-2014
Personnel Costs	\$	\$	\$	\$
Operational Expenses	\$	\$	\$	\$
Developer Fee	\$10,000	\$	\$	\$10,000
In-kind	\$	\$	\$48,000	\$48,000
	\$	\$	\$	\$
	\$	\$	\$	\$
Building/Construction Expenses	\$219,390	\$125,000	\$	\$344,390
Other Expenses (specify)	\$	\$	\$	\$
Volunteer Labor	\$	\$	\$24,000	\$24,000
	\$	\$	\$	\$
	\$	\$	\$	\$
TOTAL	\$229,390	\$125,000	\$72,000	\$426,390

**HOMEOWNER DEFERRED LOAN AGREEMENT  
FOR HOME PROGRAM FUNDS**

**EXHIBIT "E"**

EXHIBIT E

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

HOMEOWNER AGREEMENT FOR  
HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS

This Homeowner Agreement for HOME Investment Partnership Program Funds (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Glendale, an Arizona municipal corporation (“City”), and \_\_\_\_\_, (“Homeowner”)

RECITALS

**WHEREAS**, the City has applied for and received federal funds pursuant to the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U S C. 12701, *et seq* (“HOME Program”) to assist low-income persons and families in obtaining decent and affordable homeownership opportunities,

**WHEREAS**, the City is a “pass-through agency” for the distribution of the HOME Program funds and the City is required by the NSP Program to regulate and restrict the occupancy and ownership of the Property;

**WHEREAS**, the City believes that Homeowner is qualified to receive the HOME Program funds,

**WHEREAS**, the City and Homeowner are required by the HOME Program to enter into a Homeowner agreement for the acquisition of property with HOME Program funds,

**WHEREAS**, the City and Homeowner desire to enter into the Agreement for the amount of \_\_\_\_\_ as a loan of HOME Program funds to acquire the Property described in the Deed of Trust and Assignment of Rents (“Property”)

AGREEMENT

**1. Definitions.** The following terms have the meanings and content set forth herein where used in this Agreement or attached exhibits.

**1.1** Area Median Income The median income for the Maricopa County Primary Metropolitan Statistical Area (“PMSA”), with adjustments for household size, as adjusted from time to time by HUD

**1.2** Deed of Trust. The Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”), and any other security agreement placed on the Property or any part thereof as security for any loan and other obligations with Homeowner as trustor and the City as Beneficiary, as well as any amendments to, modification of, and restatement of the Homeowner Deed of Trust

**1.3** Affordability Period The period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. The amount of time the affordability period is in place is defined in the chart in section 4.3 of this agreement

**1.4** HUD The U S Department of Housing and Urban Development

- 1.5 Homeowner Investment An initial down payment
  - 1.6 House. The residential dwelling unit that is located on the Property
  - 1.7 Loan The loan of HOME Program funds for the purchase of the Property
  - 1.8 Loan Documents Collectively the Agreement, Deed of Trust, Promissory Note, Note Rider and any loan agreement, deed of trust, or promissory note entered into between the City and Homeowner with respect to any of the Property, as they may be amendments to these documents
  - 1.9 Principal Residence The homeowner occupying the Property no less than nine (9) months in a year
  - 1.10 Promissory Note The promissory note and note rider executed by Homeowner in favor of the City evidencing any part of a loan, which is secured by a Homeowner Deed of Trust, as well as any amendments to, modifications or, or restatements of said Homeowner Promissory Note The Homeowner Promissory Note will be on file with the City
  - 1.11 Homeowner The qualifying household that is the purchaser of the Property whose income is Eighty Percent (80%) or under of Area Median Income, as determined periodically by HUD, who is otherwise eligible to acquire the Property
  - 1.12 HOME Program Funds. The federal funds received pursuant to the HOME Program
  - 1.13 Homeowner Investment The Homeowner's down payment on the Property.
  - 1.14 Qualifying Sales Price. A price of the Property that does not exceed Ninety-Five Percent (95%) of the median purchase price for the area, as determined by HUD
2. **Term of Agreement.** The Agreement shall remain in full force and effect during the Affordability Period regardless of any expiration of the term of any loan, any payment or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property, unless terminated earlier by City in writing or extended by the mutual consent of the parties However, failure to record this Agreement by City shall not relieve Homeowner of any of the obligations specified herein The covenants in this Agreement will run with the land for the benefit of City and its heirs, assigns and successors and be binding on Homeowner and Homeowner's heirs, assigns and successor for the full term of this Agreement
3. **Use of Funds.** HOME Program Funds will be used to acquire the Property Funds will be utilized in a soft second assistance program, which will effectively allow the Qualifying Household to acquire the Property
4. **Affordability.**
- 4 1 The Property will qualify as affordable housing and will have.
    - a An initial purchase price that is a Qualifying Sales Price; and
    - b An estimated appraisal value at acquisition that does not exceed Qualifying Sales Price
  - 4 2 The Property must be the Principal Residence of the Homeowner
  - 4 3 Pursuant to 24 C F R. § 92 254, the Homeowner must comply with the Affordability Period requirements in order to use of NSP Program funds to purchase the Property The Affordability Period is defined below

NSP Program Funds	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

**5. Recapture of NSP Program Funds.**

- 5 1 Pursuant to HOME Funds regulations 24 C F R § 92 254(a)(iii), HOME Program funds will be recaptured if the Property does not continue to be the Principal Residence of Homeowner for the duration of the Affordability Period. If all or any part of the Property or any interest in it is sold, rented, refinanced, conveyed or transferred (or if a beneficial interest in Homeowner is sold, rented, refinanced, conveyed, or transferred and Homeowner is not a natural person) If the Property is sold, rented, refinanced conveyed, or transferred within the first year of the term of the Deed of Trust and Promissory Note, the City will receive one hundred percent (100%) of the balance of the Agreement.
- 5 2 Utilizing the recapture provisions of the HOME Program, the fair return to the Homeowner will calculate based on the net proceeds from the sale and the amount of the original HOME Program funds invested in the Property. The HOME Program funds will be recoverable any time the Property is sold before the expiration of the Affordability Period. The method that will be used to calculate the fair return and the HOME Program funds to be recovered shall be detailed in the Deed of Trust.
- 5 3 If the Period of Affordability has been satisfied, Homeowner will be entitled to all net proceeds from the sale of the Property.
- 5.4 In the case of a foreclosure, the Affordability Period will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program funds. If Homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured shall be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program funds will not be recaptured.
- 5 5 The method that will be used to calculate the amount of the recapture funds will be detailed in the Deed of Trust and the Promissory Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale.
- 5 6 If Homeowner ceases to occupy the Property as a Principal Residence, voluntarily or involuntarily, or upon the death of the Homeowner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program funds will become due and payable.
  - a The method used to calculate the amount of the recaptured funds shall be detailed in the Deed of Trust and Promissory Note. If the Property is occupied as the Principal Residence by a valid and authorized descendant of a deceased Homeowner, and the descendant's income level qualifies, the descendant may receive HOME Program funds in the same manner in which the deceased Homeowner qualified, according to the most recent income limits.
  - b The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the Affordability Period. If the Affordability Period has been satisfied, the City will have no interest the Property.
- 5 7 If the Homeowner defaults on the Agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest

of the NSP Program. Failure to resolve the default may result in the City exercising its right to foreclose in order to satisfy the Agreement and comply with the HOME Program

5 8 If Homeowner does not occupy the Property as their Principal Residence during the entire loan term, the balance will be due and payable or other arrangements can be made that meet HUD regulations as are approved by the City. If the Property is sold, rented, refinance, conveyed, or transferred within the first year the term of the Promissory Note secured by this Deed of Trust, one hundred percent (100%) of the full loan balance as follows

- a Principal on the First Note and the Deed of Trust, and
- b Principal on this Second Note and Deed of Trust to the City of Glendale, and
- c All costs of sale, including costs of brokers' commissions, escrow fees, title costs and fees, recording costs, etc ; and
- d Current year taxes, including all pro-rata real estate taxes calculated to the date of sale, and
- e Borrower's down payment not including the loan from the City to Borrower, and
- f All Principal paid down on the First Note and Deed of Trust, and
- g Costs of any improvements to the Property provided such improvements were approved by the City prior to construction and provided that such improvements have been documented to the satisfaction of the City

5 9 The HOME Program funds will still be due and payable. In the event that a negative Equity situation exists, and the full amount of the HOME funds are not available to be recaptured, the amount of HOME funds required to be repaid to the City will be as set forth in 24 CFR 92.254(a)(11)(a)(93).

a To calculate the Net Proceeds to be returned to the city use the formula below

$$\frac{\text{Direct HOME Program Subsidy}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds Recaptured}$$

b To calculate the Net Proceeds available to the homebuyer use the formula below

$$\frac{\text{Homebuyer Investment}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds to Homebuyer}$$

## 6. Property Management.

6 1 During the Affordability Period, the Homeowner will at his or her own expense maintain the Property in food condition, in good repair, and in decent, safe, sanitary and habitable living conditions for the benefit of that Homeowner's household and any prospective occupants. Homeowner shall maintain the Property in conformance with all applicable state, federal and local laws, ordinances, codes and regulations

6 2 If Homeowner fails to maintain the Property in accordance with these standards and after at least thirty (30) business days notice to the Homeowner, the City or the City's contractor or agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in the City's discretion, and provide for payment thereof. Any amount advanced by the City to make such repairs, together with interest thereon from the date of such advance at the rate of seven (7) percent (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowable by applicable law), shall become an additional obligation of the Homeowner to the City and shall be secured by any Deed of Trust, if not previously reconveyed

7. **Repayment.** HOME Program funds that are loaned to the Homeowner are to be remitted (principal and interest, as warranted) to the City to be retained and used as HOME Program income for additional first-time homebuyers
8. **NSP Program Requirements.** Homeowner will comply with the following
  - 8.1 Maximum Per-Unit Subsidy Amount The amount of HOME Program funds that a participating jurisdiction may invest on a per-unit basis in affordable housing will not exceed the per-unit dollar limits established by the HOME Program
  - 8.2 Property Standards Housing that is assisted with HOME Program funds must, at a minimum, the Housing Quality Standards defined in Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f)
  - 8.3 Property Cost Limits The value of acquisition of the Property must not exceed ninety-five percent (95%) of the median purchase price for the area, as determined by HUD and amended from time to time.
  - 8.4 Ownership Interest. The Homeowner must have fee simple title upon the sale of the Property purchased with the assistance of HOME Program funds
  - 8.5 Refinance The City will subordinate to the following refinance situations only, subject to City approval and additional documentation is required
    - a A Federal Housing Administration streamline refinance, with a reduction in total principal, interest, taxes & insurance (“PITI”) and no cash out
    - b A U.S. Department of Veterans Affairs rate reduction refinance, with a reduction in total PITI and cash out
    - c A conventional rate and term refinance, with a reduction in total PITI and no cash out
9. **Defaults and Remedies.** In the event of any breach or violation of any agreement or obligation under this Agreement, the City may proceed with any or all of the remedies as described in the Deed of Trust
10. **Indemnity.** Notwithstanding the insurance covered required herein, Homeowner shall indemnify and hold the City and its officers, officials, directors, employees, agents and authorized representatives (each, an “Indemnified Party,” and collectively, “Indemnified Parties”) free and harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney’s fees) which any Indemnified Party may incur as a direct or indirect consequence of (1) Homeowner’s failure to perform any obligations as and when required by this Agreement, (2) any failure of Homeowner’s representatives or warranties to be true and complete; or (3) any act or omission by Homeowner or any contractor, subcontractor, management agent, or supplier with respect to the Property, except where such losses are caused by the sole negligence or willful misconduct of Indemnified Parties. Homeowner shall pay immediately upon the City’s demand any amounts owing under this indemnity. The duty of the Homeowner to indemnify includes the duty to defend Indemnified Parties in any court action, administrative action, or other proceeding brought by any third party arising from the Property. Homeowner’s duty to indemnify Indemnified Parties shall survive the term of this Agreement
11. **Subordination.** This Agreement shall be subordinated in priority only to the liens and encumbrances approved by the City in the Agreement or otherwise in writing by the City in its sole and absolute discretion
12. **Governing Law.** This Agreement shall be interpreted under and be governed by the laws of the State of Arizona



**"Exhibit E"**

**Legal Description**

For the property located at 5602 North 61<sup>st</sup>, Glendale, Arizona 85301:

LOT 7451 OF MARYVALE TERRACE 20-A, MAP BOOK 79, MAP PAGE 19

EXHIBIT E

WHEN RECORDED, RETURN TO.

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

HOMEOWNER AGREEMENT FOR  
HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS

This Homeowner Agreement for HOME Investment Partnership Program Funds (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Glendale, an Arizona municipal corporation (“City”), and \_\_\_\_\_, (“Homeowner”)

RECITALS

**WHEREAS**, the City has applied for and received federal funds pursuant to the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U S C. 12701, *et seq.* (“HOME Program”) to assist low-income persons and families in obtaining decent and affordable homeownership opportunities,

**WHEREAS**, the City is a “pass-through agency” for the distribution of the HOME Program funds and the City is required by the NSP Program to regulate and restrict the occupancy and ownership of the Property,

**WHEREAS**, the City believes that Homeowner is qualified to receive the HOME Program funds,

**WHEREAS**, the City and Homeowner are required by the HOME Program to enter into a Homeowner agreement for the acquisition of property with HOME Program funds,

**WHEREAS**, the City and Homeowner desire to enter into the Agreement for the amount of \_\_\_\_\_ as a loan of HOME Program funds to acquire the Property described in the Deed of Trust and Assignment of Rents (“Property”)

AGREEMENT

1. **Definitions.** The following terms have the meanings and content set forth herein where used in this Agreement or attached exhibits
  - 1.1 **Area Median Income.** The median income for the Maricopa County Primary Metropolitan Statistical Area (“PMSA”), with adjustments for household size, as adjusted from time to time by HUD
  - 1.2 **Deed of Trust.** The Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”), and any other security agreement placed on the Property or any part thereof as security for any loan and other obligations with Homeowner as trustor and the City as Beneficiary, as well as any amendments to, modification of, and restatement of the Homeowner Deed of Trust
  - 1.3 **Affordability Period** The period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. The amount of time the affordability period is in place is defined in the chart in section 4.3 of this agreement
  - 1.4 **HUD** The US Department of Housing and Urban Development

- 1.5 Homeowner Investment An initial down payment
  - 1.6 House The residential dwelling unit that is located on the Property
  - 1.7 Loan The loan of HOME Program funds for the purchase of the Property
  - 1.8 Loan Documents Collectively the Agreement, Deed of Trust, Promissory Note, Note Rider and any loan agreement, deed of trust, or promissory note entered into between the City and Homeowner with respect to any of the Property, as they may be amendments to these documents
  - 1.9 Principal Residence The homeowner occupying the Property no less than nine (9) months in a year.
  - 1.10 Promissory Note The promissory note and note rider executed by Homeowner in favor of the City evidencing any part of a loan, which is secured by a Homeowner Deed of Trust, as well as any amendments to, modifications or, or restatements of said Homeowner Promissory Note The Homeowner Promissory Note will be on file with the City
  - 1.11 Homeowner The qualifying household that is the purchaser of the Property whose income is Eighty Percent (80%) or under of Area Median Income, as determined periodically by HUD, who is otherwise eligible to acquire the Property
  - 1.12 HOME Program Funds. The federal funds received pursuant to the HOME Program.
  - 1.13 Homeowner Investment The Homeowner's down payment on the Property.
  - 1.14 Qualifying Sales Price. A price of the Property that does not exceed Ninety-Five Percent (95%) of the median purchase price for the area, as determined by HUD
2. **Term of Agreement.** The Agreement shall remain in full force and effect during the Affordability Period regardless of any expiration of the term of any loan, any payment or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property, unless terminated earlier by City in writing or extended by the mutual consent of the parties However, failure to record this Agreement by City shall not relieve Homeowner of any of the obligations specified herein The covenants in this Agreement will run with the land for the benefit of City and its heirs, assigns and successors and be binding on Homeowner and Homeowner's heirs, assigns and successor for the full term of this Agreement
3. **Use of Funds.** HOME Program Funds will be used to acquire the Property Funds will be utilized in a soft second assistance program, which will effectively allow the Qualifying Household to acquire the Property
4. **Affordability.**
- 4.1 The Property will qualify as affordable housing and will have
    - a An initial purchase price that is a Qualifying Sales Price; and
    - b. An estimated appraisal value at acquisition that does not exceed Qualifying Sales Price
  - 4.2 The Property must be the Principal Residence of the Homeowner
  - 4 3 Pursuant to 24 C F R. § 92 254, the Homeowner must comply with the Affordability Period requirements in order to use of NSP Program funds to purchase the Property. The Affordability Period is defined below.

NSP Program Funds	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

**5. Recapture of NSP Program Funds.**

- 5.1 Pursuant to HOME Funds regulations 24 C.F.R. § 92.254(a)(iii), HOME Program funds will be recaptured if the Property does not continue to be the Principal Residence of Homeowner for the duration of the Affordability Period. If all or any part of the Property or any interest in it is sold, rented, refinanced, conveyed or transferred (or if a beneficial interest in Homeowner is sold, rented, refinanced, conveyed, or transferred and Homeowner is not a natural person). If the Property is sold, rented, refinanced, conveyed, or transferred within the first year of the term of the Deed of Trust and Promissory Note, the City will receive one hundred percent (100%) of the balance of the Agreement.
- 5.2 Utilizing the recapture provisions of the HOME Program, the fair return to the Homeowner will calculate based on the net proceeds from the sale and the amount of the original HOME Program funds invested in the Property. The HOME Program funds will be recoverable any time the Property is sold before the expiration of the Affordability Period. The method that will be used to calculate the fair return and the HOME Program funds to be recovered shall be detailed in the Deed of Trust.
- 5.3 If the Period of Affordability has been satisfied, Homeowner will be entitled to all net proceeds from the sale of the Property.
- 5.4 In the case of a foreclosure, the Affordability Period will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program funds. If Homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured shall be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program funds will not be recaptured.
- 5.5 The method that will be used to calculate the amount of the recapture funds will be detailed in the Deed of Trust and the Promissory Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale.
- 5.6 If Homeowner ceases to occupy the Property as a Principal Residence, voluntarily or involuntarily, or upon the death of the Homeowner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program funds will become due and payable.
  - a. The method used to calculate the amount of the recaptured funds shall be detailed in the Deed of Trust and Promissory Note. If the Property is occupied as the Principal Residence by a valid and authorized descendant of a deceased Homeowner, and the descendant's income level qualifies, the descendant may receive HOME Program funds in the same manner in which the deceased Homeowner qualified, according to the most recent income limits.
  - b. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the Affordability Period. If the Affordability Period has been satisfied, the City will have no interest in the Property.
- 5.7 If the Homeowner defaults on the Agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest

of the NSP Program. Failure to resolve the default may result in the City exercising its right to foreclose in order to satisfy the Agreement and comply with the HOME Program.

5.8 If Homeowner does not occupy the Property as their Principal Residence during the entire loan term, the balance will be due and payable or other arrangements can be made that meet HUD regulations as are approved by the City. If the Property is sold, rented, refinance, conveyed, or transferred within the first year the term of the Promissory Note secured by this Deed of Trust, one hundred percent (100%) of the full loan balance as follows:

- a. Principal on the First Note and the Deed of Trust, and
- b. Principal on this Second Note and Deed of Trust to the City of Glendale; and
- c. All costs of sale, including costs of brokers' commissions, escrow fees, title costs and fees, recording costs, etc.; and
- d. Current year taxes, including all pro-rata real estate taxes calculated to the date of sale; and
- e. Borrower's down payment not including the loan from the City to Borrower; and
- f. All Principal paid down on the First Note and Deed of Trust, and
- g. Costs of any improvements to the Property provided such improvements were approved by the City prior to construction and provided that such improvements have been documented to the satisfaction of the City.

5.9 The HOME Program funds will still be due and payable. In the event that a negative Equity situation exists, and the full amount of the HOME funds are not available to be recaptured, the amount of HOME funds required to be repaid to the City will be as set forth in 24 CFR 92.254(a)(11)(a)(93):

a. To calculate the Net Proceeds to be returned to the city use the formula below:

$$\frac{\text{Direct HOME Program Subsidy}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds Recaptured}$$

b. To calculate the Net Proceeds available to the homebuyer use the formula below:

$$\frac{\text{Homebuyer Investment}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds to Homebuyer}$$

## 6. Property Management.

6.1 During the Affordability Period, the Homeowner will at his or her own expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary and habitable living conditions for the benefit of that Homeowner's household and any prospective occupants. Homeowner shall maintain the Property in conformance with all applicable state, federal and local laws, ordinances, codes and regulations.

6.2 If Homeowner fails to maintain the Property in accordance with these standards and after at least thirty (30) business days notice to the Homeowner, the City or the City's contractor or agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in the City's discretion, and provide for payment thereof. Any amount advanced by the City to make such repairs, together with interest thereon from the date of such advance at the rate of seven (7) percent (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowable by applicable law), shall become an additional obligation of the Homeowner to the City and shall be secured by any Deed of Trust, if not previously reconveyed.

7. **Repayment.** HOME Program funds that are loaned to the Homeowner are to be remitted (principal and interest, as warranted) to the City to be retained and used as HOME Program income for additional first-time homebuyers
8. **NSP Program Requirements.** Homeowner will comply with the following.
  - 8.1 Maximum Per-Unit Subsidy Amount The amount of HOME Program funds that a participating jurisdiction may invest on a per-unit basis in affordable housing will not exceed the per-unit dollar limits established by the HOME Program
  - 8.2 Property Standards Housing that is assisted with HOME Program funds must, at a minimum, the Housing Quality Standards defined in Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f).
  - 8.3 Property Cost Limits. The value of acquisition of the Property must not exceed ninety-five percent (95%) of the median purchase price for the area, as determined by HUD and amended from time to time
  - 8.4 Ownership Interest The Homeowner must have fee simple title upon the sale of the Property purchased with the assistance of HOME Program funds
  - 8.5 Refinance The City will subordinate to the following refinance situations only, subject to City approval and additional documentation is required.
    - a A Federal Housing Administration streamline refinance, with a reduction in total principal, interest, taxes & insurance (“PITI”) and no cash out
    - b A U.S. Department of Veterans Affairs rate reduction refinance, with a reduction in total PITI and cash out.
    - c A conventional rate and term refinance, with a reduction in total PITI and no cash out
9. **Defaults and Remedies.** In the event of any breach or violation of any agreement or obligation under this Agreement, the City may proceed with any or all of the remedies as described in the Deed of Trust
10. **Indemnity.** Notwithstanding the insurance covered required herein, Homeowner shall indemnify and hold the City and its officers, officials, directors, employees, agents and authorized representatives (each, an “Indemnified Party,” and collectively, “Indemnified Parties”) free and harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney’s fees) which any Indemnified Party may incur as a direct or indirect consequence of (1) Homeowner’s failure to perform any obligations as and when required by this Agreement; (2) any failure of Homeowner’s representatives or warranties to be true and complete; or (3) any act or omission by Homeowner or any contractor, subcontractor, management agent, or supplier with respect to the Property, except where such losses are caused by the sole negligence or willful misconduct of Indemnified Parties. Homeowner shall pay immediately upon the City’s demand any amounts owing under this indemnity. The duty of the Homeowner to indemnify includes the duty to defend Indemnified Parties in any court action, administrative action, or other proceeding brought by any third party arising from the Property. Homeowner’s duty to indemnify Indemnified Parties shall survive the term of this Agreement.
11. **Subordination.** This Agreement shall be subordinated in priority only to the liens and encumbrances approved by the City in the Agreement or otherwise in writing by the City in its sole and absolute discretion
12. **Governing Law.** This Agreement shall be interpreted under and be governed by the laws of the State of Arizona.



**"Exhibit E"**

**Legal Description**

For the property located at 7315 North 54<sup>th</sup> Avenue, Glendale, Arizona 85301:

LOT 2, BLOCK 7 OF COOK AND WHITE ADDITION AMENDED, MAP BOOK 30, MAP PAGE 9

EXHIBIT E

WHEN RECORDED, RETURN TO.

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

HOMEOWNER AGREEMENT FOR  
HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS

This Homeowner Agreement for HOME Investment Partnership Program Funds (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Glendale, an Arizona municipal corporation (“City”), and \_\_\_\_\_, (“Homeowner”)

RECITALS

**WHEREAS**, the City has applied for and received federal funds pursuant to the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U S C 12701, *et seq* (“HOME Program”) to assist low-income persons and families in obtaining decent and affordable homeownership opportunities,

**WHEREAS**, the City is a “pass-through agency” for the distribution of the HOME Program funds and the City is required by the NSP Program to regulate and restrict the occupancy and ownership of the Property;

**WHEREAS**, the City believes that Homeowner is qualified to receive the HOME Program funds,

**WHEREAS**, the City and Homeowner are required by the HOME Program to enter into a Homeowner agreement for the acquisition of property with HOME Program funds;

**WHEREAS**, the City and Homeowner desire to enter into the Agreement for the amount of \_\_\_\_\_ as a loan of HOME Program funds to acquire the Property described in the Deed of Trust and Assignment of Rents (“Property”)

AGREEMENT

**1. Definitions.** The following terms have the meanings and content set forth herein where used in this Agreement or attached exhibits

**1.1** Area Median Income The median income for the Maricopa County Primary Metropolitan Statistical Area (“PMSA”), with adjustments for household size, as adjusted from time to time by HUD

**1.2** Deed of Trust. The Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”), and any other security agreement placed on the Property or any part thereof as security for any loan and other obligations with Homeowner as trustor and the City as Beneficiary, as well as any amendments to, modification of, and restatement of the Homeowner Deed of Trust

**1.3** Affordability Period The period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. The amount of time the affordability period is in place is defined in the chart in section 4.3 of this agreement

**1.4** HUD The U S Department of Housing and Urban Development

- 1.5 Homeowner Investment. An initial down payment.
  - 1.6 House. The residential dwelling unit that is located on the Property
  - 1.7 Loan. The loan of HOME Program funds for the purchase of the Property
  - 1.8 Loan Documents. Collectively the Agreement, Deed of Trust, Promissory Note, Note Rider and any loan agreement, deed of trust, or promissory note entered into between the City and Homeowner with respect to any of the Property, as they may be amendments to these documents
  - 1.9 Principal Residence. The homeowner occupying the Property no less than nine (9) months in a year.
  - 1.10 Promissory Note. The promissory note and note rider executed by Homeowner in favor of the City evidencing any part of a loan, which is secured by a Homeowner Deed of Trust, as well as any amendments to, modifications or, or restatements of said Homeowner Promissory Note. The Homeowner Promissory Note will be on file with the City
  - 1.11 Homeowner. The qualifying household that is the purchaser of the Property whose income is Eighty Percent (80%) or under of Area Median Income, as determined periodically by HUD, who is otherwise eligible to acquire the Property.
  - 1.12 HOME Program Funds. The federal funds received pursuant to the HOME Program.
  - 1.13 Homeowner Investment. The Homeowner's down payment on the Property.
  - 1.14 Qualifying Sales Price. A price of the Property that does not exceed Ninety-Five Percent (95%) of the median purchase price for the area, as determined by HUD
2. **Term of Agreement.** The Agreement shall remain in full force and effect during the Affordability Period regardless of any expiration of the term of any loan, any payment or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property, unless terminated earlier by City in writing or extended by the mutual consent of the parties. However, failure to record this Agreement by City shall not relieve Homeowner of any of the obligations specified herein. The covenants in this Agreement will run with the land for the benefit of City and its heirs, assigns and successors and be binding on Homeowner and Homeowner's heirs, assigns and successor for the full term of this Agreement
3. **Use of Funds.** HOME Program Funds will be used to acquire the Property. Funds will be utilized in a soft second assistance program, which will effectively allow the Qualifying Household to acquire the Property
4. **Affordability.**
- 4.1 The Property will qualify as affordable housing and will have
    - a. An initial purchase price that is a Qualifying Sales Price, and
    - b. An estimated appraisal value at acquisition that does not exceed Qualifying Sales Price
  - 4.2 The Property must be the Principal Residence of the Homeowner.
  - 4.3 Pursuant to 24 C.F.R. § 92.254, the Homeowner must comply with the Affordability Period requirements in order to use of NSP Program funds to purchase the Property. The Affordability Period is defined below

NSP Program Funds	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

**5. Recapture of NSP Program Funds.**

- 5 1 Pursuant to HOME Funds regulations 24 C F R § 92 254(a)(iii), HOME Program funds will be recaptured if the Property does not continue to be the Principal Residence of Homeowner for the duration of the Affordability Period. If all or any part of the Property or any interest in it is sold, rented, refinanced, conveyed or transferred (or if a beneficial interest in Homeowner is sold, rented, refinanced, conveyed, or transferred and Homeowner is not a natural person) If the Property is sold, rented, refinanced conveyed, or transferred within the first year of the term of the Deed of Trust and Promissory Note, the City will receive one hundred percent (100%) of the balance of the Agreement.
- 5 2 Utilizing the recapture provisions of the HOME Program, the fair return to the Homeowner will calculate based on the net proceeds from the sale and the amount of the original HOME Program funds invested in the Property. The HOME Program funds will be recoverable any time the Property is sold before the expiration of the Affordability Period The method that will be used to calculate the fair return and the HOME Program funds to be recovered shall be detailed in the Deed of Trust
- 5 3 If the Period of Affordability has been satisfied, Homeowner will be entitled to all net proceeds from the sale of the Property
- 5 4 In the case of a foreclosure, the Affordability Period will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale The City will, to the extent feasible, recapture the original HOME Program funds If Homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment The amount recaptured shall be based on the amount of the net proceeds from the foreclosure sale If no proceeds are generated, the HOME Program funds will not be recaptured.
- 5.5 The method that will be used to calculate the amount of the recapture funds will be detailed in the Deed of Trust and the Promissory Note If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale.
- 5 6 If Homeowner ceases to occupy the Property as a Principal Residence, voluntarily or involuntarily, or upon the death of the Homeowner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program funds will become due and payable.
  - a The method used to calculate the amount of the recaptured funds shall be detailed in the Deed of Trust and Promissory Note If the Property is occupied as the Principal Residence by a valid and authorized descendant of a deceased Homeowner, and the descendant's income level qualifies, the descendant may receive HOME Program funds in the same manner in which the deceased Homeowner qualified, according to the most recent income limits.
  - b. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the Affordability Period. If the Affordability Period has been satisfied, the City will have no interest the Property
- 5 7 If the Homeowner defaults on the Agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest

of the NSP Program. Failure to resolve the default may result in the City exercising its right to foreclose in order to satisfy the Agreement and comply with the HOME Program.

5.8 If Homeowner does not occupy the Property as their Principal Residence during the entire loan term, the balance will be due and payable or other arrangements can be made that meet HUD regulations as are approved by the City. If the Property is sold, rented, refinance, conveyed, or transferred within the first year the term of the Promissory Note secured by this Deed of Trust, one hundred percent (100%) of the full loan balance as follows:

- a. Principal on the First Note and the Deed of Trust, and
- b. Principal on this Second Note and Deed of Trust to the City of Glendale, and
- c. All costs of sale, including costs of brokers' commissions, escrow fees, title costs and fees, recording costs, etc.; and
- d. Current year taxes, including all pro-rata real estate taxes calculated to the date of sale; and
- e. Borrower's down payment not including the loan from the City to Borrower; and
- f. All Principal paid down on the First Note and Deed of Trust, and
- g. Costs of any improvements to the Property provided such improvements were approved by the City prior to construction and provided that such improvements have been documented to the satisfaction of the City.

5.9 The HOME Program funds will still be due and payable. In the event that a negative Equity situation exists, and the full amount of the HOME funds are not available to be recaptured, the amount of HOME funds required to be repaid to the City will be as set forth in 24 CFR 92.254(a)(11)(a)93)

a. To calculate the Net Proceeds to be returned to the city use the formula below:

$$\frac{\text{Direct HOME Program Subsidy}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds Recaptured}$$

b. To calculate the Net Proceeds available to the homebuyer use the formula below:

$$\frac{\text{Homebuyer Investment}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds to Homebuyer}$$

## 6. Property Management.

6.1 During the Affordability Period, the Homeowner will at his or her own expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary and habitable living conditions for the benefit of that Homeowner's household and any prospective occupants. Homeowner shall maintain the Property in conformance with all applicable state, federal and local laws, ordinances, codes and regulations.

6.2 If Homeowner fails to maintain the Property in accordance with these standards and after at least thirty (30) business days notice to the Homeowner, the City or the City's contractor or agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in the City's discretion, and provide for payment thereof. Any amount advanced by the City to make such repairs, together with interest thereon from the date of such advance at the rate of seven (7) percent (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowable by applicable law), shall become an additional obligation of the Homeowner to the City and shall be secured by any Deed of Trust, if not previously reconveyed.

7. **Repayment.** HOME Program funds that are loaned to the Homeowner are to be remitted (principal and interest, as warranted) to the City to be retained and used as HOME Program income for additional first-time homebuyers
8. **NSP Program Requirements.** Homeowner will comply with the following:
  - 8.1 Maximum Per-Unit Subsidy Amount The amount of HOME Program funds that a participating jurisdiction may invest on a per-unit basis in affordable housing will not exceed the per-unit dollar limits established by the HOME Program
  - 8.2 Property Standards Housing that is assisted with HOME Program funds must, at a minimum, the Housing Quality Standards defined in Section 8 of the U.S. Housing Act of 1937 (42 U S C 1437f).
  - 8.3 Property Cost Limits. The value of acquisition of the Property must not exceed ninety-five percent (95%) of the median purchase price for the area, as determined by HUD and amended from time to time.
  - 8.4 Ownership Interest The Homeowner must have fee simple title upon the sale of the Property purchased with the assistance of HOME Program funds
  - 8.5 Refinance The City will subordinate to the following refinance situations only, subject to City approval and additional documentation is required
    - a A Federal Housing Administration streamline refinance, with a reduction in total principal, interest, taxes & insurance (“PITI”) and no cash out.
    - b A U.S. Department of Veterans Affairs rate reduction refinance, with a reduction in total PITI and cash out
    - c A conventional rate and term refinance, with a reduction in total PITI and no cash out
9. **Defaults and Remedies.** In the event of any breach or violation of any agreement or obligation under this Agreement, the City may proceed with any or all of the remedies as described in the Deed of Trust
10. **Indemnity.** Notwithstanding the insurance covered required herein, Homeowner shall indemnify and hold the City and its officers, officials, directors, employees, agents and authorized representatives (each, an “Indemnified Party,” and collectively, “Indemnified Parties”) free and harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney’s fees) which any Indemnified Party may incur as a direct or indirect consequence of (1) Homeowner’s failure to perform any obligations as and when required by this Agreement, (2) any failure of Homeowner’s representatives or warranties to be true and complete; or (3) any act or omission by Homeowner or any contractor, subcontractor, management agent, or supplier with respect the Property, except where such losses are caused by the sole negligence or willful misconduct of Indemnified Parties Homeowner shall pay immediately upon the City’s demand any amounts owing under this indemnity The duty of the Homeowner to indemnify includes the duty to defend Indemnified Parties in any court action, administrative action, or other proceeding brought by any third party arising from the Property. Homeowner’s duty to indemnify Indemnified Parties shall survive the term of this Agreement.
11. **Subordination.** This Agreement shall be subordinated in priority only to the liens and encumbrances approved by the City in the Agreement or otherwise in writing by the City in its sole and absolute discretion.
12. **Governing Law.** This Agreement shall be interpreted under and be governed by the laws of the State of Arizona.



**"Exhibit E"**

**Legal Description**

For the property located at 6730 North 55<sup>th</sup> Avenue, Glendale, Arizona 85301·

LOT 5, BLOCK 19 OF PARK ADDITION TO GLENDALE, MAP BOOK 3, MAP PAGE 42

EXHIBIT E

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

HOMEOWNER AGREEMENT FOR  
HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS

This Homeowner Agreement for HOME Investment Partnership Program Funds ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Glendale, an Arizona municipal corporation ("City"), and \_\_\_\_\_, ("Homeowner")

RECITALS

**WHEREAS**, the City has applied for and received federal funds pursuant to the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U S C 12701, *et seq* ("HOME Program") to assist low-income persons and families in obtaining decent and affordable homeownership opportunities,

**WHEREAS**, the City is a "pass-through agency" for the distribution of the HOME Program funds and the City is required by the NSP Program to regulate and restrict the occupancy and ownership of the Property,

**WHEREAS**, the City believes that Homeowner is qualified to receive the HOME Program funds,

**WHEREAS**, the City and Homeowner are required by the HOME Program to enter into a Homeowner agreement for the acquisition of property with HOME Program funds;

**WHEREAS**, the City and Homeowner desire to enter into the Agreement for the amount of \_\_\_\_\_ as a loan of HOME Program funds to acquire the Property described in the Deed of Trust and Assignment of Rents ("Property")

AGREEMENT

1. **Definitions.** The following terms have the meanings and content set forth herein where used in this Agreement or attached exhibits
  - 1.1 Area Median Income The median income for the Maricopa County Primary Metropolitan Statistical Area ("PMSA"), with adjustments for household size, as adjusted from time to time by HUD
  - 1.2 Deed of Trust. The Deed of Trust and Assignment of Rents ("Homeowner Deed of Trust"), and any other security agreement placed on the Property or any part thereof as security for any loan and other obligations with Homeowner as trustor and the City as Beneficiary, as well as any amendments to, modification of, and restatement of the Homeowner Deed of Trust
  - 1.3 Affordability Period The period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. The amount of time the affordability period is in place is defined in the chart in section 4.3 of this agreement
  - 1.4 HUD The U S Department of Housing and Urban Development

- 1.5 Homeowner Investment An initial down payment.
  - 1.6 House The residential dwelling unit that is located on the Property
  - 1.7 Loan The loan of HOME Program funds for the purchase of the Property
  - 1.8 Loan Documents. Collectively the Agreement, Deed of Trust, Promissory Note, Note Rider and any loan agreement, deed of trust, or promissory note entered into between the City and Homeowner with respect to any of the Property, as they may be amendments to these documents
  - 1.9 Principal Residence The homeowner occupying the Property no less than nine (9) months in a year
  - 1.10 Promissory Note The promissory note and note rider executed by Homeowner in favor of the City evidencing any part of a loan, which is secured by a Homeowner Deed of Trust, as well as any amendments to, modifications or, or restatements of said Homeowner Promissory Note The Homeowner Promissory Note will be on file with the City
  - 1.11 Homeowner The qualifying household that is the purchaser of the Property whose income is Eighty Percent (80%) or under of Area Median Income, as determined periodically by HUD, who is otherwise eligible to acquire the Property
  - 1.12 HOME Program Funds The federal funds received pursuant to the HOME Program
  - 1.13 Homeowner Investment The Homeowner's down payment on the Property
  - 1.14 Qualifying Sales Price A price of the Property that does not exceed Ninety-Five Percent (95%) of the median purchase price for the area, as determined by HUD
2. **Term of Agreement.** The Agreement shall remain in full force and effect during the Affordability Period regardless of any expiration of the term of any loan, any payment or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property, unless terminated earlier by City in writing or extended by the mutual consent of the parties However, failure to record this Agreement by City shall not relieve Homeowner of any of the obligations specified herein The covenants in this Agreement will run with the land for the benefit of City and its heirs, assigns and successors and be binding on Homeowner and Homeowner's heirs, assigns and successor for the full term of this Agreement
3. **Use of Funds.** HOME Program Funds will be used to acquire the Property. Funds will be utilized in a soft second assistance program, which will effectively allow the Qualifying Household to acquire the Property
4. **Affordability.**
- 4 1 The Property will qualify as affordable housing and will have
    - a An initial purchase price that is a Qualifying Sales Price; and
    - b An estimated appraisal value at acquisition that does not exceed Qualifying Sales Price
  - 4 2 The Property must be the Principal Residence of the Homeowner
  - 4 3 Pursuant to 24 C F R. § 92 254, the Homeowner must comply with the Affordability Period requirements in order to use of NSP Program funds to purchase the Property The Affordability Period is defined below.

NSP Program Funds	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

**5. Recapture of NSP Program Funds.**

- 5.1 Pursuant to HOME Funds regulations 24 C.F.R. § 92.254(a)(iii), HOME Program funds will be recaptured if the Property does not continue to be the Principal Residence of Homeowner for the duration of the Affordability Period. If all or any part of the Property or any interest in it is sold, rented, refinanced, conveyed or transferred (or if a beneficial interest in Homeowner is sold, rented, refinanced, conveyed, or transferred and Homeowner is not a natural person) If the Property is sold, rented, refinanced, conveyed, or transferred within the first year of the term of the Deed of Trust and Promissory Note, the City will receive one hundred percent (100%) of the balance of the Agreement.
- 5.2 Utilizing the recapture provisions of the HOME Program, the fair return to the Homeowner will calculate based on the net proceeds from the sale and the amount of the original HOME Program funds invested in the Property. The HOME Program funds will be recoverable any time the Property is sold before the expiration of the Affordability Period. The method that will be used to calculate the fair return and the HOME Program funds to be recovered shall be detailed in the Deed of Trust.
- 5.3 If the Period of Affordability has been satisfied, Homeowner will be entitled to all net proceeds from the sale of the Property.
- 5.4 In the case of a foreclosure, the Affordability Period will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program funds. If Homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured shall be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program funds will not be recaptured.
- 5.5 The method that will be used to calculate the amount of the recapture funds will be detailed in the Deed of Trust and the Promissory Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale.
- 5.6 If Homeowner ceases to occupy the Property as a Principal Residence, voluntarily or involuntarily, or upon the death of the Homeowner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program funds will become due and payable.
  - a. The method used to calculate the amount of the recaptured funds shall be detailed in the Deed of Trust and Promissory Note. If the Property is occupied as the Principal Residence by a valid and authorized descendant of a deceased Homeowner, and the descendant's income level qualifies, the descendant may receive HOME Program funds in the same manner in which the deceased Homeowner qualified, according to the most recent income limits.
  - b. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the Affordability Period. If the Affordability Period has been satisfied, the City will have no interest in the Property.
- 5.7 If the Homeowner defaults on the Agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest

of the NSP Program. Failure to resolve the default may result in the City exercising its right to foreclose in order to satisfy the Agreement and comply with the HOME Program

5.8 If Homeowner does not occupy the Property as their Principal Residence during the entire loan term, the balance will be due and payable or other arrangements can be made that meet HUD regulations as are approved by the City. If the Property is sold, rented, refinance, conveyed, or transferred within the first year the term of the Promissory Note secured by this Deed of Trust, one hundred percent (100%) of the full loan balance as follows.

- a. Principal on the First Note and the Deed of Trust, and
- b. Principal on this Second Note and Deed of Trust to the City of Glendale, and
- c. All costs of sale, including costs of brokers' commissions, escrow fees, title costs and fees, recording costs, etc., and
- d. Current year taxes, including all pro-rata real estate taxes calculated to the date of sale, and
- e. Borrower's down payment not including the loan from the City to Borrower; and
- f. All Principal paid down on the First Note and Deed of Trust; and
- g. Costs of any improvements to the Property provided such improvements were approved by the City prior to construction and provided that such improvements have been documented to the satisfaction of the City.

5.9 The HOME Program funds will still be due and payable. In the event that a negative Equity situation exists, and the full amount of the HOME funds are not available to be recaptured, the amount of HOME funds required to be repaid to the City will be as set forth in 24 CFR 92.254(a)(11)(a)(93).

a. To calculate the Net Proceeds to be returned to the city use the formula below:

$$\frac{\text{Direct HOME Program Subsidy}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds Recaptured}$$

b. To calculate the Net Proceeds available to the homebuyer use the formula below:

$$\frac{\text{Homebuyer Investment}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds to Homebuyer}$$

## 6. Property Management.

6.1 During the Affordability Period, the Homeowner will at his or her own expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary and habitable living conditions for the benefit of that Homeowner's household and any prospective occupants. Homeowner shall maintain the Property in conformance with all applicable state, federal and local laws, ordinances, codes and regulations.

6.2 If Homeowner fails to maintain the Property in accordance with these standards and after at least thirty (30) business days notice to the Homeowner, the City or the City's contractor or agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in the City's discretion, and provide for payment thereof. Any amount advanced by the City to make such repairs, together with interest thereon from the date of such advance at the rate of seven (7) percent (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowable by applicable law), shall become an additional obligation of the Homeowner to the City and shall be secured by any Deed of Trust, if not previously reconveyed.

7. **Repayment.** HOME Program funds that are loaned to the Homeowner are to be remitted (principal and interest, as warranted) to the City to be retained and used as HOME Program income for additional first-time homebuyers
8. **NSP Program Requirements.** Homeowner will comply with the following:
  - 8.1 Maximum Per-Unit Subsidy Amount The amount of HOME Program funds that a participating jurisdiction may invest on a per-unit basis in affordable housing will not exceed the per-unit dollar limits established by the HOME Program
  - 8.2 Property Standards Housing that is assisted with HOME Program funds must, at a minimum, the Housing Quality Standards defined in Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f).
  - 8.3 Property Cost Limits. The value of acquisition of the Property must not exceed ninety-five percent (95%) of the median purchase price for the area, as determined by HUD and amended from time to time
  - 8.4 Ownership Interest. The Homeowner must have fee simple title upon the sale of the Property purchased with the assistance of HOME Program funds.
  - 8.5 Refinance The City will subordinate to the following refinance situations only, subject to City approval and additional documentation is required.
    - a. A Federal Housing Administration streamline refinance, with a reduction in total principal, interest, taxes & insurance (“PITI”) and no cash out
    - b. A U.S. Department of Veterans Affairs rate reduction refinance, with a reduction in total PITI and cash out
    - c. A conventional rate and term refinance, with a reduction in total PITI and no cash out.
9. **Defaults and Remedies.** In the event of any breach or violation of any agreement or obligation under this Agreement, the City may proceed with any or all of the remedies as described in the Deed of Trust
10. **Indemnity.** Notwithstanding the insurance covered required herein, Homeowner shall indemnify and hold the City and its officers, officials, directors, employees, agents and authorized representatives (each, an “Indemnified Party,” and collectively, “Indemnified Parties”) free and harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney’s fees) which any Indemnified Party may incur as a direct or indirect consequence of (1) Homeowner’s failure to perform any obligations as and when required by this Agreement; (2) any failure of Homeowner’s representatives or warranties to be true and complete, or (3) any act or omission by Homeowner or any contractor, subcontractor, management agent, or supplier with respect to the Property, except where such losses are caused by the sole negligence or willful misconduct of Indemnified Parties. Homeowner shall pay immediately upon the City’s demand any amounts owing under this indemnity. The duty of the Homeowner to indemnify includes the duty to defend Indemnified Parties in any court action, administrative action, or other proceeding brought by any third party arising from the Property. Homeowner’s duty to indemnify Indemnified Parties shall survive the term of this Agreement
11. **Subordination.** This Agreement shall be subordinated in priority only to the liens and encumbrances approved by the City in the Agreement or otherwise in writing by the City in its sole and absolute discretion
12. **Governing Law.** This Agreement shall be interpreted under and be governed by the laws of the State of Arizona.



**"Exhibit E"**

**Legal Description**

For the property located at 6717 North 54<sup>th</sup> Drive, Glendale, Arizona 85301.

LOT 20, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 39

EXHIBIT E

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

HOMEOWNER AGREEMENT FOR  
HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS

This Homeowner Agreement for HOME Investment Partnership Program Funds (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Glendale, an Arizona municipal corporation (“City”), and \_\_\_\_\_, (“Homeowner”)

RECITALS

**WHEREAS**, the City has applied for and received federal funds pursuant to the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701, *et seq.* (“HOME Program”) to assist low-income persons and families in obtaining decent and affordable homeownership opportunities,

**WHEREAS**, the City is a “pass-through agency” for the distribution of the HOME Program funds and the City is required by the NSP Program to regulate and restrict the occupancy and ownership of the Property,

**WHEREAS**, the City believes that Homeowner is qualified to receive the HOME Program funds,

**WHEREAS**, the City and Homeowner are required by the HOME Program to enter into a Homeowner agreement for the acquisition of property with HOME Program funds,

**WHEREAS**, the City and Homeowner desire to enter into the Agreement for the amount of \_\_\_\_\_ as a loan of HOME Program funds to acquire the Property described in the Deed of Trust and Assignment of Rents (“Property”)

AGREEMENT

**1. Definitions.** The following terms have the meanings and content set forth herein where used in this Agreement or attached exhibits

**1.1** Area Median Income The median income for the Maricopa County Primary Metropolitan Statistical Area (“PMSA”), with adjustments for household size, as adjusted from time to time by HUD

**1.2** Deed of Trust. The Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”), and any other security agreement placed on the Property or any part thereof as security for any loan and other obligations with Homeowner as trustor and the City as Beneficiary, as well as any amendments to, modification of, and restatement of the Homeowner Deed of Trust

**1.3** Affordability Period. The period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. The amount of time the affordability period is in place is defined in the chart in section 4.3 of this agreement

**1.4** HUD The U.S. Department of Housing and Urban Development

- 1.5 Homeowner Investment. An initial down payment
  - 1.6 House The residential dwelling unit that is located on the Property.
  - 1.7 Loan The loan of HOME Program funds for the purchase of the Property
  - 1.8 Loan Documents. Collectively the Agreement, Deed of Trust, Promissory Note, Note Rider and any loan agreement, deed of trust, or promissory note entered into between the City and Homeowner with respect to any of the Property, as they may be amendments to these documents
  - 1.9 Principal Residence The homeowner occupying the Property no less than nine (9) months in a year.
  - 1.10 Promissory Note The promissory note and note rider executed by Homeowner in favor of the City evidencing any part of a loan, which is secured by a Homeowner Deed of Trust, as well as any amendments to, modifications or, or restatements of said Homeowner Promissory Note The Homeowner Promissory Note will be on file with the City
  - 1.11 Homeowner The qualifying household that is the purchaser of the Property whose income is Eighty Percent (80%) or under of Area Median Income, as determined periodically by HUD, who is otherwise eligible to acquire the Property
  - 1.12 HOME Program Funds The federal funds received pursuant to the HOME Program
  - 1.13 Homeowner Investment. The Homeowner's down payment on the Property.
  - 1.14 Qualifying Sales Price A price of the Property that does not exceed Ninety-Five Percent (95%) of the median purchase price for the area, as determined by HUD
2. **Term of Agreement.** The Agreement shall remain in full force and effect during the Affordability Period regardless of any expiration of the term of any loan, any payment or prepayment of any loan, any assignment of a note, any reconveyance of a deed of trust, or any sale, assignment, transfer, or conveyance of the Property, unless terminated earlier by City in writing or extended by the mutual consent of the parties However, failure to record this Agreement by City shall not relieve Homeowner of any of the obligations specified herein The covenants in this Agreement will run with the land for the benefit of City and its heirs, assigns and successors and be binding on Homeowner and Homeowner's heirs, assigns and successor for the full term of this Agreement
  3. **Use of Funds.** HOME Program Funds will be used to acquire the Property Funds will be utilized in a soft second assistance program, which will effectively allow the Qualifying Household to acquire the Property
  4. **Affordability.**
    - 4.1 The Property will qualify as affordable housing and will have
      - a An initial purchase price that is a Qualifying Sales Price; and
      - b. An estimated appraisal value at acquisition that does not exceed Qualifying Sales Price
    - 4.2 The Property must be the Principal Residence of the Homeowner.
    - 4 3 Pursuant to 24 C F R. § 92 254, the Homeowner must comply with the Affordability Period requirements in order to use of NSP Program funds to purchase the Property. The Affordability Period is defined below

NSP Program Funds	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

**5. Recapture of NSP Program Funds.**

- 5.1 Pursuant to HOME Funds regulations 24 C F R § 92.254(a)(iii), HOME Program funds will be recaptured if the Property does not continue to be the Principal Residence of Homeowner for the duration of the Affordability Period. If all or any part of the Property or any interest in it is sold, rented, refinanced, conveyed or transferred (or if a beneficial interest in Homeowner is sold, rented, refinanced, conveyed, or transferred and Homeowner is not a natural person). If the Property is sold, rented, refinanced, conveyed, or transferred within the first year of the term of the Deed of Trust and Promissory Note, the City will receive one hundred percent (100%) of the balance of the Agreement.
- 5.2 Utilizing the recapture provisions of the HOME Program, the fair return to the Homeowner will calculate based on the net proceeds from the sale and the amount of the original HOME Program funds invested in the Property. The HOME Program funds will be recoverable any time the Property is sold before the expiration of the Affordability Period. The method that will be used to calculate the fair return and the HOME Program funds to be recovered shall be detailed in the Deed of Trust.
- 5.3 If the Period of Affordability has been satisfied, Homeowner will be entitled to all net proceeds from the sale of the Property.
- 5.4 In the case of a foreclosure, the Affordability Period will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program funds. If Homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured shall be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program funds will not be recaptured.
- 5.5 The method that will be used to calculate the amount of the recapture funds will be detailed in the Deed of Trust and the Promissory Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale.
- 5.6 If Homeowner ceases to occupy the Property as a Principal Residence, voluntarily or involuntarily, or upon the death of the Homeowner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program funds will become due and payable.
  - a. The method used to calculate the amount of the recaptured funds shall be detailed in the Deed of Trust and Promissory Note. If the Property is occupied as the Principal Residence by a valid and authorized descendant of a deceased Homeowner, and the descendant's income level qualifies, the descendant may receive HOME Program funds in the same manner in which the deceased Homeowner qualified, according to the most recent income limits.
  - b. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the Affordability Period. If the Affordability Period has been satisfied, the City will have no interest in the Property.
- 5.7 If the Homeowner defaults on the Agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest

of the NSP Program. Failure to resolve the default may result in the City exercising its right to foreclose in order to satisfy the Agreement and comply with the HOME Program

5.8 If Homeowner does not occupy the Property as their Principal Residence during the entire loan term, the balance will be due and payable or other arrangements can be made that meet HUD regulations as are approved by the City. If the Property is sold, rented, refinance, conveyed, or transferred within the first year the term of the Promissory Note secured by this Deed of Trust, one hundred percent (100%) of the full loan balance as follows.

- a. Principal on the First Note and the Deed of Trust, and
- b. Principal on this Second Note and Deed of Trust to the City of Glendale; and
- c. All costs of sale, including costs of brokers' commissions, escrow fees, title costs and fees, recording costs, etc., and
- d. Current year taxes, including all pro-rata real estate taxes calculated to the date of sale; and
- e. Borrower's down payment not including the loan from the City to Borrower; and
- f. All Principal paid down on the First Note and Deed of Trust, and
- g. Costs of any improvements to the Property provided such improvements were approved by the City prior to construction and provided that such improvements have been documented to the satisfaction of the City

5.9 The HOME Program funds will still be due and payable. In the event that a negative Equity situation exists, and the full amount of the HOME funds are not available to be recaptured, the amount of HOME funds required to be repaid to the City will be as set forth in 24 CFR 92.254(a)(11)(a)93)

a. To calculate the Net Proceeds to be returned to the city use the formula below.

$$\frac{\text{Direct HOME Program Subsidy}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds Recaptured}$$

b. To calculate the Net Proceeds available to the homebuyer use the formula below

$$\frac{\text{Homebuyer Investment}}{\text{Direct HOME Program Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Program Funds to Homebuyer}$$

## 6. Property Management.

6.1 During the Affordability Period, the Homeowner will at his or her own expense maintain the Property in good condition, in good repair, and in decent, safe, sanitary and habitable living conditions for the benefit of that Homeowner's household and any prospective occupants. Homeowner shall maintain the Property in conformance with all applicable state, federal and local laws, ordinances, codes and regulations.

6.2 If Homeowner fails to maintain the Property in accordance with these standards and after at least thirty (30) business days notice to the Homeowner, the City or the City's contractor or agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in the City's discretion, and provide for payment thereof. Any amount advanced by the City to make such repairs, together with interest thereon from the date of such advance at the rate of seven (7) percent (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowable by applicable law), shall become an additional obligation of the Homeowner to the City and shall be secured by any Deed of Trust, if not previously reconveyed.

7. **Repayment.** HOME Program funds that are loaned to the Homeowner are to be remitted (principal and interest, as warranted) to the City to be retained and used as HOME Program income for additional first-time homebuyers.
8. **NSP Program Requirements.** Homeowner will comply with the following:
  - 8.1 Maximum Per-Unit Subsidy Amount The amount of HOME Program funds that a participating jurisdiction may invest on a per-unit basis in affordable housing will not exceed the per-unit dollar limits established by the HOME Program.
  - 8.2 Property Standards Housing that is assisted with HOME Program funds must, at a minimum, the Housing Quality Standards defined in Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f)
  - 8.3 Property Cost Limits. The value of acquisition of the Property must not exceed ninety-five percent (95%) of the median purchase price for the area, as determined by HUD and amended from time to time
  - 8.4 Ownership Interest. The Homeowner must have fee simple title upon the sale of the Property purchased with the assistance of HOME Program funds
  - 8.5 Refinance The City will subordinate to the following refinance situations only, subject to City approval and additional documentation is required:
    - a. A Federal Housing Administration streamline refinance, with a reduction in total principal, interest, taxes & insurance (“PITI”) and no cash out
    - b. A U.S. Department of Veterans Affairs rate reduction refinance, with a reduction in total PITI and cash out
    - c. A conventional rate and term refinance, with a reduction in total PITI and no cash out
9. **Defaults and Remedies.** In the event of any breach or violation of any agreement or obligation under this Agreement, the City may proceed with any or all of the remedies as described in the Deed of Trust.
10. **Indemnity.** Notwithstanding the insurance covered required herein, Homeowner shall indemnify and hold the City and its officers, officials, directors, employees, agents and authorized representatives (each, an “Indemnified Party,” and collectively, “Indemnified Parties”) free and harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorney’s fees) which any Indemnified Party may incur as a direct or indirect consequence of (1) Homeowner’s failure to perform any obligations as and when required by this Agreement; (2) any failure of Homeowner’s representatives or warranties to be true and complete; or (3) any act or omission by Homeowner or any contractor, subcontractor, management agent, or supplier with respect to the Property, except where such losses are caused by the sole negligence or willful misconduct of Indemnified Parties. Homeowner shall pay immediately upon the City’s demand any amounts owing under this indemnity. The duty of the Homeowner to indemnify includes the duty to defend Indemnified Parties in any court action, administrative action, or other proceeding brought by any third party arising from the Property. Homeowner’s duty to indemnify Indemnified Parties shall survive the term of this Agreement.
11. **Subordination.** This Agreement shall be subordinated in priority only to the liens and encumbrances approved by the City in the Agreement or otherwise in writing by the City in its sole and absolute discretion.
12. **Governing Law.** This Agreement shall be interpreted under and be governed by the laws of the State of Arizona.



**"Exhibit E"**

**Legal Description**

For the property located at 6713 North 54<sup>th</sup> Drive, Glendale, Arizona 85301.

LOT 21, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 19

**HOMEOWNER DEED OF TRUST AND  
ASSIGNMENT OF RENTS**

**EXHIBIT "F"**

EXHIBIT F

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

(Homeowner)

DATE \_\_\_\_\_

TRUSTOR:  
(ADDRESS). 5602 North 61 Avenue  
Glendale, AZ 85301

BENEFICIARY City of Glendale  
(ADDRESS) 5850 West Glendale Avenue  
Glendale, Arizona 85301

TRUSTEE City of Glendale  
(ADDRESS) 5850 West Glendale Ave  
Glendale, Arizona 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A (“Property”)

This Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”) is made among the above-named Trustor, Trustee and Beneficiary

1. **Conveyance.** Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the Property, subject to covenants, conditions, restrictions, rights of way and easements of record, to be held as security for the payment by Trustor of the obligation secured and for the performance of other obligations of Trustor as set forth in this Homeowner Deed of Trust
2. **Appurtenances.** Trustor grants, together with the Property, all buildings and improvements now or hereafter erected thereon, and all fixtures attached to or used in connection with the Property (including, without limiting the generality of the foregoing, all ventilating, heating, air conditioning, refrigeration, plumbing and lighting fixtures), together with all leases, rents, issues, profits or income therefrom (hereinafter “Property Income”), subject however, to the right, power and authority hereinafter given to Beneficiary to collect and apply such property income.
3. **Taxes and Assessments and Trust Expenses.** Trustor shall pay before delinquent taxes and assessments affecting the Property or any part thereof, which appear to be prior or superior hereto all cost, fees and expenses of this trust and all lawful charges, costs and expenses of any reinstatement of the Deed of Trust following default.
4. **Fire Insurance.** Trustor shall, at Trustor’s expense, maintain in force fire and extended coverage insurance in any amount of not less than full replacement value of any buildings which may exist on the Property with loss payable to Beneficiary Trustor shall provide fire insurance protection on his

furniture, fixtures and other personal property on the Property in an amount equal to the full insurable value thereof, and promises that any insurance coverage in this regard will contain a waiver of the insurer's right of the subrogation against Beneficiary

5. **Liability Insurance.** Trustor shall, at Trustor's expense, maintain in force policies of liability insurance, with Beneficiary as an additional insured thereunder, insuring Trustor against any claims resulting from the injury to or the death of any person or the damage to or the destruction of any property belonging to any person by reason of Beneficiary's interest hereunder or the use and occupancy of the Property by Trustor
6. **Processing of Insurance Policies.** Trustor shall promptly deliver to Beneficiary the originals or true and exact copies of all insurance policies required by this Homeowner Deed of Trust Trustor shall not do or omit to do any act that will in any way impair or invalidate any insurance policy required by this Deed of Trust All insurance policies shall contain a written obligation of the insurer to notify Beneficiary in writing at least 10 days prior to any cancellation thereof
7. **Indemnification of Trustee and Beneficiary.** Trustor shall hold Trustee and Beneficiary harmless from and indemnify them for any and all claims raised by any third party against Trustee or Beneficiary resulting from their interests hereunder or the acts of Trustor Such indemnification shall include reasonable attorneys' fees and costs, including cost of evidence of title
8. **Right Beneficiary or Trustee to Pay Obligations of Trustor.** If Trustor fails or refuses to pay any sums due to be paid by it under the provisions of this Homeowner Deed of Trust, or fails or refuses to take any action as herein provided, then Beneficiary or Trustee shall have the right to pay any such sum due to be paid by Trustor and to perform any act necessary The amount of such sums paid by Beneficiary or Trustee for the account of Trustor and the cost of any such action, together with interest thereon at the maximum legal contractual rate per annum, from the date of payment until the satisfaction, shall be added to the obligation secured The payment of Beneficiary or Trustee of any such sums or the performance of any such action shall be prima facie evidence of the necessity therefore
9. **Condemnation.** Any award of damages in connection with any condemnation or injury to any of the Property by reason of public use or for damages for private trespass or injury thereto, are assigned in full and shall be paid to Beneficiary, who shall apply them to payment of the principal of the obligation secured, the interest thereon, and any other charges or amounts secured hereby in such manner as Beneficiary may elect Any remaining balance shall be paid to Trustor Beneficiary may, at Beneficiary's option, appeal from any such award in the name of Trustor Unless Trustor and Beneficiary otherwise agree in writing, any application of such proceeds to principal shall not extend or postpone the due dates of any installment payments of the obligation secured or change the amount of such payments.
10. **Care of Property.** Trustor shall take reasonable care of the Property and the buildings thereon and shall maintain them in good repair and condition as at the original date of this Homeowner Deed of Trust, ordinary depreciation excepted Trustor shall commit or permit no waste and do no act which will unduly impair or depreciate the value of the Property as required, and then Beneficiary or Trustee, at their option, may make necessary repairs and add the cost thereof to the Obligation Secured Trustor shall purchase and use on the Property the amount of water to which it is or shall be entitled and shall not abandon any water rights, power rights or any rights of whatever nature which are appurtenant to the Property
11. **Right to Inspect the Property.** At all convenient and reasonable times, upon prior notice to Trustor, Beneficiary or Trustee shall have the right and license to go on and into the Property to inspect it in order to determine whether the provisions of the Homeowner Deed of Trust are being kept and performed

12. **Acceleration.** In the event of default by Trustor, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to the Trustee of written notice setting forth the nature thereof and of election to cause the Property to be sold under this Homeowner Deed of Trust. Beneficiary shall also deposit with Trustee all documents evidencing the obligation secured and any expenditures secured hereby.
13. **Event of Default.** Each of the following shall be considered an event of default of the Homeowner Deed of Trust:
- 13.1 The failure of Trustor to make any payment due hereunder or under the Obligation Secured on or before the due date thereof,
  - 13.2 The failure of Trustor to perform any duty required by this Homeowner Deed of Trust,
  - 13.3 The failure of Trustor to occupy the Property as his/her primary residence,
  - 13.4 The sale or attempted sale of the Property by Trustor without the consent of Beneficiary,
  - 13.5 The removal or attempted removal by Trustor of any property included in the Property without the consent of Beneficiary, or
  - 13.6 Abandonment of the Property by Trustor,
  - 13.7 The filing, execution or occurrence of
    - a A petition in bankruptcy by or against Trustor,
    - b A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act,
    - c Adjudication of Trustor as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense,
    - d An assignment by Trustor for the benefit of creditors, whether by trust, mortgage or otherwise,
    - e A petition or other proceedings by or against Trustor for the appointment of a trustee, receiver, guardian, conservator or liquidator of Trustor with respect to all or substantially all of the Property, or
    - f Trustor's dissolution or liquidation, or the taking of possession of the Property by any governmental authority in connection with dissolution or liquidation.
  - 13.8 A determination by Beneficiary that the security of the Homeowner Deed of Trust is inadequate or in danger of being impaired or threatened from any cause whatsoever.
14. **Trustee's Sale.** Upon receipt of Beneficiary's notice of election to cause the Property to be sold, Trustee shall, in accordance with all provisions of law, give notice of Trustee's sale and, after the lapse of the required amount of time, sell the Property at public auction, at the time and place specified in the Notice of Trustee's Sale, to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Any persons, including Trustor, Trustee or Beneficiary may purchase at the Trustee's Sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for sale. Upon sale, Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property, but without any covenant or warranty, expressed or implied.
15. **Net Proceeds of the Trustee's Sale.** After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title in connection with the sale and reasonable attorneys' fees, Trustee shall apply the proceeds of sale to payment of all sums then secured hereby and all other

sums due under the terms hereof, with accrued interest, and the remainder, if any, to the persons legally entitled thereto or as provided by A.R.S. § 33-812

16. **Defaults on Prior Encumbrances.** If there are mortgages upon the Property or other encumbrances which are prior in time or prior in right, then Trustor promises to comply with the terms of these prior mortgages or encumbrances. If Trustor fails to comply with such terms and defaults on these mortgages or obligations, such default shall also be considered a default of this Homeowner Deed of Trust, and Trustee or Beneficiary herein may advance the monies necessary to remedy such defaults, and, if it does, such monies shall be added to the obligation secured and shall bear the maximum contractual legal rate of interest from the date monies are tendered. Beneficiary may also proceed on this default by exercising the same remedies it has on this Homeowner Deed of Trust.
17. **Deficiency Judgment.** Unless prohibited by law, Beneficiary shall be entitled to a deficiency judgment against Trustor if the Trustee's Sale yields an amount insufficient to fully satisfy Trustor's obligation pursuant to A.R.S. § 33-814.
18. **Foreclosure and Revival of Applicable HUD Affordability Requirements.** If the primary mortgage on the Property is a Federal Housing Administration ("FHA") or a U.S. Department of Veterans ("VA") loan, and it is assigned to the U.S. Department of Housing and Urban Development ("HUD") or the VA, or if a person forecloses on Trustor's interest in the Property or takes a deed in lieu of foreclosure and such person's mortgage or security deed was prior in time to this Homeowner Deed of Trust, this Deed of Trust and promissory note shall terminate and no longer affect the Property. Notwithstanding the foregoing, if the foreclosed upon or deed in lieu of foreclosure loan is subject to HUD Affordability Period requirements, the covenants and restrictions set forth in this Homeowner Deed of Trust shall be revived and shall remain in full force for the remainder of any applicable affordability period when and if the owner of record or Trustor before such foreclosure or deed in lieu of foreclosure is given acquires or obtains any ownership interest in the Property at any time during such affordability period.
19. **Reinstatement After Default.** Notwithstanding Beneficiary's acceleration of sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued and to have this Homeowner Deed of Trust reinstated at any time before the day of the Trustee's Sale or before the filing of a foreclosure action. In order to have the Homeowner Deed of Trust reinstated after default, the Trustor must
  - 19.1 Pay to beneficiary the entire amount due under this Homeowner Deed of Trust and the Obligation Secured, other than such portion of the principal as would not be due had no default occurred,
  - 19.2 Cure all defaults or any covenants or agreements of Trustor as contained in this Homeowner Deed of Trust,
  - 19.3 Pay costs and expenses incurred by Beneficiary and Trustee in enforcing the terms of this Deed of Trust and pursuing remedies,
  - 19.4 Pay reasonable attorneys' fees actually incurred by Beneficiary and Trustee, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater,
  - 19.5 Pay the recording fee for any cancellation of notice of sale,
  - 19.6 Pay the Trustee's fees, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater. Upon reinstatement, this Homeowner Deed of Trust and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred.

**20. Assignment of Property Income.**

20.1 As additional security, Trustor hereby gives Beneficiary the right, power and authority during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable.

20.2 Upon any such default, Beneficiary may at any time, without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such Property Income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Property Income and the application thereof, shall not cure or waive any default or notice of Trustee's Sale hereunder or invalidate any act done pursuant to such notice.

**21. Acts of Trustee Affecting the Property.** At any time, without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Obligation Secured for endorsement, Trustee may, without liability, release and reconvey all or any part of the Property, consent to the making and recording, or either, of any map or plat of all or any part of the Property, join in granting any easement thereon, join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof. Any such action by Trustee may be taken without affecting the personal liability of any person for payment of the indebtedness secured hereby, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof the Property affected by Trustee's action be credited on the indebtedness.

**22. Satisfaction of the Obligation.** If Trustee receives full payment of the obligation secured in the amount secured, at the request of Trustor, Trustee shall acknowledge satisfaction of the Homeowner Deed of Trust by recording and delivering to Trustor a Satisfaction or Release of Realty Homeowner Deed of Trust pursuant to A.R.S. § 33-712.

**23. Notices.** Copies of all notices and communication concerning this Homeowner Deed of Trust shall be mailed to the parties at the addresses specified in this Homeowner Deed of Trust, and any change of address shall be communicated to the other party in writing. Any documents which may adversely affect the rights of any party to this Homeowner Deed of Trust shall be dispatched by Certified Mail, Return Receipt Requested.

**24. Applicable Law.** This Homeowner Deed of Trust shall be subject to and governed by the laws of the State of Arizona, in particular the provisions of A.R.S. Title 33, Chapter 6.1, regardless of the fact that one or more parties is now or may become a resident of a different state.

**25. Waiver.** Any waiver by either party of a breach of any provision of this Homeowner Deed of Trust shall not operate or be constructed as a waiver of any subsequent breach hereof.

**26. Succession of Benefits.** The provisions of this Homeowner Deed of Trust shall inure to the benefit of and be binding upon the parties hereto, their heirs, personal representatives, conservators and permitted assigns.

**27. Successor Trustee.** Beneficiary may appoint a Successor Trustee in the manner prescribed by law. A Successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all predecessors' title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.

28. **Entire Agreement.** The terms of this Homeowner Deed of Trust constitutes the entire agreement among the parties, and the parties represent that there are no collateral or side agreements not otherwise provided for within the terms of this Homeowner Deed of Trust
29. **Modification.** No modification of this Homeowner Deed of Trust shall be binding unless evidenced by an agreement in writing and signed by all parties
30. **Partial Invalidity.** If any provision of this Homeowner Deed of Trust is held to be invalid or unenforceable, all the remaining provisions shall nevertheless continue in full force and effect
31. **Sales Transaction.** In the event all or any part of the Property or any interest in it is sold, conveyed, or encumbered, all obligations secured by the Homeowner Deed of Trust shall become due and payable immediately upon notice to the Trustee by the Beneficiary
32. **Warranty.** The Trustor indemnifies the Beneficiary and Trustee against any liability for the violation by the Trustor or its affiliates of any Federal or State Statute, law or regulation dealing with environment. The Trustor warrants that he will comply with those laws or regulations. The Trustor warrants the mortgaged Property does not contain any hazardous substance and indemnifies the Beneficiary and the Trustee as to any liability for hazardous waste disposal or cleanup. The warrant and indemnification shall survive any foreclosure of the Deed of Trust or the acceptance of a Deed in Lieu of Foreclosure. Trustor shall promptly notify the Beneficiary and the Trustee of any suspected or alleged environmental violations during the term of this loan

*(Signatures Appear on the Next Page)*



**“Exhibit F”**

**Legal Description**

For the property located at 5602 North 61<sup>st</sup>, Glendale, Arizona 85301.

LOT 7451 OF MARYVALE TERRACE 20-A, MAP BOOK 79, MAP PAGE 19

EXHIBIT F

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

(Homeowner)

DATE. \_\_\_\_\_

TRUSTOR  
(ADDRESS) \_\_\_\_\_  
7315 North 54 Avenue  
Glendale, AZ 85301

BENEFICIARY  
(ADDRESS) City of Glendale  
5850 West Glendale Avenue  
Glendale, Arizona 85301

TRUSTEE  
(ADDRESS) City of Glendale  
5850 West Glendale Ave  
Glendale, Arizona 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A (“Property”).

This Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”) is made among the above-named Trustor, Trustee and Beneficiary.

1. **Conveyance.** Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the Property, subject to covenants, conditions, restrictions, rights of way and easements of record, to be held as security for the payment by Trustor of the obligation secured and for the performance of other obligations of Trustor as set forth in this Homeowner Deed of Trust
2. **Appurtenances.** Trustor grants, together with the Property, all buildings and improvements now or hereafter erected thereon, and all fixtures attached to or used in connection with the Property (including, without limiting the generality of the foregoing, all ventilating, heating, air conditioning, refrigeration, plumbing and lighting fixtures), together with all leases, rents, issues, profits or income therefrom (hereinafter “Property Income”), subject however, to the right, power and authority hereinafter given to Beneficiary to collect and apply such property income
3. **Taxes and Assessments and Trust Expenses.** Trustor shall pay before delinquent taxes and assessments affecting the Property or any part thereof, which appear to be prior or superior hereto all cost, fees and expenses of this trust and all lawful charges, costs and expenses of any reinstatement of the Deed of Trust following default.
4. **Fire Insurance.** Trustor shall, at Trustor’s expense, maintain in force fire and extended coverage insurance in any amount of not less than full replacement value of any buildings which may exist on the Property with loss payable to Beneficiary Trustor shall provide fire insurance protection on his

furniture, fixtures and other personal property on the Property in an amount equal to the full insurable value thereof, and promises that any insurance coverage in this regard will contain a waiver of the insurer's right of the subrogation against Beneficiary.

5. **Liability Insurance.** Trustor shall, at Trustor's expense, maintain in force policies of liability insurance, with Beneficiary as an additional insured thereunder, insuring Trustor against any claims resulting from the injury to or the death of any person or the damage to or the destruction of any property belonging to any person by reason of Beneficiary's interest hereunder or the use and occupancy of the Property by Trustor.
6. **Processing of Insurance Policies.** Trustor shall promptly deliver to Beneficiary the originals or true and exact copies of all insurance policies required by this Homeowner Deed of Trust. Trustor shall not do or omit to do any act that will in any way impair or invalidate any insurance policy required by this Deed of Trust. All insurance policies shall contain a written obligation of the insurer to notify Beneficiary in writing at least 10 days prior to any cancellation thereof
7. **Indemnification of Trustee and Beneficiary.** Trustor shall hold Trustee and Beneficiary harmless from and indemnify them for any and all claims raised by any third party against Trustee or Beneficiary resulting from their interests hereunder or the acts of Trustor. Such indemnification shall include reasonable attorneys' fees and costs, including cost of evidence of title
8. **Right Beneficiary or Trustee to Pay Obligations of Trustor.** If Trustor fails or refuses to pay any sums due to be paid by it under the provisions of this Homeowner Deed of Trust, or fails or refuses to take any action as herein provided, then Beneficiary or Trustee shall have the right to pay any such sum due to be paid by Trustor and to perform any act necessary. The amount of such sums paid by Beneficiary or Trustee for the account of Trustor and the cost of any such action, together with interest thereon at the maximum legal contractual rate per annum, from the date of payment until the satisfaction, shall be added to the obligation secured. The payment of Beneficiary or Trustee of any such sums or the performance of any such action shall be prima facie evidence of the necessity therefore
9. **Condemnation.** Any award of damages in connection with any condemnation or injury to any of the Property by reason of public use or for damages for private trespass or injury thereto, are assigned in full and shall be paid to Beneficiary, who shall apply them to payment of the principal of the obligation secured, the interest thereon, and any other charges or amounts secured hereby in such manner as Beneficiary may elect. Any remaining balance shall be paid to Trustor. Beneficiary may, at Beneficiary's option, appeal from any such award in the name of Trustor. Unless Trustor and Beneficiary otherwise agree in writing, any application of such proceeds to principal shall not extend or postpone the due dates of any installment payments of the obligation secured or change the amount of such payments
10. **Care of Property.** Trustor shall take reasonable care of the Property and the buildings thereon and shall maintain them in good repair and condition as at the original date of this Homeowner Deed of Trust, ordinary depreciation excepted. Trustor shall commit or permit no waste and do no act which will unduly impair or depreciate the value of the Property as required, and then Beneficiary or Trustee, at their option, may make necessary repairs and add the cost thereof to the Obligation Secured. Trustor shall purchase and use on the Property the amount of water to which it is or shall be entitled and shall not abandon any water rights, power rights or any rights of whatever nature which are appurtenant to the Property
11. **Right to Inspect the Property.** At all convenient and reasonable times, upon prior notice to Trustor, Beneficiary or Trustee shall have the right and license to go on and into the Property to inspect it in order to determine whether the provisions of the Homeowner Deed of Trust are being kept and performed.

12. **Acceleration.** In the event of default by Trustor, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to the Trustee of written notice setting forth the nature thereof and of election to cause the Property to be sold under this Homeowner Deed of Trust. Beneficiary shall also deposit with Trustee all documents evidencing the obligation secured and any expenditures secured hereby.
13. **Event of Default.** Each of the following shall be considered an event of default of the Homeowner Deed of Trust.
- 13 1 The failure of Trustor to make any payment due hereunder or under the Obligation Secured on or before the due date thereof,
  - 13 2 The failure of Trustor to perform any duty required by this Homeowner Deed of Trust,
  - 13 3 The failure of Trustor to occupy the Property as his/her primary residence;
  - 13 4 The sale or attempted sale of the Property by Trustor without the consent of Beneficiary,
  - 13 5 The removal or attempted removal by Trustor of any property included in the Property without the consent of Beneficiary, or
  - 13.6 Abandonment of the Property by Trustor,
  - 13 7 The filing, execution or occurrence of.
    - a. A petition in bankruptcy by or against Trustor;
    - b. A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act,
    - c. Adjudication of Trustor as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense;
    - d. An assignment by Trustor for the benefit of creditors, whether by trust, mortgage or otherwise;
    - e. A petition or other proceedings by or against Trustor for the appointment of a trustee, receiver, guardian, conservator or liquidator of Trustor with respect to all or substantially all of the Property, or
    - f. Trustor's dissolution or liquidation, or the taking of possession of the Property by any governmental authority in connection with dissolution or liquidation
  - 13 8 A determination by Beneficiary that the security of the Homeowner Deed of Trust is inadequate or in danger of being impaired or threatened from any cause whatsoever
14. **Trustee's Sale.** Upon receipt of Beneficiary's notice of election to cause the Property to be sold, Trustee shall, in accordance with all provisions of law, give notice of Trustee's sale and, after the lapse of the required amount of time, sell the Property at public auction, at the time and place specified in the Notice of Trustee's Sale, to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Any persons, including Trustor, Trustee or Beneficiary may purchase at the Trustee's Sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for sale. Upon sale, Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property, but without any covenant or warranty, expressed or implied.
15. **Net Proceeds of the Trustee's Sale.** After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title in connection with the sale and reasonable attorneys fees, Trustee shall apply the proceeds of sale to payment of all sums then secured hereby and all other

sums due under the terms hereof, with accrued interest, and the remainder, if any, to the persons legally entitled thereto or as provided by A R S § 33-812

16. **Defaults on Prior Encumbrances.** If there are mortgages upon the Property or other encumbrances which are prior in time or prior in right, then Trustor promises to comply with the terms of these prior mortgages or encumbrances. If Trustor fails to comply with such terms and defaults on these mortgages or obligations, such default shall also be considered a default of this Homeowner Deed of Trust, and Trustee or Beneficiary herein may advance the monies necessary to remedy such defaults, and, if it does, such monies shall be added to the obligation secured and shall bear the maximum contractual legal rate of interest from the date monies are tendered. Beneficiary may also proceed on this default by exercising the same remedies it has on this Homeowner Deed of Trust
17. **Deficiency Judgment.** Unless prohibited by law, Beneficiary shall be entitled to a deficiency judgment against Trustor if the Trustee's Sale yields an amount insufficient to fully satisfy Trustor's obligation pursuant to A R S. § 33-814
18. **Foreclosure and Revival of Applicable HUD Affordability Requirements.** If the primary mortgage on the Property is a Federal Housing Administration ("FHA") or a U S Department of Veterans ("VA") loan, and it is assigned to the U.S Department of Housing and Urban Development ("HUD") or the VA, or if a person forecloses on Trustor's interest in the Property or takes a deed in lieu of foreclosure and such person's mortgage or security deed was prior in time to this Homeowner Deed of Trust, this Deed of Trust and promissory note shall terminate and no longer affect the Property. Notwithstanding the foregoing, if the foreclosed upon or deed in lieu of foreclosure loan is subject to HUD Affordability Period requirements, the covenants and restrictions set forth in this Homeowner Deed of Trust shall be revived and shall remain in full force for the remainder of any applicable affordability period when and if the owner of record or Trustor before such foreclosure or deed in lieu of foreclosure is given acquires or obtains any ownership interest in the Property at any time during such affordability period.
19. **Reinstatement After Default.** Notwithstanding Beneficiary's acceleration of sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued and to have this Homeowner Deed of Trust reinstated at any time before the day of the Trustee's Sale or before the filing of a foreclosure action. In order to have the Homeowner Deed of Trust reinstated after default, the Trustor must:
  - 19.1 Pay to beneficiary the entire amount due under this Homeowner Deed of Trust and the Obligation Secured, other than such portion of the principal as would not be due had no default occurred,
  - 19.2 Cure all defaults or any covenants or agreements of Trustor as contained in this Homeowner Deed of Trust,
  - 19.3 Pay costs and expenses incurred by Beneficiary and Trustee in enforcing the terms of this Deed of Trust and pursuing remedies;
  - 19.4 Pay reasonable attorneys' fees actually incurred by Beneficiary and Trustee, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater,
  - 19.5 Pay the recording fee for any cancellation of notice of sale,
  - 19.6 Pay the Trustee's fees, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater. Upon reinstatement, this Homeowner Deed of Trust and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred.

**20. Assignment of Property Income.**

20.1 As additional security, Trustor hereby gives Beneficiary the right, power and authority during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable

20.2 Upon any such default, Beneficiary may at any time, without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof; in its own name sue for or otherwise collect such Property Income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby; and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Property Income and the application thereof, shall not cure or waive any default or notice of Trustee's Sale hereunder or invalidate any act done pursuant to such notice

**21. Acts of Trustee Affecting the Property.** At any time, without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Obligation Secured for endorsement, Trustee may, without liability, release and reconvey all or any part of the Property, consent to the making and recording, or either, of any map or plat of all or any part of the Property, join in granting any easement thereon, join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof. Any such action by Trustee may be taken without affecting the personal liability of any person for payment of the indebtedness secured hereby, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the Property affected by Trustee's action be credited on the indebtedness.

**22. Satisfaction of the Obligation.** If Trustee receives full payment of the obligation secured in the amount secured, at the request of Trustor, Trustee shall acknowledge satisfaction of the Homeowner Deed of Trust by recording and delivering to Trustor a Satisfaction or Release of Realty Homeowner Deed of Trust pursuant to A R S § 33-712

**23. Notices.** Copies of all notices and communication concerning this Homeowner Deed of Trust shall be mailed to the parties at the addresses specified in this Homeowner Deed of Trust, and any change of address shall be communicated to the other party in writing. Any documents which may adversely affect the rights of any party to this Homeowner Deed of Trust shall be dispatched by Certified Mail, Return Receipt Requested

**24. Applicable Law.** This Homeowner Deed of Trust shall be subject to and governed by the laws of the State of Arizona, in particular the provisions of A R S Title 33, Chapter 6 1, regardless of the fact that one or more parties is now or may become a resident of a different state

**25. Waiver.** Any waiver by either party of a breach of any provision of this Homeowner Deed of Trust shall not operate or be constructed as a waiver of any subsequent breach hereof

**26. Succession of Benefits.** The provisions of this Homeowner Deed of Trust shall inure to the benefit of and be binding upon the parties hereto, their heirs, personal representatives, conservators and permitted assigns

**27. Successor Trustee.** Beneficiary may appoint a Successor Trustee in the manner prescribed by law. A Successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all predecessors' title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor

28. **Entire Agreement.** The terms of this Homeowner Deed of Trust constitutes the entire agreement among the parties, and the parties represent that there are no collateral or side agreements not otherwise provided for within the terms of this Homeowner Deed of Trust
29. **Modification.** No modification of this Homeowner Deed of Trust shall be binding unless evidenced by an agreement in writing and signed by all parties
30. **Partial Invalidity.** If any provision of this Homeowner Deed of Trust is held to be invalid or unenforceable, all the remaining provisions shall nevertheless continue in full force and effect
31. **Sales Transaction.** In the event all or any part of the Property or any interest in it is sold, conveyed, or encumbered, all obligations secured by the Homeowner Deed of Trust shall become due and payable immediately upon notice to the Trustee by the Beneficiary
32. **Warranty.** The Trustor indemnifies the Beneficiary and Trustee against any liability for the violation by the Trustor or its affiliates of any Federal or State Statute, law or regulation dealing with environment. The Trustor warrants that he will comply with those laws or regulations. The Trustor warrants the mortgaged Property does not contain any hazardous substance and indemnifies the Beneficiary and the Trustee as to any liability for hazardous waste disposal or cleanup. The warrant and indemnification shall survive any foreclosure of the Deed of Trust or the acceptance of a Deed in Lieu of Foreclosure. Trustor shall promptly notify the Beneficiary and the Trustee of any suspected or alleged environmental violations during the term of this loan

*(Signatures Appear on the Next Page)*



**"Exhibit F"**

**Legal Description**

For the property located at 7315 North 54<sup>th</sup> Avenue, Glendale, Arizona 85301

LOT 2, BLOCK 7 OF COOK AND WHITE ADDITION AMENDED, MAP BOOK 30, MAP PAGE 9

EXHIBIT F

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

(Homeowner)

DATE \_\_\_\_\_

TRUSTOR  
(ADDRESS) \_\_\_\_\_  
6730 North 55 Avenue  
Glendale, AZ 85301

BENEFICIARY  
(ADDRESS) City of Glendale  
5850 West Glendale Avenue  
Glendale, Arizona 85301

TRUSTEE  
(ADDRESS) City of Glendale  
5850 West Glendale Ave  
Glendale, Arizona 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A ("Property")

This Deed of Trust and Assignment of Rents ("Homeowner Deed of Trust") is made among the above-named Trustor, Trustee and Beneficiary

1. **Conveyance.** Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the Property, subject to covenants, conditions, restrictions, rights of way and easements of record, to be held as security for the payment by Trustor of the obligation secured and for the performance of other obligations of Trustor as set forth in this Homeowner Deed of Trust.
2. **Appurtenances.** Trustor grants, together with the Property, all buildings and improvements now or hereafter erected thereon, and all fixtures attached to or used in connection with the Property (including, without limiting the generality of the foregoing, all ventilating, heating, air conditioning, refrigeration, plumbing and lighting fixtures), together with all leases, rents, issues, profits or income therefrom (hereinafter "Property Income"), subject however, to the right, power and authority hereinafter given to Beneficiary to collect and apply such property income
3. **Taxes and Assessments and Trust Expenses.** Trustor shall pay before delinquent taxes and assessments affecting the Property or any part thereof, which appear to be prior or superior hereto all cost, fees and expenses of this trust and all lawful charges, costs and expenses of any reinstatement of the Deed of Trust following default.
4. **Fire Insurance.** Trustor shall, at Trustor's expense, maintain in force fire and extended coverage insurance in any amount of not less than full replacement value of any buildings which may exist on the Property with loss payable to Beneficiary. Trustor shall provide fire insurance protection on his

furniture, fixtures and other personal property on the Property in an amount equal to the full insurable value thereof, and promises that any insurance coverage in this regard will contain a waiver of the insurer's right of the subrogation against Beneficiary

5. **Liability Insurance.** Trustor shall, at Trustor's expense, maintain in force policies of liability insurance, with Beneficiary as an additional insured thereunder, insuring Trustor against any claims resulting from the injury to or the death of any person or the damage to or the destruction of any property belonging to any person by reason of Beneficiary's interest hereunder or the use and occupancy of the Property by Trustor.
6. **Processing of Insurance Policies.** Trustor shall promptly deliver to Beneficiary the originals or true and exact copies of all insurance policies required by this Homeowner Deed of Trust. Trustor shall not do or omit to do any act that will in any way impair or invalidate any insurance policy required by this Deed of Trust. All insurance policies shall contain a written obligation of the insurer to notify Beneficiary in writing at least 10 days prior to any cancellation thereof.
7. **Indemnification of Trustee and Beneficiary.** Trustor shall hold Trustee and Beneficiary harmless from and indemnify them for any and all claims raised by any third party against Trustee or Beneficiary resulting from their interests hereunder or the acts of Trustor. Such indemnification shall include reasonable attorneys' fees and costs, including cost of evidence of title.
8. **Right Beneficiary or Trustee to Pay Obligations of Trustor.** If Trustor fails or refuses to pay any sums due to be paid by it under the provisions of this Homeowner Deed of Trust, or fails or refuses to take any action as herein provided, then Beneficiary or Trustee shall have the right to pay any such sum due to be paid by Trustor and to perform any act necessary. The amount of such sums paid by Beneficiary or Trustee for the account of Trustor and the cost of any such action, together with interest thereon at the maximum legal contractual rate per annum, from the date of payment until the satisfaction, shall be added to the obligation secured. The payment of Beneficiary or Trustee of any such sums or the performance of any such action shall be prima facie evidence of the necessity therefore.
9. **Condemnation.** Any award of damages in connection with any condemnation or injury to any of the Property by reason of public use or for damages for private trespass or injury thereto, are assigned in full and shall be paid to Beneficiary, who shall apply them to payment of the principal of the obligation secured, the interest thereon, and any other charges or amounts secured hereby in such manner as Beneficiary may elect. Any remaining balance shall be paid to Trustor. Beneficiary may, at Beneficiary's option, appeal from any such award in the name of Trustor. Unless Trustor and Beneficiary otherwise agree in writing, any application of such proceeds to principal shall not extend or postpone the due dates of any installment payments of the obligation secured or change the amount of such payments.
10. **Care of Property.** Trustor shall take reasonable care of the Property and the buildings thereon and shall maintain them in good repair and condition as at the original date of this Homeowner Deed of Trust, ordinary depreciation excepted. Trustor shall commit or permit no waste and do no act which will unduly impair or depreciate the value of the Property as required, and then Beneficiary or Trustee, at their option, may make necessary repairs and add the cost thereof to the Obligation Secured. Trustor shall purchase and use on the Property the amount of water to which it is or shall be entitled and shall not abandon any water rights, power rights or any rights of whatever nature which are appurtenant to the Property.
11. **Right to Inspect the Property.** At all convenient and reasonable times, upon prior notice to Trustor, Beneficiary or Trustee shall have the right and license to go on and into the Property to inspect it in order to determine whether the provisions of the Homeowner Deed of Trust are being kept and performed.

12. **Acceleration.** In the event of default by Trustor, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to the Trustee of written notice setting forth the nature thereof and of election to cause the Property to be sold under this Homeowner Deed of Trust. Beneficiary shall also deposit with Trustee all documents evidencing the obligation secured and any expenditures secured hereby.
13. **Event of Default.** Each of the following shall be considered an event of default of the Homeowner Deed of Trust
- 13 1 The failure of Trustor to make any payment due hereunder or under the Obligation Secured on or before the due date thereof,
  - 13 2 The failure of Trustor to perform any duty required by this Homeowner Deed of Trust,
  - 13 3 The failure of Trustor to occupy the Property as his/her primary residence,
  - 13 4 The sale or attempted sale of the Property by Trustor without the consent of Beneficiary,
  - 13 5 The removal or attempted removal by Trustor of any property included in the Property without the consent of Beneficiary, or
  - 13.6 Abandonment of the Property by Trustor,
  - 13 7 The filing, execution or occurrence of
    - a A petition in bankruptcy by or against Trustor,
    - b A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act;
    - c Adjudication of Trustor as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense,
    - d An assignment by Trustor for the benefit of creditors, whether by trust, mortgage or otherwise,
    - e A petition or other proceedings by or against Trustor for the appointment of a trustee, receiver, guardian, conservator or liquidator of Trustor with respect to all or substantially all of the Property, or
    - f Trustor's dissolution or liquidation, or the taking of possession of the Property by any governmental authority in connection with dissolution or liquidation.
  - 13 8 A determination by Beneficiary that the security of the Homeowner Deed of Trust is inadequate or in danger of being impaired or threatened from any cause whatsoever
14. **Trustee's Sale.** Upon receipt of Beneficiary's notice of election to cause the Property to be sold, Trustee shall, in accordance with all provisions of law, give notice of Trustee's sale and, after the lapse of the required amount of time, sell the Property at public auction, at the time and place specified in the Notice of Trustee's Sale, to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Any persons, including Trustor, Trustee or Beneficiary may purchase at the Trustee's Sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for sale. Upon sale, Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property, but without any covenant or warranty, expressed or implied.
15. **Net Proceeds of the Trustee's Sale.** After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title in connection with the sale and reasonable attorneys fees, Trustee shall apply the proceeds of sale to payment of all sums then secured hereby and all other

sums due under the terms hereof, with accrued interest, and the remainder, if any, to the persons legally entitled thereto or as provided by A R S § 33-812

16. **Defaults on Prior Encumbrances.** If there are mortgages upon the Property or other encumbrances which are prior in time or prior in right, then Trustor promises to comply with the terms of these prior mortgages or encumbrances. If Trustor fails to comply with such terms and defaults on these mortgages or obligations, such default shall also be considered a default of this Homeowner Deed of Trust, and Trustee or Beneficiary herein may advance the monies necessary to remedy such defaults, and, if it does, such monies shall be added to the obligation secured and shall bear the maximum contractual legal rate of interest from the date monies are tendered. Beneficiary may also proceed on this default by exercising the same remedies it has on this Homeowner Deed of Trust.
17. **Deficiency Judgment.** Unless prohibited by law, Beneficiary shall be entitled to a deficiency judgment against Trustor if the Trustee's Sale yields an amount insufficient to fully satisfy Trustor's obligation pursuant to A R S § 33-814.
18. **Foreclosure and Revival of Applicable HUD Affordability Requirements.** If the primary mortgage on the Property is a Federal Housing Administration ("FHA") or a U S Department of Veterans ("VA") loan, and it is assigned to the U S Department of Housing and Urban Development ("HUD") or the VA, or if a person forecloses on Trustor's interest in the Property or takes a deed in lieu of foreclosure and such person's mortgage or security deed was prior in time to this Homeowner Deed of Trust, this Deed of Trust and promissory note shall terminate and no longer affect the Property. Notwithstanding the foregoing, if the foreclosed upon or deed in lieu of foreclosure loan is subject to HUD Affordability Period requirements, the covenants and restrictions set forth in this Homeowner Deed of Trust shall be revived and shall remain in full force for the remainder of any applicable affordability period when and if the owner of record or Trustor before such foreclosure or deed in lieu of foreclosure is given acquires or obtains any ownership interest in the Property at any time during such affordability period.
19. **Reinstatement After Default.** Notwithstanding Beneficiary's acceleration of sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued and to have this Homeowner Deed of Trust reinstated at any time before the day of the Trustee's Sale or before the filing of a foreclosure action. In order to have the Homeowner Deed of Trust reinstated after default, the Trustor must
  - 19.1 Pay to beneficiary the entire amount due under this Homeowner Deed of Trust and the Obligation Secured, other than such portion of the principal as would not be due had no default occurred,
  - 19.2 Cure all defaults or any covenants or agreements of Trustor as contained in this Homeowner Deed of Trust,
  - 19.3 Pay costs and expenses incurred by Beneficiary and Trustee in enforcing the terms of this Deed of Trust and pursuing remedies;
  - 19.4 Pay reasonable attorneys' fees actually incurred by Beneficiary and Trustee, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater;
  - 19.5 Pay the recording fee for any cancellation of notice of sale,
  - 19.6 Pay the Trustee's fees, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater. Upon reinstatement, this Homeowner Deed of Trust and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred.

**20. Assignment of Property Income.**

20.1 As additional security, Trustor hereby gives Beneficiary the right, power and authority during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable

20.2 Upon any such default, Beneficiary may at any time, without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof; in its own name sue for or otherwise collect such Property Income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Property Income and the application thereof, shall not cure or waive any default or notice of Trustee's Sale hereunder or invalidate any act done pursuant to such notice

**21. Acts of Trustee Affecting the Property.** At any time, without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Obligation Secured for endorsement, Trustee may, without liability, release and reconvey all or any part of the Property, consent to the making and recording, or either, of any map or plat of all or any part of the Property, join in granting any easement thereon, join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof Any such action by Trustee may be taken without affecting the personal liability of any person for payment of the indebtedness secured hereby, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof the Property affected by Trustee's action be credited on the indebtedness.

**22. Satisfaction of the Obligation.** If Trustee receives full payment of the obligation secured in the amount secured, at the request of Trustor, Trustee shall acknowledge satisfaction of the Homeowner Deed of Trust by recording and delivering to Trustor a Satisfaction or Release of Realty Homeowner Deed of Trust pursuant to A R S § 33-712.

**23. Notices.** Copies of all notices and communication concerning this Homeowner Deed of Trust shall be mailed to the parties at the addresses specified in this Homeowner Deed of Trust, and any change of address shall be communicated to the other party in writing Any documents which may adversely affect the rights of any party to this Homeowner Deed of Trust shall be dispatched by Certified Mail, Return Receipt Requested.

**24. Applicable Law.** This Homeowner Deed of Trust shall be subject to and governed by the laws of the State of Arizona, in particular the provisions of A R S. Title 33, Chapter 6 1, regardless of the fact that one or more parties is now or may become a resident of a different state

**25. Waiver.** Any waiver by either party of a breach of any provision of this Homeowner Deed of Trust shall not operate or be constructed as a waiver of any subsequent breach hereof.

**26. Succession of Benefits.** The provisions of this Homeowner Deed of Trust shall inure to the benefit of and be binding upon the parties hereto, their heirs, personal representatives, conservators and permitted assigns

**27. Successor Trustee.** Beneficiary may appoint a Successor Trustee in the manner prescribed by law. A Successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all predecessors' title, estate, rights, powers and duties Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor

28. **Entire Agreement.** The terms of this Homeowner Deed of Trust constitutes the entire agreement among the parties, and the parties represent that there are no collateral or side agreements not otherwise provided for within the terms of this Homeowner Deed of Trust
29. **Modification.** No modification of this Homeowner Deed of Trust shall be binding unless evidenced by an agreement in writing and signed by all parties
30. **Partial Invalidity.** If any provision of this Homeowner Deed of Trust is held to be invalid or unenforceable, all the remaining provisions shall nevertheless continue in full force and effect
31. **Sales Transaction.** In the event all or any part of the Property or any interest in it is sold, conveyed, or encumbered, all obligations secured by the Homeowner Deed of Trust shall become due and payable immediately upon notice to the Trustee by the Beneficiary
32. **Warranty.** The Trustor indemnifies the Beneficiary and Trustee against any liability for the violation by the Trustor or its affiliates of any Federal or State Statute, law or regulation dealing with environment. The Trustor warrants that he will comply with those laws or regulations. The Trustor warrants the mortgaged Property does not contain any hazardous substance and indemnifies the Beneficiary and the Trustee as to any liability for hazardous waste disposal or cleanup. The warrant and indemnification shall survive any foreclosure of the Deed of Trust or the acceptance of a Deed in Lieu of Foreclosure. Trustor shall promptly notify the Beneficiary and the Trustee of any suspected or alleged environmental violations during the term of this loan

*(Signatures Appear on the Next Page)*



**"Exhibit F"**

**Legal Description**

For the property located at 6730 North 55<sup>th</sup> Avenue, Glendale, Arizona 85301

LOT 5, BLOCK 19 OF PARK ADDITION TO GLENDALE, MAP BOOK 3, MAP PAGE 42

EXHIBIT F

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

(Homeowner)

DATE. \_\_\_\_\_

TRUSTOR  
(ADDRESS) \_\_\_\_\_  
6717 North 54 Drive  
Glendale, AZ 85301

BENEFICIARY  
(ADDRESS) City of Glendale  
5850 West Glendale Avenue  
Glendale, Arizona 85301

TRUSTEE  
(ADDRESS) City of Glendale  
5850 West Glendale Ave  
Glendale, Arizona 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A (“Property”)

This Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”) is made among the above-named Trustor, Trustee and Beneficiary

1. **Conveyance.** Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the Property, subject to covenants, conditions, restrictions, rights of way and easements of record, to be held as security for the payment by Trustor of the obligation secured and for the performance of other obligations of Trustor as set forth in this Homeowner Deed of Trust
2. **Appurtenances.** Trustor grants, together with the Property, all buildings and improvements now or hereafter erected thereon, and all fixtures attached to or used in connection with the Property (including, without limiting the generality of the foregoing, all ventilating, heating, air conditioning, refrigeration, plumbing and lighting fixtures), together with all leases, rents, issues, profits or income therefrom (hereinafter “Property Income”), subject however, to the right, power and authority hereinafter given to Beneficiary to collect and apply such property income
3. **Taxes and Assessments and Trust Expenses.** Trustor shall pay before delinquent taxes and assessments affecting the Property or any part thereof, which appear to be prior or superior hereto all cost, fees and expenses of this trust and all lawful charges, costs and expenses of any reinstatement of the Deed of Trust following default
4. **Fire Insurance.** Trustor shall, at Trustor’s expense, maintain in force fire and extended coverage insurance in any amount of not less than full replacement value of any buildings which may exist on the Property with loss payable to Beneficiary Trustor shall provide fire insurance protection on his

- furniture, fixtures and other personal property on the Property in an amount equal to the full insurable value thereof, and promises that any insurance coverage in this regard will contain a waiver of the insurer's right of the subrogation against Beneficiary
5. **Liability Insurance.** Trustor shall, at Trustor's expense, maintain in force policies of liability insurance, with Beneficiary as an additional insured thereunder, insuring Trustor against any claims resulting from the injury to or the death of any person or the damage to or the destruction of any property belonging to any person by reason of Beneficiary's interest hereunder or the use and occupancy of the Property by Trustor
  6. **Processing of Insurance Policies.** Trustor shall promptly deliver to Beneficiary the originals or true and exact copies of all insurance policies required by this Homeowner Deed of Trust Trustor shall not do or omit to do any act that will in any way impair or invalidate any insurance policy required by this Deed of Trust All insurance policies shall contain a written obligation of the insurer to notify Beneficiary in writing at least 10 days prior to any cancellation thereof.
  7. **Indemnification of Trustee and Beneficiary.** Trustor shall hold Trustee and Beneficiary harmless from and indemnify them for any and all claims raised by any third party against Trustee or Beneficiary resulting from their interests hereunder or the acts of Trustor Such indemnification shall include reasonable attorneys' fees and costs, including cost of evidence of title
  8. **Right Beneficiary or Trustee to Pay Obligations of Trustor.** If Trustor fails or refuses to pay any sums due to be paid by it under the provisions of this Homeowner Deed of Trust, or fails or refuses to take any action as herein provided, then Beneficiary or Trustee shall have the right to pay any such sum due to be paid by Trustor and to perform any act necessary The amount of such sums paid by Beneficiary or Trustee for the account of Trustor and the cost of any such action, together with interest thereon at the maximum legal contractual rate per annum, from the date of payment until the satisfaction, shall be added to the obligation secured The payment of Beneficiary or Trustee of any such sums or the performance of any such action shall be prima facie evidence of the necessity therefore.
  9. **Condemnation.** Any award of damages in connection with any condemnation or injury to any of the Property by reason of public use or for damages for private trespass or injury thereto, are assigned in full and shall be paid to Beneficiary, who shall apply them to payment of the principal of the obligation secured, the interest thereon, and any other charges or amounts secured hereby in such manner as Beneficiary may elect. Any remaining balance shall be paid to Trustor Beneficiary may, at Beneficiary's option, appeal from any such award in the name of Trustor Unless Trustor and Beneficiary otherwise agree in writing, any application of such proceeds to principal shall not extend or postpone the due dates of any installment payments of the obligation secured or change the amount of such payments
  10. **Care of Property.** Trustor shall take reasonable care of the Property and the buildings thereon and shall maintain them in good repair and condition as at the original date of this Homeowner Deed of Trust, ordinary depreciation excepted Trustor shall commit or permit no waste and do no act which will unduly impair or depreciate the value of the Property as required, and then Beneficiary or Trustee, at their option, may make necessary repairs and add the cost thereof to the Obligation Secured Trustor shall purchase and use on the Property the amount of water to which it is or shall be entitled and shall not abandon any water rights, power rights or any rights of whatever nature which are appurtenant to the Property.
  11. **Right to Inspect the Property.** At all convenient and reasonable times, upon prior notice to Trustor, Beneficiary or Trustee shall have the right and license to go on and into the Property to inspect it in order to determine whether the provisions of the Homeowner Deed of Trust are being kept and performed

12. **Acceleration.** In the event of default by Trustor, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to the Trustee of written notice setting forth the nature thereof and of election to cause the Property to be sold under this Homeowner Deed of Trust. Beneficiary shall also deposit with Trustee all documents evidencing the obligation secured and any expenditures secured hereby.
13. **Event of Default.** Each of the following shall be considered an event of default of the Homeowner Deed of Trust.
- 13 1 The failure of Trustor to make any payment due hereunder or under the Obligation Secured on or before the due date thereof,
  - 13 2 The failure of Trustor to perform any duty required by this Homeowner Deed of Trust,
  - 13 3 The failure of Trustor to occupy the Property as his/her primary residence,
  - 13 4 The sale or attempted sale of the Property by Trustor without the consent of Beneficiary;
  - 13 5 The removal or attempted removal by Trustor of any property included in the Property without the consent of Beneficiary, or
  - 13 6 Abandonment of the Property by Trustor,
  - 13 7 The filing, execution or occurrence of
    - a A petition in bankruptcy by or against Trustor,
    - b. A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act;
    - c Adjudication of Trustor as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense,
    - d An assignment by Trustor for the benefit of creditors, whether by trust, mortgage or otherwise;
    - e A petition or other proceedings by or against Trustor for the appointment of a trustee, receiver, guardian, conservator or liquidator of Trustor with respect to all or substantially all of the Property, or
    - f Trustor's dissolution or liquidation, or the taking of possession of the Property by any governmental authority in connection with dissolution or liquidation
  - 13 8 A determination by Beneficiary that the security of the Homeowner Deed of Trust is inadequate or in danger of being impaired or threatened from any cause whatsoever
14. **Trustee's Sale.** Upon receipt of Beneficiary's notice of election to cause the Property to be sold, Trustee shall, in accordance with all provisions of law, give notice of Trustee's sale and, after the lapse of the required amount of time, sell the Property at public auction, at the time and place specified in the Notice of Trustee's Sale, to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Any persons, including Trustor, Trustee or Beneficiary may purchase at the Trustee's Sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for sale. Upon sale, Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property, but without any covenant or warranty, expressed or implied.
15. **Net Proceeds of the Trustee's Sale.** After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title in connection with the sale and reasonable attorneys fees, Trustee shall apply the proceeds of sale to payment of all sums then secured hereby and all other

sums due under the terms hereof, with accrued interest, and the remainder, if any, to the persons legally entitled thereto or as provided by A R S § 33-812

16. **Defaults on Prior Encumbrances.** If there are mortgages upon the Property or other encumbrances which are prior in time or prior in right, then Trustor promises to comply with the terms of these prior mortgages or encumbrances. If Trustor fails to comply with such terms and defaults on these mortgages or obligations, such default shall also be considered a default of this Homeowner Deed of Trust, and Trustee or Beneficiary herein may advance the monies necessary to remedy such defaults, and, if it does, such monies shall be added to the obligation secured and shall bear the maximum contractual legal rate of interest from the date monies are tendered. Beneficiary may also proceed on this default by exercising the same remedies it has on this Homeowner Deed of Trust.
17. **Deficiency Judgment.** Unless prohibited by law, Beneficiary shall be entitled to a deficiency judgment against Trustor if the Trustee's Sale yields an amount insufficient to fully satisfy Trustor's obligation pursuant to A R S. § 33-814.
18. **Foreclosure and Revival of Applicable HUD Affordability Requirements.** If the primary mortgage on the Property is a Federal Housing Administration ("FHA") or a US Department of Veterans ("VA") loan, and it is assigned to the US Department of Housing and Urban Development ("HUD") or the VA, or if a person forecloses on Trustor's interest in the Property or takes a deed in lieu of foreclosure and such person's mortgage or security deed was prior in time to this Homeowner Deed of Trust, this Deed of Trust and promissory note shall terminate and no longer affect the Property. Notwithstanding the foregoing, if the foreclosed upon or deed in lieu of foreclosure loan is subject to HUD Affordability Period requirements, the covenants and restrictions set forth in this Homeowner Deed of Trust shall be revived and shall remain in full force for the remainder of any applicable affordability period when and if the owner of record or Trustor before such foreclosure or deed in lieu of foreclosure is given acquires or obtains any ownership interest in the Property at any time during such affordability period.
19. **Reinstatement After Default.** Notwithstanding Beneficiary's acceleration of sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued and to have this Homeowner Deed of Trust reinstated at any time before the day of the Trustee's Sale or before the filing of a foreclosure action. In order to have the Homeowner Deed of Trust reinstated after default, the Trustor must
  - 19.1 Pay to beneficiary the entire amount due under this Homeowner Deed of Trust and the Obligation Secured, other than such portion of the principal as would not be due had no default occurred,
  - 19.2 Cure all defaults or any covenants or agreements of Trustor as contained in this Homeowner Deed of Trust,
  - 19.3 Pay costs and expenses incurred by Beneficiary and Trustee in enforcing the terms of this Deed of Trust and pursuing remedies;
  - 19.4 Pay reasonable attorneys' fees actually incurred by Beneficiary and Trustee, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater;
  - 19.5 Pay the recording fee for any cancellation of notice of sale,
  - 19.6 Pay the Trustee's fees, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater. Upon reinstatement, this Homeowner Deed of Trust and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred.

**20. Assignment of Property Income.**

20 1 As additional security, Trustor hereby gives Beneficiary the right, power and authority during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable.

20 2 Upon any such default, Beneficiary may at any time, without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such Property Income, including that past due and unpaid; and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Property Income and the application thereof, shall not cure or waive any default or notice of Trustee's Sale hereunder or invalidate any act done pursuant to such notice

**21. Acts of Trustee Affecting the Property.** At any time, without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Obligation Secured for endorsement, Trustee may, without liability, release and reconvey all or any part of the Property, consent to the making and recording, or either, of any map or plat of all or any part of the Property, join in granting any easement thereon; join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof Any such action by Trustee may be taken without affecting the personal liability of any person for payment of the indebtedness secured hereby, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof the Property affected by Trustee's action be credited on the indebtedness.

**22. Satisfaction of the Obligation.** If Trustee receives full payment of the obligation secured in the amount secured, at the request of Trustor, Trustee shall acknowledge satisfaction of the Homeowner Deed of Trust by recording and delivering to Trustor a Satisfaction or Release of Realty Homeowner Deed of Trust pursuant to A R S § 33-712.

**23. Notices.** Copies of all notices and communication concerning this Homeowner Deed of Trust shall be mailed to the parties at the addresses specified in this Homeowner Deed of Trust, and any change of address shall be communicated to the other party in writing Any documents which may adversely affect the rights of any party to this Homeowner Deed of Trust shall be dispatched by Certified Mail, Return Receipt Requested.

**24. Applicable Law.** This Homeowner Deed of Trust shall be subject to and governed by the laws of the State of Arizona, in particular the provisions of A R S. Title 33, Chapter 6 1, regardless of the fact that one or more parties is now or may become a resident of a different state.

**25. Waiver.** Any waiver by either party of a breach of any provision of this Homeowner Deed of Trust shall not operate or be constructed as a waiver of any subsequent breach hereof

**26. Succession of Benefits.** The provisions of this Homeowner Deed of Trust shall inure to the benefit of and be binding upon the parties hereto, their heirs, personal representatives, conservators and permitted assigns

**27. Successor Trustee.** Beneficiary may appoint a Successor Trustee in the manner prescribed by law A Successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all predecessors' title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor

28. **Entire Agreement.** The terms of this Homeowner Deed of Trust constitutes the entire agreement among the parties, and the parties represent that there are no collateral or side agreements not otherwise provided for within the terms of this Homeowner Deed of Trust
29. **Modification.** No modification of this Homeowner Deed of Trust shall be binding unless evidenced by an agreement in writing and signed by all parties
30. **Partial Invalidity.** If any provision of this Homeowner Deed of Trust is held to be invalid or unenforceable, all the remaining provisions shall nevertheless continue in full force and effect
31. **Sales Transaction.** In the event all or any part of the Property or any interest in it is sold, conveyed, or encumbered, all obligations secured by the Homeowner Deed of Trust shall become due and payable immediately upon notice to the Trustee by the Beneficiary
32. **Warranty.** The Trustor indemnifies the Beneficiary and Trustee against any liability for the violation by the Trustor or its affiliates of any Federal or State Statute, law or regulation dealing with environment. The Trustor warrants that he will comply with those laws or regulations. The Trustor warrants the mortgaged Property does not contain any hazardous substance and indemnifies the Beneficiary and the Trustee as to any liability for hazardous waste disposal or cleanup. The warrant and indemnification shall survive any foreclosure of the Deed of Trust or the acceptance of a Deed in Lieu of Foreclosure. Trustor shall promptly notify the Beneficiary and the Trustee of any suspected or alleged environmental violations during the term of this loan

*(Signatures Appear on the Next Page)*



**"Exhibit F"**

**Legal Description**

For the property located at 6717 North 54<sup>th</sup> Drive, Glendale, Arizona 85301

LOT 20, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 39

EXHIBIT F

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

(Homeowner)

DATE. \_\_\_\_\_

TRUSTOR:  
(ADDRESS) \_\_\_\_\_  
6713 North 54 Drive  
Glendale, AZ 85301

BENEFICIARY. City of Glendale  
(ADDRESS) 5850 West Glendale Avenue  
Glendale, Arizona 85301

TRUSTEE City of Glendale  
(ADDRESS) 5850 West Glendale Ave  
Glendale, Arizona 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A (“Property”).

This Deed of Trust and Assignment of Rents (“Homeowner Deed of Trust”) is made among the above-named Trustor, Trustee and Beneficiary

1. **Conveyance.** Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the Property, subject to covenants, conditions, restrictions, rights of way and easements of record, to be held as security for the payment by Trustor of the obligation secured and for the performance of other obligations of Trustor as set forth in this Homeowner Deed of Trust
2. **Appurtenances.** Trustor grants, together with the Property, all buildings and improvements now or hereafter erected thereon, and all fixtures attached to or used in connection with the Property (including, without limiting the generality of the foregoing, all ventilating, heating, air conditioning, refrigeration, plumbing and lighting fixtures), together with all leases, rents, issues, profits or income therefrom (hereinafter “Property Income”), subject however, to the right, power and authority hereinafter given to Beneficiary to collect and apply such property income
3. **Taxes and Assessments and Trust Expenses.** Trustor shall pay before delinquent taxes and assessments affecting the Property or any part thereof, which appear to be prior or superior hereto all cost, fees and expenses of this trust and all lawful charges, costs and expenses of any reinstatement of the Deed of Trust following default.
4. **Fire Insurance.** Trustor shall, at Trustor’s expense, maintain in force fire and extended coverage insurance in any amount of not less than full replacement value of any buildings which may exist on the Property with loss payable to Beneficiary Trustor shall provide fire insurance protection on his

furniture, fixtures and other personal property on the Property in an amount equal to the full insurable value thereof, and promises that any insurance coverage in this regard will contain a waiver of the insurer's right of the subrogation against Beneficiary

5. **Liability Insurance.** Trustor shall, at Trustor's expense, maintain in force policies of liability insurance, with Beneficiary as an additional insured thereunder, insuring Trustor against any claims resulting from the injury to or the death of any person or the damage to or the destruction of any property belonging to any person by reason of Beneficiary's interest hereunder or the use and occupancy of the Property by Trustor.
6. **Processing of Insurance Policies.** Trustor shall promptly deliver to Beneficiary the originals or true and exact copies of all insurance policies required by this Homeowner Deed of Trust. Trustor shall not do or omit to do any act that will in any way impair or invalidate any insurance policy required by this Deed of Trust. All insurance policies shall contain a written obligation of the insurer to notify Beneficiary in writing at least 10 days prior to any cancellation thereof.
7. **Indemnification of Trustee and Beneficiary.** Trustor shall hold Trustee and Beneficiary harmless from and indemnify them for any and all claims raised by any third party against Trustee or Beneficiary resulting from their interests hereunder or the acts of Trustor. Such indemnification shall include reasonable attorneys' fees and costs, including cost of evidence of title
8. **Right Beneficiary or Trustee to Pay Obligations of Trustor.** If Trustor fails or refuses to pay any sums due to be paid by it under the provisions of this Homeowner Deed of Trust, or fails or refuses to take any action as herein provided, then Beneficiary or Trustee shall have the right to pay any such sum due to be paid by Trustor and to perform any act necessary. The amount of such sums paid by Beneficiary or Trustee for the account of Trustor and the cost of any such action, together with interest thereon at the maximum legal contractual rate per annum, from the date of payment until the satisfaction, shall be added to the obligation secured. The payment of Beneficiary or Trustee of any such sums or the performance of any such action shall be prima facie evidence of the necessity therefore.
9. **Condemnation.** Any award of damages in connection with any condemnation or injury to any of the Property by reason of public use or for damages for private trespass or injury thereto, are assigned in full and shall be paid to Beneficiary, who shall apply them to payment of the principal of the obligation secured, the interest thereon, and any other charges or amounts secured hereby in such manner as Beneficiary may elect. Any remaining balance shall be paid to Trustor. Beneficiary may, at Beneficiary's option, appeal from any such award in the name of Trustor. Unless Trustor and Beneficiary otherwise agree in writing, any application of such proceeds to principal shall not extend or postpone the due dates of any installment payments of the obligation secured or change the amount of such payments
10. **Care of Property.** Trustor shall take reasonable care of the Property and the buildings thereon and shall maintain them in good repair and condition as at the original date of this Homeowner Deed of Trust, ordinary depreciation excepted. Trustor shall commit or permit no waste and do no act which will unduly impair or depreciate the value of the Property as required, and then Beneficiary or Trustee, at their option, may make necessary repairs and add the cost thereof to the Obligation Secured. Trustor shall purchase and use on the Property the amount of water to which it is or shall be entitled and shall not abandon any water rights, power rights or any rights of whatever nature which are appurtenant to the Property
11. **Right to Inspect the Property.** At all convenient and reasonable times, upon prior notice to Trustor, Beneficiary or Trustee shall have the right and license to go on and into the Property to inspect it in order to determine whether the provisions of the Homeowner Deed of Trust are being kept and performed.

12. **Acceleration.** In the event of default by Trustor, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to the Trustee of written notice setting forth the nature thereof and of election to cause the Property to be sold under this Homeowner Deed of Trust Beneficiary shall also deposit with Trustee all documents evidencing the obligation secured and any expenditures secured hereby
13. **Event of Default.** Each of the following shall be considered an event of default of the Homeowner Deed of Trust
- 13 1 The failure of Trustor to make any payment due hereunder or under the Obligation Secured on or before the due date thereof,
- 13 2 The failure of Trustor to perform any duty required by this Homeowner Deed of Trust,
- 13 3 The failure of Trustor to occupy the Property as his/her primary residence,
- 13 4 The sale or attempted sale of the Property by Trustor without the consent of Beneficiary,
- 13 5 The removal or attempted removal by Trustor of any property included in the Property without the consent of Beneficiary, or
- 13.6 Abandonment of the Property by Trustor,
- 13 7 The filing, execution or occurrence of
- a A petition in bankruptcy by or against Trustor,
- b A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act;
- c. Adjudication of Trustor as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense,
- d. An assignment by Trustor for the benefit of creditors, whether by trust, mortgage or otherwise,
- e A petition or other proceedings by or against Trustor for the appointment of a trustee, receiver, guardian, conservator or liquidator of Trustor with respect to all or substantially all of the Property, or
- f Trustor's dissolution or liquidation, or the taking of possession of the Property by any governmental authority in connection with dissolution or liquidation.
- 13 8 A determination by Beneficiary that the security of the Homeowner Deed of Trust is inadequate or in danger of being impaired or threatened from any cause whatsoever
14. **Trustee's Sale.** Upon receipt of Beneficiary's notice of election to cause the Property to be sold, Trustee shall, in accordance with all provisions of law, give notice of Trustee's sale and, after the lapse of the required amount of time, sell the Property at public auction, at the time and place specified in the Notice of Trustee's Sale, to the highest bidder for cash in lawful money of the United States, payable at the time of sale Any persons, including Trustor, Trustee or Beneficiary may purchase at the Trustee's Sale Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for sale Upon sale, Trustee shall deliver to the purchaser a Trustee's Deed conveying the Property, but without any covenant or warranty, expressed or implied
15. **Net Proceeds of the Trustee's Sale.** After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title in connection with the sale and reasonable attorneys fees, Trustee shall apply the proceeds of sale to payment of all sums then secured hereby and all other

sums due under the terms hereof, with accrued interest, and the remainder, if any, to the persons legally entitled thereto or as provided by A R S § 33-812

16. **Defaults on Prior Encumbrances.** If there are mortgages upon the Property or other encumbrances which are prior in time or prior in right, then Trustor promises to comply with the terms of these prior mortgages or encumbrances. If Trustor fails to comply with such terms and defaults on these mortgages or obligations, such default shall also be considered a default of this Homeowner Deed of Trust, and Trustee or Beneficiary herein may advance the monies necessary to remedy such defaults, and, if it does, such monies shall be added to the obligation secured and shall bear the maximum contractual legal rate of interest from the date monies are tendered. Beneficiary may also proceed on this default by exercising the same remedies it has on this Homeowner Deed of Trust
17. **Deficiency Judgment.** Unless prohibited by law, Beneficiary shall be entitled to a deficiency judgment against Trustor if the Trustee's Sale yields an amount insufficient to fully satisfy Trustor's obligation pursuant to A R S § 33-814
18. **Foreclosure and Revival of Applicable HUD Affordability Requirements.** If the primary mortgage on the Property is a Federal Housing Administration ("FHA") or a U S Department of Veterans ("VA") loan, and it is assigned to the U S. Department of Housing and Urban Development ("HUD") or the VA, or if a person forecloses on Trustor's interest in the Property or takes a deed in lieu of foreclosure and such person's mortgage or security deed was prior in time to this Homeowner Deed of Trust, this Deed of Trust and promissory note shall terminate and no longer affect the Property. Notwithstanding the foregoing, if the foreclosed upon or deed in lieu of foreclosure loan is subject to HUD Affordability Period requirements, the covenants and restrictions set forth in this Homeowner Deed of Trust shall be revived and shall remain in full force for the remainder of any applicable affordability period when and if the owner of record or Trustor before such foreclosure or deed in lieu of foreclosure is given acquires or obtains any ownership interest in the Property at any time during such affordability period
19. **Reinstatement After Default.** Notwithstanding Beneficiary's acceleration of sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued and to have this Homeowner Deed of Trust reinstated at any time before the day of the Trustee's Sale or before the filing of a foreclosure action. In order to have the Homeowner Deed of Trust reinstated after default, the Trustor must
  - 19.1 Pay to beneficiary the entire amount due under this Homeowner Deed of Trust and the Obligation Secured, other than such portion of the principal as would not be due had no default occurred,
  - 19.2 Cure all defaults or any covenants or agreements of Trustor as contained in this Homeowner Deed of Trust,
  - 19.3 Pay costs and expenses incurred by Beneficiary and Trustee in enforcing the terms of this Deed of Trust and pursuing remedies;
  - 19.4 Pay reasonable attorneys' fees actually incurred by Beneficiary and Trustee, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater;
  - 19.5 Pay the recording fee for any cancellation of notice of sale,
  - 19.6 Pay the Trustee's fees, in an amount not to exceed \$250 or one-half of one percent of the entire unpaid principal sum secured, whichever is greater. Upon reinstatement, this Homeowner Deed of Trust and the obligation secured hereby shall remain in full force and effect as if no acceleration had occurred

20. **Assignment of Property Income.**

20 1 As additional security, Trustor hereby gives Beneficiary the right, power and authority during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable

20 2 Upon any such default, Beneficiary may at any time, without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof; in its own name sue for or otherwise collect such Property Income, including that past due and unpaid; and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Property Income and the application thereof, shall not cure or waive any default or notice of Trustee's Sale hereunder or invalidate any act done pursuant to such notice

21. **Acts of Trustee Affecting the Property.** At any time, without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Obligation Secured for endorsement, Trustee may, without liability, release and reconvey all or any part of the Property, consent to the making and recording, or either, of any map or plat of all or any part of the Property, join in granting any easement thereon, join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof. Any such action by Trustee may be taken without affecting the personal liability of any person for payment of the indebtedness secured hereby, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the Property affected by Trustee's action be credited on the indebtedness.

22. **Satisfaction of the Obligation.** If Trustee receives full payment of the obligation secured in the amount secured, at the request of Trustor, Trustee shall acknowledge satisfaction of the Homeowner Deed of Trust by recording and delivering to Trustor a Satisfaction or Release of Realty Homeowner Deed of Trust pursuant to A.R.S. § 33-712.

23. **Notices.** Copies of all notices and communication concerning this Homeowner Deed of Trust shall be mailed to the parties at the addresses specified in this Homeowner Deed of Trust, and any change of address shall be communicated to the other party in writing. Any documents which may adversely affect the rights of any party to this Homeowner Deed of Trust shall be dispatched by Certified Mail, Return Receipt Requested.

24. **Applicable Law.** This Homeowner Deed of Trust shall be subject to and governed by the laws of the State of Arizona, in particular the provisions of A.R.S. Title 33, Chapter 6 1, regardless of the fact that one or more parties is now or may become a resident of a different state

25. **Waiver.** Any waiver by either party of a breach of any provision of this Homeowner Deed of Trust shall not operate or be constructed as a waiver of any subsequent breach hereof

26. **Succession of Benefits.** The provisions of this Homeowner Deed of Trust shall inure to the benefit of and be binding upon the parties hereto, their heirs, personal representatives, conservators and permitted assigns

27. **Successor Trustee.** Beneficiary may appoint a Successor Trustee in the manner prescribed by law. A Successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all predecessors' title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor

28. **Entire Agreement.** The terms of this Homeowner Deed of Trust constitutes the entire agreement among the parties, and the parties represent that there are no collateral or side agreements not otherwise provided for within the terms of this Homeowner Deed of Trust
29. **Modification.** No modification of this Homeowner Deed of Trust shall be binding unless evidenced by an agreement in writing and signed by all parties
30. **Partial Invalidity.** If any provision of this Homeowner Deed of Trust is held to be invalid or unenforceable, all the remaining provisions shall nevertheless continue in full force and effect.
31. **Sales Transaction.** In the event all or any part of the Property or any interest in it is sold, conveyed, or encumbered, all obligations secured by the Homeowner Deed of Trust shall become due and payable immediately upon notice to the Trustee by the Beneficiary
32. **Warranty.** The Trustor indemnifies the Beneficiary and Trustee against any liability for the violation by the Trustor or its affiliates of any Federal or State Statute, law or regulation dealing with environment. The Trustor warrants that he will comply with those laws or regulations. The Trustor warrants the mortgaged Property does not contain any hazardous substance and indemnifies the Beneficiary and the Trustee as to any liability for hazardous waste disposal or cleanup. The warrant and indemnification shall survive any foreclosure of the Deed of Trust or the acceptance of a Deed in Lieu of Foreclosure. Trustor shall promptly notify the Beneficiary and the Trustee of any suspected or alleged environmental violations during the term of this loan

*(Signatures Appear on the Next Page)*



**“Exhibit F”**

**Legal Description**

For the property located at 6713 North 54<sup>th</sup> Drive, Glendale, Arizona 85301

LOT 21, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 19

**HOMEOWNER PROMISSORY NOTE**

**EXHIBIT "G"**

EXHIBIT G

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Homeowner)

Loan Amount \$ \_\_\_\_\_

Glendale, Arizona

Date \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_) payable as follows City of Glendale

This Homeowner Promissory Note ("Homeowner Note") is secured by a Homeowner Deed of Trust and Assignment of Rents ("Homeowner Deed of Trust") encumbering the Property identified in the Deed of Trust ("Property")

It is understood and agreed by the parties hereto that the undersigned shall occupy the Property as his/her primary residence and shall not assign or otherwise transfer any right, title or interest in or to the Property or this encumbrance for a period of five (5) years, six (6) months from the closing date for the Property

So long as the undersigned is not in default of this Homeowner Note or the Homeowner Deed of Trust securing this Note, no interest shall be charged on the principal balance. In the event of such assignment of transfer without written consent, or in the event the Property is not occupied as the undersign's primary residence, the entire unpaid principal balance, accrued late penalties and all accrued interest shall, at the option of the City, become all due and payable. Default interest shall be computed on the principal of the Homeowner Note from the date of default until this Homeowner Note is paid in full and shall be computed at the highest rate of interest in effect under the laws of the State of Arizona, but not to exceed 10% per annum

The undersigned and endorsers hereof waive presentment, demand, notice of dishonor and protest.

If suit be brought to recover on this Homeowner Note, the undersigned will pay such sum as the Court may fix as attorneys' fees

Having reviewed, accepted, and approved this Note with all its terms and conditions, this Homeowner Note shall supersede any and all other agreements, and is hereby accepted in its final form.

*(Signatures Appear on the Next Page)*



**"Exhibit G"**

**Legal Description**

For the property located at 5602 North 61<sup>st</sup>, Glendale, Arizona 85301.

LOT 7451 OF MARYVALE TERRACE 20-A, MAP BOOK 79, MAP PAGE 19

EXHIBIT G

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Homeowner)

Loan Amount \$ \_\_\_\_\_

Glendale, Arizona

Date \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_) payable as follows: City of Glendale

This Homeowner Promissory Note ("Homeowner Note") is secured by a Homeowner Deed of Trust and Assignment of Rents ("Homeowner Deed of Trust") encumbering the Property identified in the Deed of Trust ("Property")

It is understood and agreed by the parties hereto that the undersigned shall occupy the Property as his/her primary residence and shall not assign or otherwise transfer any right, title or interest in or to the Property or this encumbrance for a period of five (5) years, six (6) months from the closing date for the Property

So long as the undersigned is not in default of this Homeowner Note or the Homeowner Deed of Trust securing this Note, no interest shall be charged on the principal balance. In the event of such assignment of transfer without written consent, or in the event the Property is not occupied as the undersign's primary residence, the entire unpaid principal balance, accrued late penalties and all accrued interest shall, at the option of the City, become all due and payable. Default interest shall be computed on the principal of the Homeowner Note from the date of default until this Homeowner Note is paid in full and shall be computed at the highest rate of interest in effect under the laws of the State of Arizona, but not to exceed 10% per annum

The undersigned and endorsers hereof waive presentment, demand, notice of dishonor and protest.

If suit be brought to recover on this Homeowner Note, the undersigned will pay such sum as the Court may fix as attorneys' fees

Having reviewed, accepted, and approved this Note with all its terms and conditions, this Homeowner Note shall supersede any and all other agreements, and is hereby accepted in its final form

*(Signatures Appear on the Next Page)*



**"Exhibit G"**

**Legal Description**

For the property located at 7315 North 54<sup>th</sup> Avenue, Glendale, Arizona 85301:

LOT 2, BLOCK 7 OF COOK AND WHITE ADDITION AMENDED, MAP BOOK 30, MAP PAGE 9

EXHIBIT G

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Homeowner)

Loan Amount. \$ \_\_\_\_\_

Glendale, Arizona

Date: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_) payable as follows: City of Glendale.

This Homeowner Promissory Note ("Homeowner Note") is secured by a Homeowner Deed of Trust and Assignment of Rents ("Homeowner Deed of Trust") encumbering the Property identified in the Deed of Trust ("Property")

It is understood and agreed by the parties hereto that the undersigned shall occupy the Property as his/her primary residence and shall not assign or otherwise transfer any right, title or interest in or to the Property or this encumbrance for a period of five (5) years, six (6) months from the closing date for the Property.

So long as the undersigned is not in default of this Homeowner Note or the Homeowner Deed of Trust securing this Note, no interest shall be charged on the principal balance. In the event of such assignment of transfer without written consent, or in the event the Property is not occupied as the undersigned's primary residence, the entire unpaid principal balance, accrued late penalties and all accrued interest shall, at the option of the City, become all due and payable. Default interest shall be computed on the principal of the Homeowner Note from the date of default until this Homeowner Note is paid in full and shall be computed at the highest rate of interest in effect under the laws of the State of Arizona, but not to exceed 10% per annum

The undersigned and endorsers hereof waive presentment, demand, notice of dishonor and protest.

If suit be brought to recover on this Homeowner Note, the undersigned will pay such sum as the Court may fix as attorneys' fees

Having reviewed, accepted, and approved this Note with all its terms and conditions, this Homeowner Note shall supersede any and all other agreements, and is hereby accepted in its final form

*(Signatures Appear on the Next Page)*



**"Exhibit G"**

**Legal Description**

For the property located at 6730 North 55<sup>th</sup> Avenue, Glendale, Arizona 85301:

LOT 5, BLOCK 19 OF PARK ADDITION TO GLENDALE, MAP BOOK 3, MAP PAGE 42

EXHIBIT G

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Homeowner)

Loan Amount. \$ \_\_\_\_\_

Glendale, Arizona

Date \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_) payable as follows. City of Glendale

This Homeowner Promissory Note ("Homeowner Note") is secured by a Homeowner Deed of Trust and Assignment of Rents ("Homeowner Deed of Trust") encumbering the Property identified in the Deed of Trust ("Property")

It is understood and agreed by the parties hereto that the undersigned shall occupy the Property as his/her primary residence and shall not assign or otherwise transfer any right, title or interest in or to the Property or this encumbrance for a period of five (5) years, six (6) months from the closing date for the Property

So long as the undersigned is not in default of this Homeowner Note or the Homeowner Deed of Trust securing this Note, no interest shall be charged on the principal balance. In the event of such assignment of transfer without written consent, or in the event the Property is not occupied as the undersign's primary residence, the entire unpaid principal balance, accrued late penalties and all accrued interest shall, at the option of the City, become all due and payable. Default interest shall be computed on the principal of the Homeowner Note from the date of default until this Homeowner Note is paid in full and shall be computed at the highest rate of interest in effect under the laws of the State of Arizona, but not to exceed 10% per annum

The undersigned and endorsers hereof waive presentment, demand, notice of dishonor and protest

If suit be brought to recover on this Homeowner Note, the undersigned will pay such sum as the Court may fix as attorneys' fees

Having reviewed, accepted, and approved this Note with all its terms and conditions, this Homeowner Note shall supersede any and all other agreements, and is hereby accepted in its final form

*(Signatures Appear on the Next Page)*



**"Exhibit G"**

**Legal Description**

For the property located at 6717 North 54<sup>th</sup> Drive, Glendale, Arizona 85301:

LOT 20, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 39

EXHIBIT G

WHEN RECORDED, RETURN TO:

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Homeowner)

Loan Amount: \$ \_\_\_\_\_

Glendale, Arizona

Date \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_) payable as follows City of Glendale.

This Homeowner Promissory Note ("Homeowner Note") is secured by a Homeowner Deed of Trust and Assignment of Rents ("Homeowner Deed of Trust") encumbering the Property identified in the Deed of Trust ("Property").

It is understood and agreed by the parties hereto that the undersigned shall occupy the Property as his/her primary residence and shall not assign or otherwise transfer any right, title or interest in or to the Property or this encumbrance for a period of five (5) years, six (6) months from the closing date for the Property

So long as the undersigned is not in default of this Homeowner Note or the Homeowner Deed of Trust securing this Note, no interest shall be charged on the principal balance. In the event of such assignment of transfer without written consent, or in the event the Property is not occupied as the undersign's primary residence, the entire unpaid principal balance, accrued late penalties and all accrued interest shall, at the option of the City, become all due and payable. Default interest shall be computed on the principal of the Homeowner Note from the date of default until this Homeowner Note is paid in full and shall be computed at the highest rate of interest in effect under the laws of the State of Arizona, but not to exceed 10% per annum

The undersigned and endorsers hereof waive presentment, demand, notice of dishonor and protest.

If suit be brought to recover on this Homeowner Note, the undersigned will pay such sum as the Court may fix as attorneys' fees

Having reviewed, accepted, and approved this Note with all its terms and conditions, this Homeowner Note shall supersede any and all other agreements, and is hereby accepted in its final form

*(Signatures Appear on the Next Page)*



**"Exhibit G"**

**Legal Description**

For the property located at 6713 North 54<sup>th</sup> Drive, Glendale, Arizona 85301.

LOT 21, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 19

**DEVELOPER DEED OF TRUST  
AND ASSIGNMENT OF RENTS  
EXHIBIT "H"**



AND SUBJECT TO, any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Property

**1. For the Purpose of Securing:**

- 1 1 Performance of each agreement of Trustor herein contained
- 1 2 Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$\_\_\_\_\_) executed by Trustor in favor of Beneficiary or order
- 1 3 Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes that are secured by this Deed of Trust.

**2. To Protect the Security of this Deed of Trust, Trustor covenants and agrees:**

- 2 1 To keep the Property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer, or permit any act upon said Property in violation of law, and to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general
- 2.2 To keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards specified by Beneficiary in an amount not less than the total obligation secured hereby. All policies will be held by Beneficiary and be in such companies as Beneficiary may approve and have loss payable first to Beneficiary, as his interest may appear and then to Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as Beneficiary may determine or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release will not cure or waive any default hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default
- 2 3 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses of Beneficiary or Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to enforce this Developer Deed of Trust.
- 2 4 To pay before delinquent, all taxes and assessments affecting said Property; when due, all encumbrances, charges and liens, on said Property or any part thereof, which appear to be prior or superior hereto, all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby
- 2 5 The should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such

purposes, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable attorneys' fees. All amounts so paid, together with interest thereon at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater, will be part of the debt secured by this Developer Deed of Trust and a lien on the above Property

2 6 To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater. Any amounts so paid by Beneficiary or Trustee will become part of the debt secured by this Developer Deed of Trust and a lien on the Property and immediately due and payable at option of Beneficiary or Trustee

**3. Recapture Provision:**

3 1 The HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 *et seq.* ("HOME Program"), requires that housing provided through homeowner assistance must be secured for the use of low-income households for a period of affordability. The period of affordability period is determined based on the amount of the HOME Program subsidy

HOME Funds Provided	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

3 2 Under the HOME Program regulations, the City can recapture of all or a portion of the Home Program funds if the housing does not continue to be the "Principle Residence" of the family for the duration of affordability

3 3 Utilizing the recapture provisions of the HOME Program regulation, the fair return to the seller will calculate based on the net proceeds from the sale and the amount of the original HOME Program fund investment in the Property. The HOME Program subsidy will be recoverable any time the house is sold before the expiration of the affordability period. The method that will be used to calculate the fair return and the HOME Program subsidy to be recovered will be detailed in the Developer Deed of Trust and Developer Note for the Property. If the affordability period has been satisfied, the seller will be entitled to all net proceeds from the sale of the Property.

3 4 In the case of a foreclosure or foreclosure sale, the period of affordability will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program investment. If the homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured will be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program investment will not be recaptured. The method that will be used to calculate the amount of the recapture funds will be detailed in the Developer Deed of Trust and the Developer Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale

- 3 5 If the original homeowner ceases to occupy the Property as the principal place of residence, voluntary or involuntarily, or upon the death of the owner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program investment will become due and payable. The method that will be used to calculate the amount of the recaptured funds will be detailed in the Developer Deed of Trust and Developer Note. If the Property is occupied as the principal residence by a valid and authorized descendant of a deceased owner, and the descendant's income level qualifies, the descendant may receive HOME Program assistance in the same manner in which the deceased owner qualified, according to the most recent income limits. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the affordability period. If the affordability period has been satisfied, the City will have no interest in the occupants of the Property.
- 3 6 If the homeowner is in default of the agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest of the HOME Program and the customer. Failure to take action may result in the City exercising its right to foreclose in order to satisfy the contract and comply with federal requirements.
- 3 7 If the Property owner does not occupy the home as their principal residence during the entire loan term, the balance will be due and payable or other arrangements can be made that meet HUD regulations that have been approved by the City.

4. **It is Mutually Agreed:**

- 4 1 That any award of damages in connection with any condemnation or any taking, or for injury to the Property by reason of public use, or for damages for private trespass or injury thereto, is assigned and will be paid to Beneficiary as further security for all obligations secured hereby (reserving unto Trustor, however, the right to sue therefore and the ownership thereof, subject to this Developer Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 4 2 That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. Without affecting the obligation of Trustor to pay and perform as herein required, without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the time for payment of said hereof on the Property, Beneficiary may, at its option, extend the time for payment of said indebtedness, or any part thereof, reduce the payment thereon, release any person liable on any of said indebtedness, accept a renewal note therefore, modify the terms of said indebtedness, take or release other or additional security, or join in any extension or subordination agreement. Any such action by Beneficiary or the Trustee at Beneficiary's direction may be taken without the consent of any junior lienholder, and will not affect the priority of this Developer Deed of Trust over any junior lien. Time is of the essence for this Deed of Trust.
- 4 3 That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Developer Deed of Trust and said note(s) for endorsement, and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all Property remaining subject hereto,

and without the necessity that any sum representing the value or any portion thereof of the Property affected by the Trustee's action be credited on the indebtedness, the Trustee may. (a) release and reconvey all or any part of said Property, (b) consent to the making and recording, or either, of any map or plat of the Property or any part thereof, (c) join in granting any easement thereon, (d) join in or consent to any extension agreement of any agreement subordinating the lien, encumbrance or charge hereof. Any Trustor signing this Trust as a surety or accommodation party or that has subjected the Property to this Trust to secure the debt of another, expressly waives the benefits of A.R.S. § 12-1641.

- 4 4 That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Developer Deed of Trust and said note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee will release and reconvey, without covenant or warranty, express or implied, the property then held hereunder, the recitals in such reconveyance, of any matters or facts, will be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
- 4 5 That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time, without notice either by person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of the Trustor, enter upon and take possession of said Property or any part thereof, in his own name sue for or otherwise collect such Property income, including that past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees of Beneficiary and Trustee, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said Property, the collection of such Property Income, and the application thereof as aforesaid, will not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice. Beneficiary will expressly have all rights provided for in A.R.S. §§ 33-702(B) and 33-807.
- 4 6 That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold the Property under this Developer Deed of Trust. Beneficiary also will deposit with Trustee this Developer Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby.
- 4 7 Trustee will record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee will sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee at its discretion may postpone or continue the sale from time to time by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee will deliver to such purchaser its Developer Deed of Trust conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. The purchaser at the Trustee's sale will be entitled to immediate possession of the Property as against the Trustee or other persons in possession and will have a right to the summary proceedings to obtain possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorneys' fees.

- 4 8 After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees of Beneficiary and Trustee, Trustee will apply the proceeds of sale to payment of all sums then secured hereby and all other sums due under the terms hereof, with accrued interest, and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. § 33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. In lieu of sale pursuant to the power of sale conferred hereby, this Developer Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary will also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies will be cumulative.
- 4 9 That Beneficiary may appoint a successor Trustee in the manner prescribed by law. Trustor and Beneficiary authorize Trustee, in the event any demand or notice is made or tendered to it concerning this Developer Deed of Trust or the Property, to hold any money and documents and to withhold action or performance until an action will be brought in a court of competent jurisdiction to determine the rights asserted or the property of the demand, notice or action requested and Trustee will be without liability or responsibility for awaiting such court action. A Successor Trustee herein will without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign at any time by mailing or delivering notice thereof to Beneficiary and Trustor and having so resigned will be relieved of all liability and responsibility to Trustor, Beneficiary or otherwise hereunder. "Trustee" herein will include all successor trustees. Trustee will not be liable for any action taken in its discretion and in good faith, or upon advice of counsel, or upon any information supplied or direction given by Beneficiary. Unless Trustee is adjudged grossly negligent or guilty of intentional wrongdoing or breach of contract, Trustor and Beneficiary will, upon demand, indemnify and hold harmless Trustee against all costs, damages, attorneys' fees, expenses and liabilities which it may incur or sustain in connection with this Developer Deed of Trust or any foreclosure or sale hereof or any court or other action or proceeding arising here from.
- 4 10 That this Developer Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" will mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Developer Deed of Trust, whenever the context so required, the masculine gender includes the feminine and neuter, and the singular number includes the plural.
- 4 11 That Trustee accepts this Trust when this Developer Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee may but is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee will be a party, unless brought by Trustee.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at his address set forth above.

*(Signatures Appear on Next Page)*



**"Exhibit H"**

**Legal Description**

For the property located at 5602 North 61<sup>st</sup>, Glendale, Arizona 85301:

LOT 7451 OF MARYVALE TERRACE 20-A, MAP BOOK 79, MAP PAGE 19

EXHIBIT H

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

(Developer)

DATE: \_\_\_\_\_

TRUSTOR (ADDRESS)           Habitat for Humanity Central Arizona  
9133 NW Grand Ave  
Peoria, Arizona 85345

BENEFICIARY (ADDRESS)   City of Glendale  
5850 West Glendale Avenue  
Glendale, Arizona 85301

TRUSTEE (ADDRESS)       City of Glendale  
5850 West Glendale Ave  
Glendale, Arizona 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A ("Property")

This Developer Deed of Trust and Assignment of Rents ("Developer Deed of Trust") is made between the Trustor, Trustee and Beneficiary above named

WITNESSETH. That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with. (1) all buildings, improvements and fixtures now or hereafter placed thereon, (2) all existing leases, and all future leases executed with respect to such property; (3) all rents, issues, profits and income thereof (all of which are hereinafter called "property income"); (4) all classes of property now, or at any time hereafter, attached to or used in any way in connection with the use, operation or occupancy of such property, (5) all property, rights, permits and privileges now or hereafter owned by Trustor or now or hereafter appurtenant to such property, which entitle Trustor or such property to receive water or electrical power for use thereon, all property granted, transferred and assigned to Trustee hereunder is hereafter referred to as the "Property," and Trustor warrants that it is well and truly seized of a good and marketable title in fee simple to the real property hereby conveyed; that the title to all property conveyed by this Developer Deed of Trust is clear, free and unencumbered, and Trustor will forever warrant and defend the same unto Beneficiary, its successors and assigns, against all claims whatsoever,

SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such Property Income,

AND SUBJECT TO, any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Property

**1. For the Purpose of Securing:**

- 1.1 Performance of each agreement of Trustor herein contained
- 1.2 Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_) executed by Trustor in favor of Beneficiary or order
- 1.3 Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes that are secured by this Deed of Trust.

**2. To Protect the Security of this Deed of Trust, Trustor covenants and agrees:**

- 2.1 To keep the Property in good condition and repair; not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said Property in violation of law, and to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general
- 2.2 To keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards specified by Beneficiary in an amount not less than the total obligation secured hereby. All policies will be held by Beneficiary and be in such companies as Beneficiary may approve and have loss payable first to Beneficiary, as his interest may appear and then to Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as Beneficiary may determine or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release will not cure or waive any default hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default
- 2.3 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses of Beneficiary or Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to enforce this Developer Deed of Trust.
- 2.4 To pay before delinquent, all taxes and assessments affecting said Property; when due, all encumbrances, charges and liens, on said Property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby
- 2.5 The should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such

purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable attorneys' fees. All amounts so paid, together with interest thereon at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater, will be part of the debt secured by this Developer Deed of Trust and a lien on the above Property

2 6 To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater. Any amounts so paid by Beneficiary or Trustee will become part of the debt secured by this Developer Deed of Trust and a lien on the Property and immediately due and payable at option of Beneficiary or Trustee

**3. Recapture Provision:**

3 1 The HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 *et seq.* ("HOME Program"), requires that housing provided through homeowner assistance must be secured for the use of low-income households for a period of affordability. The period of affordability period is determined based on the amount of the HOME Program subsidy

HOME Funds Provided	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

3 2 Under the HOME Program regulations, the City can recapture of all or a portion of the Home Program funds if the housing does not continue to be the "Principle Residence" of the family for the duration of affordability.

3.3 Utilizing the recapture provisions of the HOME Program regulation, the fair return to the seller will calculate based on the net proceeds from the sale and the amount of the original HOME Program fund investment in the Property. The HOME Program subsidy will be recoverable any time the house is sold before the expiration of the affordability period. The method that will be used to calculate the fair return and the HOME Program subsidy to be recovered will be detailed in the Developer Deed of Trust and Developer Note for the Property. If the affordability period has been satisfied, the seller will be entitled to all net proceeds from the sale of the Property

3 4 In the case of a foreclosure or foreclosure sale, the period of affordability will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program investment. If the homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured will be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program investment will not be recaptured. The method that will be used to calculate the amount of the recapture funds will be detailed in the Developer Deed of Trust and the Developer Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale.

- 3 5 If the original homeowner ceases to occupy the Property as the principal place of residence, voluntary or involuntarily, or upon the death of the owner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program investment will become due and payable. The method that will be used to calculate the amount of the recaptured funds will be detailed in the Developer Deed of Trust and Developer Note. If the Property is occupied as the principal residence by a valid and authorized descendant of a deceased owner, and the descendant's income level qualifies, the descendant may receive HOME Program assistance in the same manner in which the deceased owner qualified, according to the most recent income limits. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the affordability period. If the affordability period has been satisfied, the City will have no interest in the occupants of the Property.
- 3 6 If the homeowner is in default of the agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest of the HOME Program and the customer. Failure to take action may result in the City exercising its right to foreclose in order to satisfy the contract and comply with federal requirements.
- 3.7 If the Property owner does not occupy the home as their principal residence during the entire loan term, the balance will be due and payable or other arraignments can be made that meet HUD regulations that have been approved by the City.

**4. It is Mutually Agreed:**

- 4 1 That any award of damages in connection with any condemnation or any taking, or for injury to the Property by reason of public use, or for damages for private trespass or injury thereto, is assigned and will be paid to Beneficiary as further security for all obligations secured hereby (reserving unto Trustor, however, the right to sue therefore and the ownership thereof, subject to this Developer Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 4.2 That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. Without affecting the obligation of Trustor to pay and perform as herein required; without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the lien or priority of lien hereof on the Property, Beneficiary may, at its option, extend the time for payment of said indebtedness, or any part thereof, reduce the payment thereon, release any person liable on any of said indebtedness, accept a renewal note therefore, modify the terms of said indebtedness, take or release other or additional security, or join in any extension or subordination agreement. Any such action by Beneficiary or the Trustee at Beneficiary's direction may be taken without the consent of any junior lienholder, and will not affect the priority of this Developer Deed of Trust over any junior lien. Time is of the essence for this Deed of Trust.
- 4 3 That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Developer Deed of Trust and said note(s) for endorsement, and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all Property remaining subject hereto,

and without the necessity that any sum representing the value or any portion thereof of the Property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said Property, (b) consent to the making and recording, or either, of any map or plat of the Property or any part thereof; (c) join in granting any easement thereon, (d) join in or consent to any extension agreement of any agreement subordinating the lien, encumbrance or charge hereof. Any Trustor signing this Trust as a surety or accommodation party or that has subjected the Property to this Trust to secure the debt of another, expressly waives the benefits of A R S. § 12-1641

- 4 4 That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Developer Deed of Trust and said note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee will release and reconvey, without covenant or warranty, express or implied, the property then held hereunder, the recitals in such reconveyance, of any matters or facts, will be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
- 4 5 That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time, without notice either by person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of the Trustor, enter upon and take possession of said Property or any part thereof, in his own name sue for or otherwise collect such Property income, including that past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees of Beneficiary and Trustee, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said Property, the collection of such Property Income, and the application thereof as aforesaid, will not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice. Beneficiary will expressly have all rights provided for in A R S. §§ 33-702(B) and 33-807.
- 4.6 That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold the Property under this Developer Deed of Trust. Beneficiary also will deposit with Trustee this Developer Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby
- 4 7 Trustee will record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee will sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee at its discretion may postpone or continue the sale from time to time by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee will deliver to such purchaser its Developer Deed of Trust conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. The purchaser at the Trustee's sale will be entitled to immediate possession of the Property as against the Trustee or other persons in possession and will have a right to the summary proceedings to obtain possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorneys' fees.

- 4 8 After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees of Beneficiary and Trustee, Trustee will apply the proceeds of sale to payment of all sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A R S. § 33-812 To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. In lieu of sale pursuant to the power of sale conferred hereby, this Developer Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary will also have all other rights and remedies available to it hereunder and at law or in equity All rights and remedies will be cumulative
- 4 9 That Beneficiary may appoint a successor Trustee in the manner prescribed by law Trustor and Beneficiary authorize Trustee, in the event any demand or notice is made or tendered to it concerning this Developer Deed of Trust or the Property, to hold any money and documents and to withhold action or performance until an action will be brought in a court of competent jurisdiction to determine the rights asserted or the property of the demand, notice or action requested and Trustee will be without liability or responsibility for awaiting such court action A Successor Trustee herein will without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties Trustee may resign at any time by mailing or delivering notice thereof to Beneficiary and Trustor and having so resigned will be relieved of all liability and responsibility to Trustor, Beneficiary or otherwise hereunder "Trustee" herein will include all successor trustees Trustee will not be liable for any action taken in its discretion and in good faith, or upon advice of counsel, or upon any information supplied or direction given by Beneficiary. Unless Trustee is adjudged grossly negligent or guilty of intentional wrongdoing or breach of contract, Trustor and Beneficiary will, upon demand, indemnify and hold harmless Trustee against all costs, damages, attorneys' fees, expenses and liabilities which it may incur or sustain in connection with this Developer Deed of Trust or any foreclosure or sale hereof or any court or other action or proceeding arising here from.
- 4 10 That this Developer Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" will mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein In this Developer Deed of Trust, whenever the contest so required, the masculine gender includes the feminine and neuter, and the singular number includes the plural.
- 4.11 That Trustee accepts this Trust when this Developer Deed of Trust, duly executed and acknowledged, is made a public record as provided by law Trustee may but is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee will be a party, unless brought by Trustee

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at his address set forth above

*(Signatures Appear on Next Page)*



**"Exhibit H"**

**Legal Description**

For the property located at 7315 North 54<sup>th</sup> Avenue, Glendale, Arizona 85301:

**LOT 2, BLOCK 7 OF COOK AND WHITE ADDITION AMENDED, MAP BOOK 30, MAP PAGE 9**

EXHIBIT H

WHEN RECORDED, RETURN TO.

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

(Developer)

DATE \_\_\_\_\_

TRUSTOR·                   Habitat for Humanity Central Arizona  
(ADDRESS)·               9133 NW Grand Ave  
                                  Peoria, Arizona 85345

BENEFICIARY             City of Glendale  
(ADDRESS).               5850 West Glendale Avenue  
                                  Glendale, Arizona 85301

TRUSTEE                   City of Glendale  
(ADDRESS)                5850 West Glendale Ave  
                                  Glendale, Arizona 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A ("Property")

This Developer Deed of Trust and Assignment of Rents ("Developer Deed of Trust") is made between the Trustor, Trustee and Beneficiary above named

WITNESSETH That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with. (1) all buildings, improvements and fixtures now or hereafter placed thereon, (2) all existing leases, and all future leases executed with respect to such property, (3) all rents, issues, profits and income thereof (all of which are hereinafter called "property income"); (4) all classes of property now, or at any time hereafter, attached to or used in any way in connection with the use, operation or occupancy of such property, (5) all property, rights, permits and privileges now or hereafter owned by Trustor or now or hereafter appurtenant to such property, which entitle Trustor or such property to receive water or electrical power for use thereon, all property granted, transferred and assigned to Trustee hereunder is hereafter referred to as the "Property," and Trustor warrants that it is well and truly seized of a good and marketable title in fee simple to the real property hereby conveyed; that the title to all property conveyed by this Developer Deed of Trust is clear, free and unencumbered, and Trustor will forever warrant and defend the same unto Beneficiary, its successors and assigns, against all claims whatsoever,

SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such Property Income,

AND SUBJECT TO, any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Property

**1. For the Purpose of Securing:**

- 1.1 Performance of each agreement of Trustor herein contained
- 1.2 Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$\_\_\_\_\_) executed by Trustor in favor of Beneficiary or order
- 1.3 Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes that are secured by this Deed of Trust

**2. To Protect the Security of this Deed of Trust, Trustor covenants and agrees:**

- 2.1 To keep the Property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer, or permit any act upon said Property in violation of law, and to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general
- 2.2 To keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards specified by Beneficiary in an amount not less than the total obligation secured hereby. All policies will be held by Beneficiary and be in such companies as Beneficiary may approve and have loss payable first to Beneficiary, as his interest may appear and then to Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as Beneficiary may determine or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release will not cure or waive any default hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default
- 2.3 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses of Beneficiary or Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to enforce this Developer Deed of Trust
- 2.4 To pay before delinquent, all taxes and assessments affecting said Property; when due, all encumbrances, charges and liens, on said Property or any part thereof, which appear to be prior or superior hereto, all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby
- 2.5 The should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may. Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such

purposes, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable attorneys' fees. All amounts so paid, together with interest thereon at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater, will be part of the debt secured by this Developer Deed of Trust and a lien on the above Property.

2.6 To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater. Any amounts so paid by Beneficiary or Trustee will become part of the debt secured by this Developer Deed of Trust and a lien on the Property and immediately due and payable at option of Beneficiary or Trustee

**3. Recapture Provision:**

3.1 The HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 *et seq.* ("HOME Program"), requires that housing provided through homeowner assistance must be secured for the use of low-income households for a period of affordability. The period of affordability period is determined based on the amount of the HOME Program subsidy

HOME Funds Provided	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

3.2 Under the HOME Program regulations, the City can recapture of all or a portion of the Home Program funds if the housing does not continue to be the "Principle Residence" of the family for the duration of affordability.

3.3 Utilizing the recapture provisions of the HOME Program regulation, the fair return to the seller will calculate based on the net proceeds from the sale and the amount of the original HOME Program fund investment in the Property. The HOME Program subsidy will be recoverable any time the house is sold before the expiration of the affordability period. The method that will be used to calculate the fair return and the HOME Program subsidy to be recovered will be detailed in the Developer Deed of Trust and Developer Note for the Property. If the affordability period has been satisfied, the seller will be entitled to all net proceeds from the sale of the Property.

3.4 In the case of a foreclosure or foreclosure sale, the period of affordability will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program investment. If the homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured will be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program investment will not be recaptured. The method that will be used to calculate the amount of the recapture funds will be detailed in the Developer Deed of Trust and the Developer Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale

- 3 5 If the original homeowner ceases to occupy the Property as the principal place of residence, voluntary or involuntarily, or upon the death of the owner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program investment will become due and payable. The method that will be used to calculate the amount of the recaptured funds will be detailed in the Developer Deed of Trust and Developer Note. If the Property is occupied as the principal residence by a valid and authorized descendant of a deceased owner, and the descendant's income level qualifies, the descendant may receive HOME Program assistance in the same manner in which the deceased owner qualified, according to the most recent income limits. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the affordability period. If the affordability period has been satisfied, the City will have no interest in the occupants of the Property
- 3 6 If the homeowner is in default of the agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest of the HOME Program and the customer. Failure to take action may result in the City exercising its right to foreclose in order to satisfy the contract and comply with federal requirements
- 3 7 If the Property owner does not occupy the home as their principal residence during the entire loan term, the balance will be due and payable or other arrangements can be made that meet HUD regulations that have been approved by the City

**4. It is Mutually Agreed:**

- 4 1 That any award of damages in connection with any condemnation or any taking, or for injury to the Property by reason of public use, or for damages for private trespass or injury thereto, is assigned and will be paid to Beneficiary as further security for all obligations secured hereby (reserving unto Trustor, however, the right to sue therefore and the ownership thereof, subject to this Developer Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance
- 4.2 That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. Without affecting the obligation of Trustor to pay and perform as herein required; without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the lien or priority of lien hereof on the Property, Beneficiary may, at its option, extend the time for payment of said indebtedness, or any part thereof, reduce the payment thereon, release any person liable on any of said indebtedness, accept a renewal note therefore, modify the terms of said indebtedness, take or release other or additional security, or join in any extension or subordination agreement. Any such action by Beneficiary or the Trustee at Beneficiary's direction may be taken without the consent of any junior lienholder, and will not affect the priority of this Developer Deed of Trust over any junior lien. Time is of the essence for this Deed of Trust.
- 4 3 That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Developer Deed of Trust and said note(s) for endorsement, and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all Property remaining subject hereto,

and without the necessity that any sum representing the value or any portion thereof of the Property affected by the Trustee's action be credited on the indebtedness, the Trustee may (a) release and reconvey all or any part of said Property; (b) consent to the making and recording, or either, of any map or plat of the Property or any part thereof; (c) join in granting any easement thereon, (d) join in or consent to any extension agreement of any agreement subordinating the lien, encumbrance or charge hereof. Any Trustor signing this Trust as a surety or accommodation party or that has subjected the Property to this Trust to secure the debt of another, expressly waives the benefits of A.R.S. § 12-1641

- 4.4 That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Developer Deed of Trust and said note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee will release and reconvey, without covenant or warranty, express or implied, the property then held hereunder, the recitals in such reconveyance, of any matters or facts, will be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto "
- 4.5 That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time, without notice either by person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of the Trustor, enter upon and take possession of said Property or any part thereof, in his own name sue for or otherwise collect such Property income, including that past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees of Beneficiary and Trustee, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said Property, the collection of such Property Income, and the application thereof as aforesaid, will not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice. Beneficiary will expressly have all rights provided for in A.R.S. §§ 33-702(B) and 33-807
- 4.6 That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold the Property under this Developer Deed of Trust. Beneficiary also will deposit with Trustee this Developer Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby.
- 4.7 Trustee will record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee will sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee at its discretion may postpone or continue the sale from time to time by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee will deliver to such purchaser its Developer Deed of Trust conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. The purchaser at the Trustee's sale will be entitled to immediate possession of the Property as against the Trustee or other persons in possession and will have a right to the summary proceedings to obtain possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorneys' fees.

- 4 8 After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees of Beneficiary and Trustee, Trustee will apply the proceeds of sale to payment of all sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A R S. § 33-812 To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. In lieu of sale pursuant to the power of sale conferred hereby, this Developer Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary will also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies will be cumulative
- 4 9 That Beneficiary may appoint a successor Trustee in the manner prescribed by law Trustor and Beneficiary authorize Trustee, in the event any demand or notice is made or tendered to it concerning this Developer Deed of Trust or the Property, to hold any money and documents and to withhold action or performance until an action will be brought in a court of competent jurisdiction to determine the rights asserted or the property of the demand, notice or action requested and Trustee will be without liability or responsibility for awaiting such court action A Successor Trustee herein will without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign at any time by mailing or delivering notice thereof to Beneficiary and Trustor and having so resigned will be relieved of all liability and responsibility to Trustor, Beneficiary or otherwise hereunder. "Trustee" herein will include all successor trustees. Trustee will not be liable for any action taken in its discretion and in good faith, or upon advice of counsel, or upon any information supplied or direction given by Beneficiary Unless Trustee is adjudged grossly negligent or guilty of intentional wrongdoing or breach of contract, Trustor and Beneficiary will, upon demand, indemnify and hold harmless Trustee against all costs, damages, attorneys' fees, expenses and liabilities which it may incur or sustain in connection with this Developer Deed of Trust or any foreclosure or sale hereof or any court or other action or proceeding arising here from.
- 4.10 That this Developer Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns The term "Beneficiary" will mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein In this Developer Deed of Trust, whenever the context so required, the masculine gender includes the feminine and neuter, and the singular number includes the plural
- 4.11 That Trustee accepts this Trust when this Developer Deed of Trust, duly executed and acknowledged, is made a public record as provided by law Trustee may but is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee will be a party, unless brought by Trustee.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at his address set forth above.

*(Signatures Appear on Next Page)*

CITY OF GLENDALE, an Arizona  
municipal corporation

B. Fischer  
Brenda S Fischer  
City Manager

ATTEST:

Pam Hanna  
Pam Hanna  
City Clerk (SEAL)

APPROVED AS TO FORM.

M. D. Bailey  
Michael D. Bailey  
City Attorney

Habitat for Humanity Central Arizona,  
an Arizona non-profit corporation

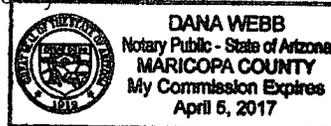
By: L. C. Schuyel  
Its: PRESIDENT / CEO

STATE OF ARIZONA )  
                                  ) ss  
County of Maricopa )

SUBSCRIBED AND SWORN to before me this 9 day of October, 2013, by  
Roger Schweryohn, the Developer who signed the above document.

Dana Webb  
Notary Public

My Commission Expires:  
April 5, 2017



Do not destroy this Deed of Trust OR the Note which it secures

Both must be delivered to the Trustee for cancellation before release and conveyance will be made

**"Exhibit H"**

**Legal Description**

For the property located at 6730 North 55<sup>th</sup> Avenue, Glendale, Arizona 85301:

LOT 5, BLOCK 19 OF PARK ADDITION TO GLENDALE, MAP BOOK 3, MAP PAGE 42



AND SUBJECT TO, any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Property

**1. For the Purpose of Securing:**

- 1.1 Performance of each agreement of Trustor herein contained.
- 1.2 Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$\_\_\_\_\_) executed by Trustor in favor of Beneficiary or order
- 1.3 Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes that are secured by this Deed of Trust

**2. To Protect the Security of this Deed of Trust, Trustor covenants and agrees:**

- 2.1 To keep the Property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said Property in violation of law, and to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general
- 2.2 To keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards specified by Beneficiary in an amount not less than the total obligation secured hereby. All policies will be held by Beneficiary and be in such companies as Beneficiary may approve and have loss payable first to Beneficiary, as his interest may appear and then to Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as Beneficiary may determine or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release will not cure or waive any default hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default
- 2.3 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses of Beneficiary or Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to enforce this Developer Deed of Trust.
- 2.4 To pay before delinquent, all taxes and assessments affecting said Property; when due, all encumbrances, charges and liens, on said Property or any part thereof, which appear to be prior or superior hereto, all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby
- 2.5 The should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such

purposes, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable attorneys' fees. All amounts so paid, together with interest thereon at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater, will be part of the debt secured by this Developer Deed of Trust and a lien on the above Property.

2.6 To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater. Any amounts so paid by Beneficiary or Trustee will become part of the debt secured by this Developer Deed of Trust and a lien on the Property and immediately due and payable at option of Beneficiary or Trustee.

**3. Recapture Provision:**

3.1 The HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 *et seq.* ("HOME Program"), requires that housing provided through homeowner assistance must be secured for the use of low-income households for a period of affordability. The period of affordability period is determined based on the amount of the HOME Program subsidy.

HOME Funds Provided	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

3.2 Under the HOME Program regulations, the City can recapture of all or a portion of the Home Program funds if the housing does not continue to be the "Principle Residence" of the family for the duration of affordability.

3.3 Utilizing the recapture provisions of the HOME Program regulation, the fair return to the seller will calculate based on the net proceeds from the sale and the amount of the original HOME Program fund investment in the Property. The HOME Program subsidy will be recoverable any time the house is sold before the expiration of the affordability period. The method that will be used to calculate the fair return and the HOME Program subsidy to be recovered will be detailed in the Developer Deed of Trust and Developer Note for the Property. If the affordability period has been satisfied, the seller will be entitled to all net proceeds from the sale of the Property.

3.4 In the case of a foreclosure or foreclosure sale, the period of affordability will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program investment. If the homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured will be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program investment will not be recaptured. The method that will be used to calculate the amount of the recapture funds will be detailed in the Developer Deed of Trust and the Developer Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale.

- 3.5 If the original homeowner ceases to occupy the Property as the principal place of residence, voluntary or involuntarily, or upon the death of the owner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program investment will become due and payable. The method that will be used to calculate the amount of the recaptured funds will be detailed in the Developer Deed of Trust and Developer Note. If the Property is occupied as the principal residence by a valid and authorized descendant of a deceased owner, and the descendant's income level qualifies, the descendant may receive HOME Program assistance in the same manner in which the deceased owner qualified, according to the most recent income limits. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the affordability period. If the affordability period has been satisfied, the City will have no interest in the occupants of the Property.
- 3.6 If the homeowner is in default of the agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest of the HOME Program and the customer. Failure to take action may result in the City exercising its right to foreclose in order to satisfy the contract and comply with federal requirements.
- 3.7 If the Property owner does not occupy the home as their principal residence during the entire loan term, the balance will be due and payable or other arraignments can be made that meet HUD regulations that have been approved by the City.

**4. It is Mutually Agreed:**

- 4.1 That any award of damages in connection with any condemnation or any taking, or for injury to the Property by reason of public use, or for damages for private trespass or injury thereto, is assigned and will be paid to Beneficiary as further security for all obligations secured hereby (reserving unto Trustor, however, the right to sue therefore and the ownership thereof, subject to this Developer Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 4.2 That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. Without affecting the obligation of Trustor to pay and perform as herein required; without affecting the personal liability of any person for payment of the indebtedness secured hereby; and without affecting the lien or priority of lien hereof on the Property, Beneficiary may, at its option, extend the time for payment of said indebtedness, or any part thereof, reduce the payment thereon, release any person liable on any of said indebtedness, accept a renewal note therefore, modify the terms of said indebtedness, take or release other or additional security, or join in any extension or subordination agreement. Any such action by Beneficiary or the Trustee at Beneficiary's direction may be taken without the consent of any junior lienholder, and will not affect the priority of this Developer Deed of Trust over any junior lien. Time is of the essence for this Deed of Trust.
- 4.3 That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Developer Deed of Trust and said note(s) for endorsement, and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all Property remaining subject hereto,

and without the necessity that any sum representing the value or any portion thereof of the Property affected by the Trustee's action be credited on the indebtedness, the Trustee may (a) release and reconvey all or any part of said Property, (b) consent to the making and recording, or either, of any map or plat of the Property or any part thereof, (c) join in granting any easement thereon, (d) join in or consent to any extension agreement of any agreement subordinating the lien, encumbrance or charge hereof. Any Trustor signing this Trust as a surety or accommodation party or that has subjected the Property to this Trust to secure the debt of another, expressly waives the benefits of A.R.S. § 12-1641

- 4.4 That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Developer Deed of Trust and said note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee will release and reconvey, without covenant or warranty, express or implied, the property then held hereunder, the recitals in such reconveyance, of any matters or facts, will be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto "
- 4.5 That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time, without notice either by person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of the Trustor, enter upon and take possession of said Property or any part thereof, in his own name sue for or otherwise collect such Property income, including that past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees of Beneficiary and Trustee, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said Property, the collection of such Property Income, and the application thereof as aforesaid, will not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice. Beneficiary will expressly have all rights provided for in A.R.S. §§ 33-702(B) and 33-807.
- 4.6 That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold the Property under this Developer Deed of Trust. Beneficiary also will deposit with Trustee this Developer Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby
- 4.7 Trustee will record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee will sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee at its discretion may postpone or continue the sale from time to time by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee will deliver to such purchaser its Developer Deed of Trust conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. The purchaser at the Trustee's sale will be entitled to immediate possession of the Property as against the Trustee or other persons in possession and will have a right to the summary proceedings to obtain possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorneys' fees

- 4 8 After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees of Beneficiary and Trustee, Trustee will apply the proceeds of sale to payment of all sums then secured hereby and all other sums due under the terms hereof, with accrued interest, and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A R S. § 33-812 To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. In lieu of sale pursuant to the power of sale conferred hereby, this Developer Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary will also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies will be cumulative
- 4 9 That Beneficiary may appoint a successor Trustee in the manner prescribed by law Trustor and Beneficiary authorize Trustee, in the event any demand or notice is made or tendered to it concerning this Developer Deed of Trust or the Property, to hold any money and documents and to withhold action or performance until an action will be brought in a court of competent jurisdiction to determine the rights asserted or the property of the demand, notice or action requested and Trustee will be without liability or responsibility for awaiting such court action A Successor Trustee herein will without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign at any time by mailing or delivering notice thereof to Beneficiary and Trustor and having so resigned will be relieved of all liability and responsibility to Trustor, Beneficiary or otherwise hereunder. "Trustee" herein will include all successor trustees. Trustee will not be liable for any action taken in its discretion and in good faith, or upon advice of counsel, or upon any information supplied or direction given by Beneficiary. Unless Trustee is adjudged grossly negligent or guilty of intentional wrongdoing or breach of contract, Trustor and Beneficiary will, upon demand, indemnify and hold harmless Trustee against all costs, damages, attorneys' fees, expenses and liabilities which it may incur or sustain in connection with this Developer Deed of Trust or any foreclosure or sale hereof or any court or other action or proceeding arising here from.
- 4.10 That this Developer Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns The term "Beneficiary" will mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Developer Deed of Trust, whenever the contest so required, the masculine gender includes the feminine and neuter, and the singular number includes the plural.
- 4.11 That Trustee accepts this Trust when this Developer Deed of Trust, duly executed and acknowledged, is made a public record as provided by law Trustee may but is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee will be a party, unless brought by Trustee.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at his address set forth above.

*(Signatures Appear on Next Page)*



**"Exhibit H"**

**Legal Description**

For the property located at 6717 North 54<sup>th</sup> Drive, Glendale, Arizona 85301:

LOT 20, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 39

EXHIBIT H

WHEN RECORDED, RETURN TO.

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

(Developer)

DATE \_\_\_\_\_

TRUSTOR: Habitat for Humanity Central Arizona  
(ADDRESS) 9133 NW Grand Ave  
Peoria, Arizona 85345

BENEFICIARY City of Glendale  
(ADDRESS) 5850 West Glendale Avenue  
Glendale, Arizona 85301

TRUSTEE City of Glendale  
(ADDRESS) 5850 West Glendale Ave  
Glendale, Arizona 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A ("Property").

This Developer Deed of Trust and Assignment of Rents ("Developer Deed of Trust") is made between the Trustor, Trustee and Beneficiary above named.

WITNESSETH. That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with. (1) all buildings, improvements and fixtures now or hereafter placed thereon, (2) all existing leases, and all future leases executed with respect to such property; (3) all rents, issues, profits and income thereof (all of which are hereinafter called "property income"), (4) all classes of property now, or at any time hereafter, attached to or used in any way in connection with the use, operation or occupancy of such property, (5) all property, rights, permits and privileges now or hereafter owned by Trustor or now or hereafter appurtenant to such property, which entitle Trustor or such property to receive water or electrical power for use thereon, all property granted, transferred and assigned to Trustee hereunder is hereafter referred to as the "Property," and Trustor warrants that it is well and truly seized of a good and marketable title in fee simple to the real property hereby conveyed, that the title to all property conveyed by this Developer Deed of Trust is clear, free and unencumbered, and Trustor will forever warrant and defend the same unto Beneficiary, its successors and assigns, against all claims whatsoever,

SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such Property Income,

AND SUBJECT TO, any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Property

**1. For the Purpose of Securing:**

- 1.1 Performance of each agreement of Trustor herein contained
- 1.2 Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$\_\_\_\_\_) executed by Trustor in favor of Beneficiary or order
- 1.3 Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes that are secured by this Deed of Trust

**2. To Protect the Security of this Deed of Trust, Trustor covenants and agrees:**

- 2.1 To keep the Property in good condition and repair; not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said Property in violation of law, and to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general
- 2.2 To keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards specified by Beneficiary in an amount not less than the total obligation secured hereby. All policies will be held by Beneficiary and be in such companies as Beneficiary may approve and have loss payable first to Beneficiary, as his interest may appear and then to Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as Beneficiary may determine or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release will not cure or waive any default hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default.
- 2.3 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary or Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to enforce this Developer Deed of Trust.
- 2.4 To pay before delinquent, all taxes and assessments affecting said Property, when due, all encumbrances, charges and liens, on said Property or any part thereof, which appear to be prior or superior hereto, all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby
- 2.5 The should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such

purposes, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable attorneys' fees. All amounts so paid, together with interest thereon at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater, will be part of the debt secured by this Developer Deed of Trust and a lien on the above Property

2.6 To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Developer Deed of Trust or at the highest legal rate, whichever is greater. Any amounts so paid by Beneficiary or Trustee will become part of the debt secured by this Developer Deed of Trust and a lien on the Property and immediately due and payable at option of Beneficiary or Trustee

**3. Recapture Provision:**

3.1 The HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 *et seq.* ("HOME Program"), requires that housing provided through homeowner assistance must be secured for the use of low-income households for a period of affordability. The period of affordability period is determined based on the amount of the HOME Program subsidy

HOME Funds Provided	Affordability Period
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years

3.2 Under the HOME Program regulations, the City can recapture of all or a portion of the Home Program funds if the housing does not continue to be the "Principle Residence" of the family for the duration of affordability

3.3 Utilizing the recapture provisions of the HOME Program regulation, the fair return to the seller will calculate based on the net proceeds from the sale and the amount of the original HOME Program fund investment in the Property. The HOME Program subsidy will be recoverable any time the house is sold before the expiration of the affordability period. The method that will be used to calculate the fair return and the HOME Program subsidy to be recovered will be detailed in the Developer Deed of Trust and Developer Note for the Property. If the affordability period has been satisfied, the seller will be entitled to all net proceeds from the sale of the Property

3.4 In the case of a foreclosure or foreclosure sale, the period of affordability will be terminated. Upon receipt of the notice that a foreclosure is pending the City will take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The City will, to the extent feasible, recapture the original HOME Program investment. If the homeowner has failed to make payment to the first mortgage holder, the City will not be obligated to correct any deficient payment. The amount recaptured will be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME Program investment will not be recaptured. The method that will be used to calculate the amount of the recapture funds will be detailed in the Developer Deed of Trust and the Developer Note. If the affordability period has been satisfied, the City will have no rights to the net proceeds resulting from the foreclosure sale

- 3 5 If the original homeowner ceases to occupy the Property as the principal place of residence, voluntary or involuntarily, or upon the death of the owner (or where ownership is joint upon the death of the sole survivor having remaining interest), the original HOME Program investment will become due and payable. The method that will be used to calculate the amount of the recaptured funds will be detailed in the Developer Deed of Trust and Developer Note. If the Property is occupied as the principal residence by a valid and authorized descendant of a deceased owner, and the descendant's income level qualifies, the descendant may receive HOME Program assistance in the same manner in which the deceased owner qualified, according to the most recent income limits. The City, at its discretion, can elect to allow the occupant to live on the Property for the remainder of the affordability period. If the affordability period has been satisfied, the City will have no interest in the occupants of the Property.
- 3 6 If the homeowner is in default of the agreement, the City has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest of the HOME Program and the customer. Failure to take action may result in the City exercising its right to foreclose in order to satisfy the contract and comply with federal requirements.
- 3.7 If the Property owner does not occupy the home as their principal residence during the entire loan term, the balance will be due and payable or other arraignments can be made that meet HUD regulations that have been approved by the City.

**4. It is Mutually Agreed:**

- 4 1 That any award of damages in connection with any condemnation or any taking, or for injury to the Property by reason of public use, or for damages for private trespass or injury thereto, is assigned and will be paid to Beneficiary as further security for all obligations secured hereby (reserving unto Trustor, however, the right to sue therefore and the ownership thereof, subject to this Developer Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 4.2 That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. Without affecting the obligation of Trustor to pay and perform as herein required; without affecting the personal liability of any person for payment of the indebtedness secured hereby; and without affecting the lien or priority of lien hereof on the Property, Beneficiary may, at its option, extend the time for payment of said indebtedness, or any part thereof, reduce the payment thereon, release any person liable on any of said indebtedness, accept a renewal note therefore, modify the terms of said indebtedness, take or release other or additional security, or join in any extension or subordination agreement. Any such action by Beneficiary or the Trustee at Beneficiary's direction may be taken without the consent of any junior lienholder, and will not affect the priority of this Developer Deed of Trust over any junior lien. Time is of the essence for this Deed of Trust.
- 4 3 That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Developer Deed of Trust and said note(s) for endorsement, and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all Property remaining subject hereto,

and without the necessity that any sum representing the value or any portion thereof of the Property affected by the Trustee's action be credited on the indebtedness, the Trustee may (a) release and reconvey all or any part of said Property, (b) consent to the making and recording, or either, of any map or plat of the Property or any part thereof, (c) join in granting any easement thereon; (d) join in or consent to any extension agreement of any agreement subordinating the lien, encumbrance or charge hereof. Any Trustor signing this Trust as a surety or accommodation party or that has subjected the Property to this Trust to secure the debt of another, expressly waives the benefits of A.R.S. § 12-1641

- 4.4 That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Developer Deed of Trust and said note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee will release and reconvey, without covenant or warranty, express or implied, the property then held hereunder, the recitals in such reconveyance, of any matters or facts, will be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto "
- 4.5 That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time, without notice either by person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of the Trustor, enter upon and take possession of said Property or any part thereof, in his own name sue for or otherwise collect such Property income, including that past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees of Beneficiary and Trustee, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said Property, the collection of such Property Income, and the application thereof as aforesaid, will not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice. Beneficiary will expressly have all rights provided for in A.R.S. §§ 33-702(B) and 33-807.
- 4.6 That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold the Property under this Developer Deed of Trust. Beneficiary also will deposit with Trustee this Developer Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby.
- 4.7 Trustee will record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee will sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee at its discretion may postpone or continue the sale from time to time by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee will deliver to such purchaser its Developer Deed of Trust conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. The purchaser at the Trustee's sale will be entitled to immediate possession of the Property as against the Trustee or other persons in possession and will have a right to the summary proceedings to obtain possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorneys' fees.

- 4 8 After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees of Beneficiary and Trustee, Trustee will apply the proceeds of sale to payment of: all sums then secured hereby and all other sums due under the terms hereof, with accrued interest, and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A R S § 33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. In lieu of sale pursuant to the power of sale conferred hereby, this Developer Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary will also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies will be cumulative.
- 4 9 That Beneficiary may appoint a successor Trustee in the manner prescribed by law. Trustor and Beneficiary authorize Trustee, in the event any demand or notice is made or tendered to it concerning this Developer Deed of Trust or the Property, to hold any money and documents and to withhold action or performance until an action will be brought in a court of competent jurisdiction to determine the rights asserted or the property of the demand, notice or action requested and Trustee will be without liability or responsibility for awaiting such court action. A Successor Trustee herein will without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign at any time by mailing or delivering notice thereof to Beneficiary and Trustor and having so resigned will be relieved of all liability and responsibility to Trustor, Beneficiary or otherwise hereunder. "Trustee" herein will include all successor trustees. Trustee will not be liable for any action taken in its discretion and in good faith, or upon advice of counsel, or upon any information supplied or direction given by Beneficiary. Unless Trustee is adjudged grossly negligent or guilty of intentional wrongdoing or breach of contract, Trustor and Beneficiary will, upon demand, indemnify and hold harmless Trustee against all costs, damages, attorneys' fees, expenses and liabilities which it may incur or sustain in connection with this Developer Deed of Trust or any foreclosure or sale hereof or any court or other action or proceeding arising here from.
- 4 10 That this Developer Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" will mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Developer Deed of Trust, whenever the context so required, the masculine gender includes the feminine and neuter, and the singular number includes the plural.
- 4.11 That Trustee accepts this Trust when this Developer Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee may but is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee will be a party, unless brought by Trustee.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at his address set forth above.

*(Signatures Appear on Next Page)*

CITY OF GLENDALE, an Arizona  
municipal corporation



Brenda S. Fischer  
City Manager

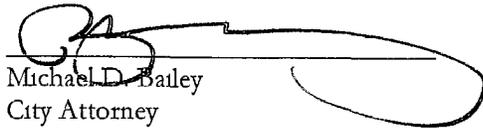
ATTEST.



Pam Hanna  
City Clerk

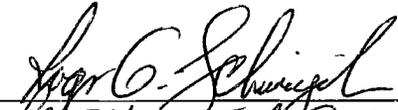
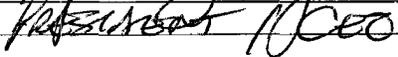
(SEAL)

APPROVED AS TO FORM



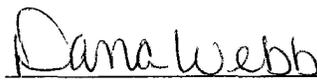
Michael D. Bailey  
City Attorney

Habitat for Humanity Central Arizona,  
an Arizona non-profit corporation

By:   
Its: 

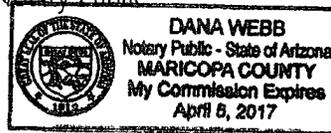
STATE OF ARIZONA )  
                                  ) ss.  
County of Maricopa )

SUBSCRIBED AND SWORN to before me this 9 day of October, 2013, by  
Roger Schwiejohn, the Developer who signed the above document

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

My Commission Expires.

April 8, 2017



Do not destroy this Deed of Trust OR the Note which it secures.

Both must be delivered to the Trustee for cancellation before release and conveyance will be made

**"Exhibit H"**

**Legal Description**

For the property located at 6713 North 54<sup>th</sup> Drive, Glendale, Arizona 85301:

LOT 21, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 19

**DEVELOPER PROMISSORY NOTE**

**EXHIBIT "I"**

EXHIBIT I

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Developer)

Loan Amount \$ \_\_\_\_\_

Glendale, Arizona

Date \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_) This Developer Promissory Note (“Developer Note”) is made on a 40-year Deferred Payment, non-interest bearing basis on and is secured by a Developer Deed of Trust and Assignment of Rents (“Developer Deed of Trust”) encumbering the property identified in the Developer Deed of Trust (“Property”)

This Note shall become due and payable upon any transfer, voluntary, involuntary, or by operation of law, of the Property within ten years from the date of this Note, or at any time within ten years from the date of this Note undersigned ceases to occupy or use the Property to provide services to assist low-income persons and families in obtaining decent and affordable homeownership opportunities

This Note is secured by a Developer Deed of Trust executed by the undersigned naming the City as Beneficiary; which Deed of Trust and this Note are security for the obligations of the undersigned contained in the Development Agreement for Infill Housing Development Under the Home Investment Partnership Program (“Agreement”) executed by the parties on \_\_\_\_\_

The amount due at such time shall be the amount of the current fair market value of the Property less any portion attributable to the improvements made to the Property as authorized by the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U S C. 12701, *et seq.* (“HOME Program”) The current fair market value of the Property shall be established by independent appraisal The portions of fair market value attributable to HOME Program funds will be established at completion of the rehabilitation improvements through a subsequent appraisal Appraisals completed to determine such values shall be at the sole cost and expense of the City

If at the end of the term of this Developer Note, the undersigned has continuously provided the services and complied with the provisions of the Agreement, the City shall consider the obligations of this Note to have been met and shall consider its security interest in the Property to be released to the undersigned

Should default be made in the payment of any amount when due, or should the undersigned default on any obligation owed to the City under the terms of this Developer Note or the Developer Deed of Trust providing security, therefore, the whole sum of principal shall become immediately due and payable at the option of the City

If suit or action is instituted by City to recover on this Developer Note, the undersigned will pay reasonable attorneys' fees and costs in addition to the amount due on the Developer Note

Diligence, demand, protest and notice of demand and protest are hereby waived and the undersigned hereby waives, to the extent which otherwise would apply to the debt evidenced by this Developer Note Consent is hereby given to the extension of time of payment of this Developer Note, without notice.

The undersigned reserves the right to repay at any time all of the principal amount of this Developer Note in a single payment without the penalties, discount or premiums

IN WITNESS WHEREOF, this Developer Note and Developer Deed of Trust securing the Developer Note, have been duly executed by the undersigned, as of the date above written

CITY OF GLENDALE, an Arizona  
municipal corporation



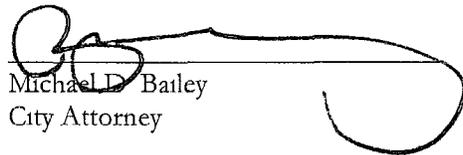
Brenda S Fischer  
City Manager

ATTEST



Pam Hanna,  
City Clerk (SEAL)

APPROVED AS TO FORM



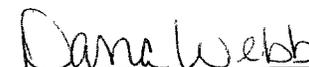
Michael D. Bailey  
City Attorney

Habitat for Humanity Central Arizona,  
an Arizona non-profit corporation

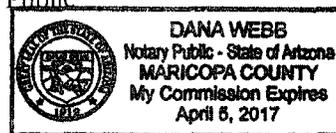
By   
Its President/CEO

STATE OF ARIZONA )  
                                  ) ss  
County of Maricopa )

SUBSCRIBED AND SWORN to before me this 9 day of October, 2013, by  
Roger Schwieg, the Developer who signed the above document

  
Notary Public

My Commission Expires  
April 5, 2017



**“Exhibit I”**

**Legal Description**

For the property located at 5602 North 61<sup>st</sup>, Glendale, Arizona 85301:

LOT 7451 OF MARYVALE TERRACE 20-A, MAP BOOK 79, MAP PAGE 19

EXHIBIT I

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Developer)

Loan Amount: \$ \_\_\_\_\_

Glendale, Arizona

Date: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_). This Developer Promissory Note ("Developer Note") is made on a 40-year Deferred Payment, non-interest bearing basis on and is secured by a Developer Deed of Trust and Assignment of Rents ("Developer Deed of Trust") encumbering the property identified in the Developer Deed of Trust ("Property")

This Note shall become due and payable upon any transfer, voluntary, involuntary, or by operation of law, of the Property within ten years from the date of this Note, or at any time within ten years from the date of this Note undersigned ceases to occupy or use the Property to provide services to assist low-income persons and families in obtaining decent and affordable homeownership opportunities

This Note is secured by a Developer Deed of Trust executed by the undersigned naming the City as Beneficiary, which Deed of Trust and this Note are security for the obligations of the undersigned contained in the Development Agreement for Infill Housing Development Under the Home Investment Partnership Program ("Agreement") executed by the parties on \_\_\_\_\_.

The amount due at such time shall be the amount of the current fair market value of the Property less any portion attributable to the improvements made to the Property as authorized by the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U S C 12701, *et seq.* ("HOME Program"). The current fair market value of the Property shall be established by independent appraisal. The portions of fair market value attributable to HOME Program funds will be established at completion of the rehabilitation improvements through a subsequent appraisal. Appraisals completed to determine such values shall be at the sole cost and expense of the City

If at the end of the term of this Developer Note, the undersigned has continuously provided the services and complied with the provisions of the Agreement, the City shall consider the obligations of this Note to have been met and shall consider its security interest in the Property to be released to the undersigned.

Should default be made in the payment of any amount when due, or should the undersigned default on any obligation owed to the City under the terms of this Developer Note or the Developer Deed of Trust providing security, therefore, the whole sum of principal shall become immediately due and payable at the option of the City.



**“Exhibit I”**

**Legal Description**

For the property located at 7315 North 54<sup>th</sup> Avenue, Glendale, Arizona 85301:

LOT 2, BLOCK 7 OF COOK AND WHITE ADDITION AMENDED, MAP BOOK 30, MAP PAGE 9

EXHIBIT I

WHEN RECORDED, RETURN TO.

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Developer)

Loan Amount \$ \_\_\_\_\_

Glendale, Arizona

Date: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_). This Developer Promissory Note ("Developer Note") is made on a 40-year Deferred Payment, non-interest bearing basis on and is secured by a Developer Deed of Trust and Assignment of Rents ("Developer Deed of Trust") encumbering the property identified in the Developer Deed of Trust ("Property").

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Should default be made in the payment of any amount when due, or should the undersigned default on any obligation owed to the City under the terms of this Developer Note or the Developer Deed of Trust providing security, therefore, the whole sum of principal shall become immediately due and payable at the option of the City.



**“Exhibit I”**

**Legal Description**

For the property located at 6730 North 55<sup>th</sup> Avenue, Glendale, Arizona 85301·

LOT 5, BLOCK 19 OF PARK ADDITION TO GLENDALE, MAP BOOK 3, MAP PAGE 42

EXHIBIT I

WHEN RECORDED, RETURN TO.

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Developer)

Loan Amount \$ \_\_\_\_\_

Glendale, Arizona

Date: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$ \_\_\_\_\_). This Developer Promissory Note ("Developer Note") is made on a 40-year Deferred Payment, non-interest bearing basis on and is secured by a Developer Deed of Trust and Assignment of Rents ("Developer Deed of Trust") encumbering the property identified in the Developer Deed of Trust ("Property").

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**“Exhibit I”**

**Legal Description**

*For the property located at 6717 North 54<sup>th</sup> Drive, Glendale, Arizona 85301.*

LOT 20, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 39

EXHIBIT I

WHEN RECORDED, RETURN TO

City of Glendale  
City Clerk  
5850 West Glendale Avenue  
Glendale, Arizona 85301

PROMISSORY NOTE

(Developer)

Loan Amount \$ \_\_\_\_\_

Glendale, Arizona

Date: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of \_\_\_\_\_ Dollars and 00/100 (\$\_\_\_\_\_). This Developer Promissory Note ("Developer Note") is made on a 40-year Deferred Payment, non-interest bearing basis on and is secured by a Developer Deed of Trust and Assignment of Rents ("Developer Deed of Trust") encumbering the property identified in the Developer Deed of Trust ("Property")

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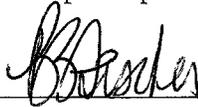
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The undersigned reserves the right to repay at any time all of the principal amount of this Developer Note in a single payment without the penalties, discount or premiums.

IN WITNESS WHEREOF, this Developer Note and Developer Deed of Trust securing the Developer Note, have been duly executed by the undersigned, as of the date above written

CITY OF GLENDALE, an Arizona  
municipal corporation



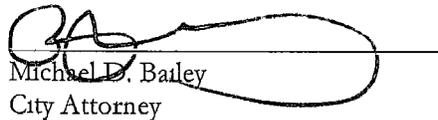
Brenda S Fischer  
City Manager

ATTEST



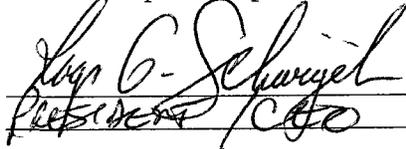
Pam Hanna,  
City Clerk (SEAL)

APPROVED AS TO FORM



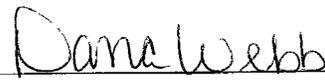
Michael D. Bailey  
City Attorney

Habitat for Humanity Central Arizona,  
an Arizona non-profit corporation

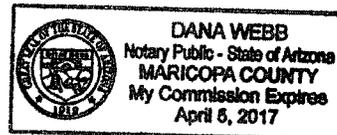
By:   
Its President/CEO

STATE OF ARIZONA )  
                                  ) ss.  
County of Maricopa )

SUBSCRIBED AND SWORN to before me this 9 day of October, 2013, by Roger Schwergohn, the Developer who signed the above document.

  
Notary Public

My Commission Expires.  
April 5, 2017



**“Exhibit I”**

**Legal Description**

For the property located at 6713 North 54<sup>th</sup> Drive, Glendale, Arizona 85301.

LOT 21, BLOCK 5 OF SUGAR ADDITION AMENDED, MAP BOOK 8, MAP PAGE 19

**CERTIFICATIONS**

**EXHIBIT "J"**

EXHIBIT J  
CERTIFICATIONS

See attached Certifications

- 1 Policy of Nondiscrimination on the Basis of Disability.
- 2 Section 319 of Public Law 101-121
- 3 Contracting with Small and Minority Firms, Women's Business Enterprises and Labor Surplus Area Firms
- 4 Drug-Free Workplace

###

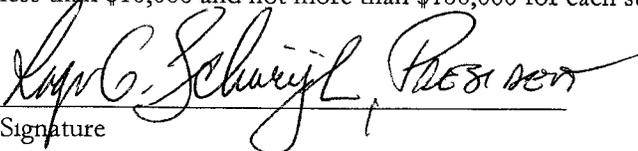


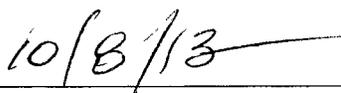
SECTION 319 OF PUBLIC LAW 101-121

The Undersigned certifies, to the best of his or her knowledge and belief, that

- 1 No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of any Federal contract, the making of any federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement
- 2 If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions
3. The undersigned will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements), and that all agencies will certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification will be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

  
Signature

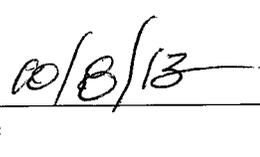
  
Date



DRUG-FREE WORKPLACE

The Developer certifies that it will maintain a drug-free workplace in accordance with the requirements of 24 C.F.R Part 24, Subpart F by.

- 1 Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Developer’s workplace and specifying the actions that will be taken against employees for violation of such prohibition
- 2 Establishing an ongoing drug-free awareness program to inform employees about
  - 2 1 The dangers of drug abuse in the workplace,
  - 2 2 The Developer’s policy of maintaining a drug-free workplace,
  - 2 3 Any available drug counseling, rehabilitation and employee assistance programs, and
  - 2 4 The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace
- 3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1.
- 4 Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will
  - 4.1 Abide by the terms of the statement, and
  - 4 2 Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction
- 5. Notifying the City in writing, within ten calendar days after receiving notice under paragraph 4.2 from an employee or otherwise receiving actual notice of such conviction Employers of convicted employees must provide notice including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices Notice will include the identification number(s) of each affected grant
- 6 Taking one of the following actions, within 30 calendar days of receiving notice under paragraph 4 2, with respect to any employee who is so convicted
  - 6 1 Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
  - 6 2 Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, local health requirements, law enforcement, or other appropriate agency
- 7 Making a good faith effort to continue to maintain a drug-free workplace through implementation of the above-described paragraphs

---

Signature \_\_\_\_\_ Date \_\_\_\_\_

**FEDERAL LAWS AND REGULATIONS**

**EXHIBIT "K"**

EXHIBIT K

FEDERAL LAWS AND REGULATIONS

1 **Applicability of Uniform Administrative Requirements.**

- 1 1 Agencies that are governmental entities (including public agencies) will comply with the requirements and standards of OMB Circular A-87, "Cost Principles for State, Local and Indian tribal Governments," OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations" (implemented at 24 C F R Part 44), and with the following Sections of 24 C F.R. Part 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"
- a Section 85 3, "Definitions "
  - b Section 85 6, "Additions and exceptions "
  - c Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees."
  - d Section 85 20, "Standards for financial management systems," except paragraph (a)
  - e Section 85 21, "Payment," except as modified by Section 570 513
  - f Section 85.22, "Allowable costs."
  - g Section 85 26, "Non-Federal audit "
  - h Section 85 32, "Equipment," except in all cases in which the equipment is sold, the proceeds will be Program Income
  - i Section 85 33, "Supplies "
  - j Section 85 34, "Copyrights "
  - k Section 85 35, "Subawards to debarred and suspended parties."
  - l Section 85 36, "Procurement," except paragraph (a)
  - m Section 85 37, "Subgrants "
  - n Section 85 40, "Monitoring and reporting program performance," except paragraphs (b) through (d), and paragraph (f)
  - o Section 85 41, "Financial reporting," except paragraphs (a), (b), and (e)
  - p Section 85 42, "Retention and access requirements for records," except that the period will be four years
  - q Section 85 43, "Enforcement "
  - r Section 85 44, "Termination for convenience "
  - s Section 85.51, "Later disallowances and adjustments "
  - t Section 85 52, "Collection of amounts due."

- 1 2 Agencies, except Agencies that are governmental entities, will comply with the requirements and standards of OMB Circular No A-122, "Cost Principles for Nonprofit Organizations,"

or OMB Circular No A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular No A-133, "Audits of States, Local Governments, and Nonprofit Organizations" (as set forth in 24 C F R part 45) Audits will be conducted annually Such Agencies will also comply with the following provisions of the Uniform Administrative requirements of OMB Circular No A-110 (implemented at 24 C F R part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Nonprofit Organizations") or the related CDBG provision, as specified in this paragraph

- a. Subpart A -- "General",
- b. Subpart B -- "Pre-Award Requirements," except for § 84 12, "Forms for Applying for Federal Assistance",
- c. Subpart C -- "Post-Award Requirements," except for.
  - (1) Section 84 22, "Payment " Grantees will follow the standards of § 85 20(b)(7) and 85 21 in making payments to Agencies,
    - (a) Section 84 23, "Cost sharing and matching";
    - (b) Section 84 24, "Program income " In lieu of § 84 24, CDBG Agencies will follow § 570 504,
    - (c) Section 84 25, "Revision of budget and program plans",
    - (d) Section 84 32, "Real property." In lieu of § 84 32, CDBG Agencies will follow § 570 505,
    - (e) Section 84.34(g), "Equipment." In lieu of the disposition provisions of § 84.34(g), the following applies
      - (i) In all cases in which equipment is sold, the proceeds will be Program Income (prorated to reflect the extent to which CDBG funds were used to acquire the Program Income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment), and
      - (ii) Equipment not needed by the Developer for CDBG activities will be transferred to the recipient for the CDBG program or will be retained after activities will be transferred to the recipient for the CDBG program or will be retained after compensating the recipient
  - (f) Section 84 51(b), (c), (d), (e), (f), (g), and (h), "Monitoring and reporting program performance",
  - (g) Section 84 52, "Financial reporting",
  - (h) Section 84 53(b), "Retention and access requirements for records " Section 84 53(b) applies with the following exceptions
    - (i) The retention period referenced in § 84 53(b) pertaining to individual CDBG activities will be four years, and

(ii) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 C F R § 91 520, in which the specific annual performance and evaluation report, as prescribed in 24 C F R § 91 520, in which the specific activity is reported on for the final time rather than from the 24 C F R § 91 520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award, expenditure report for the award. (i) Section 84 61, "Termination" In lieu of the provisions of § 84 61 CDBG Agencies will comply with § 570 503(b)(7)

d. Subpart D -- "After-the-Award Requirements," except for § 84.71, "Closeout procedures "

## 2. Equal Opportunity.

2 1 The Developer agrees to comply with Title VI of the Civil Rights Act of 1964 (P L 88-352) and the HUD regulations under 24 C F R Part 1, which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance by way of grant, loan, or contract and will immediately take any measures necessary to effectuate this Agreement. If any real property or structure thereof is provided or improved with the aid of Federal financial assistance extended to the Developer, this assurance will obligate the Developer, or in the case of any transfer of such property or structure is used for a purpose of which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits

2 2 The Developer agrees to comply with Title VIII of the Civil Rights Act of 1968 (P L 90-284), as amended by the Fair Housing Amendments Act of 1988 (P L 100-430), and to administer all programs and activities relating to housing and community development in a manner to affirmatively further fair housing within Constitutional limitations throughout the United States

2 3 The Developer agrees to comply with Section 109 of the Housing and Community Development Act of 1974 and 1977, as amended, and in conformance with all requirements imposed pursuant to the regulations of the Department of HUD (24 C F R Part 570 602) issued pursuant to that Section, and in accordance with Equal Opportunity obligations of that Section, no person in the United States will, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, be subjected to discrimination under, any program or activity funded in whole or in part with the Community Development funds Section 109 of the Act further provides that any prohibition against discrimination on the basis of age, under the Age Discrimination Act of 1975 (24 C F.R Part 146), or with respect to an otherwise qualified handicapped person, as provided in Section 504 of the Rehabilitation Act of 1973 (24 C F R. Part 8), will also apply to any program or activity funded in whole or in part with funds made available pursuant to the Act

- 2.4 The Developer agrees to comply with Executive Order 11063 on equal opportunity in housing and related facilities owned or operated by the Federal Government or provided with Federal financial assistance
- 2.5 The Developer agrees to comply with Executive Order 11246, as amended, requiring nondiscrimination and affirmative action to ensure nondiscrimination in employment by government contractors and subcontractors and under federally assisted construction contractors
- 2.6 The Developer agrees to comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended, the HUD regulations issued pursuant thereto (24 C.F.R. Part 135) as follows
- a The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u), Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns that are located in or owned in substantial part by persons residing in the area of the project
  - b The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 C.F.R. Part 135, and all applicable rules and orders of the Department issued there under prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability that would prevent them from complying with these requirements
  - c The contractor will send to each labor organization or representative or workers, with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advertising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training
  - d The contractor will include this Section 3 clause to every subcontract for work in connection with the project and will, at the direction of the applicant or Community of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 C.F.R. Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 C.F.R. Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations
  - e Compliance with the provisions of Section 3, the regulations set forth in 24 C.F.R. Part 135, and all applicable rules and orders of the Department issued there under

prior to the execution of this Agreement, will be a condition of the Federal financial assistance provided to the project

3. **Subcontracting.** All work or services covered by this Agreement, which is subcontracted by the Developer, will be specified by written contract and subject to all provisions of this Agreement. All subcontracts must be approved by the City prior to execution.
4. **Interest of Certain Federal Officials.** No member of, or delegate to, the Congress of the United States will be admitted to any share or part of this Agreement or to any benefit to arise from the same.
5. **Interest of Members, Officers or Employees of the Developer, Members of Local Governing Body, or Other Public Officials.** No member, officer, or employee of the Developer or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for 1 year thereafter, will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement.
6. **Hatch Act.** The Developer agrees to comply with all provisions of the Hatch Act and that no part of the program will involve political activities, nor will personnel employed in the administration of the program be engaged in activities in contravention of Title V, Chapter 15, of the United States Code.
7. **Labor Standards Provisions.** The Developer agrees to comply with 24 C.F.R. § 570.603, "Labor Standards" published by HUD for Community Development Block Grants.
8. **Compliance with Environmental Requirements.** The Developer agrees to comply with any conditions resulting from the City's compliance with the provisions of the National Environmental Policy Act of 1969 and the other provisions of law specified at 24 C.F.R. § 58.5 insofar as the provisions of such Act apply to activities set forth in the Statement of Work.
9. **Compliance with Flood Disaster Protection Act.**
  - 9.1 This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in any area identified by the Secretary as having special flood hazards, which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to Section 201(d) of said Act, and the use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program will be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.
  - 9.2 Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under this Agreement will contain, if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq., provisions obligating the transferee and its successors or

assigns to obtain and maintain, during the ownership of such land, such flood insurance required with respect to financial assistance for acquisition or construction purposes under Section 102(2) of Flood Disaster Protection Act of 1973. Such provisions will be required notwithstanding the fact that the construction of such land is not itself funded with assistance under this Agreement.

**10. Compliance with Air and Water Acts.**

- 10.1 This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Part 15, as amended from time to time.
- 10.2 In compliance with said regulations, the City will cause or require to be inserted in full in all contracts and subcontracts with respect to any nonexempt transaction thereunder funded with assistance provided under this Agreement, the following requirements.
- a A stipulation by the contractor or subcontractor that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the list of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. § 15.20.
  - b Agreement by the contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 1857c-8), and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. 1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
  - c A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the director, Office of Federal Activities EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA list of Violating Facilities.
  - d Agreement by the contractor that he will include or cause to be included the criteria and requirements in paragraphs (a) through (d) of this section in every nonexempt subcontract and requiring the contractor to take such action as the Government may direct as means of enforcing such provisions.
  - e In no event will any amount of the assistance provided under this Agreement be utilized with respect to a facility that has given rise to a conviction under Section 113(c)(1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

- 11. Historic Preservation.** This Agreement is subject to the requirements of P.L. 89-665, the Archaeological and Historic Preservation Act of 1974 (P.L. 93-291), Executive Order 11593, and the procedures prescribed by the Advisory Council on Historic Preservation in 36 C.F.R. Part 800. The City must take into account the effect of a project on any district, site, building, structure, or object listed in or found by the Secretary of the Interior, pursuant to 35 C.F.R. Part 800, to be eligible for inclusion in the National Register of Historic Places, maintained by the National Park Service of the

U S Department of the Interior, and must make every effort to eliminate or minimize any adverse effect on a historic property

12. **Historic Barriers.** This Agreement is subject to the requirements of the Architectural Barriers Act of 1968 (42 U S C. 4151) and its regulations. Every building or facility (other than a privately owned residential structure) designed, constructed, or altered with CDBG funds must comply with requirements of the "American Standards Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped"
13. **Lead-Based Paint.** This Agreement is subject to the Lead-Based Paint Poisoning Prevention Act (42 U S C 4821 et seq), and Lead-Based Paint Regulations (24 C F R Part 35 and 24 C F R § 570 608 and/or 92 335), and related amendments thereto. The use of lead-based paint is prohibited whenever federal funds are used directly or indirectly for the construction, rehabilitation, or modernization of residential structures. All federally assisted residential structures and related property constructed prior to 1978, Homebuyer Programs, Tenant-Based Rental Assistance, and Special-Needs Housing (acquisition), will comply with existing and new Lead-Based Paint Hazard Reduction Requirements, effective September 15, 2000. As the Grantor or Participating Jurisdiction, the City of Glendale will be consulted regarding the Developer/Grantee's compliance status.
14. **Property Disposition.** Real or personal property purchased in whole or in part with CDBG funds will not be disposed through sale, use, or location without the written permission of the City. The proceeds from the disposition of real property will be considered Program Income and subject to 24 C F R § 570.504(c)
15. **Lobbying.** Block Grant funds will not be used for publicity or propaganda purposes designed to support or defeat legislation proposed by federal, state, or local governments.
16. **Acquisition/Relocation.** This Agreement is subject to providing a certification that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 C F R Part 24, and 24 C.F.R. Part 511.14, which govern the acquisition of real property for the project and provision of relocation assistance to persons displaced as a direct result of acquisition, rehabilitation, or demolition for the project.
17. **Section 504.** The Developer agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against the handicapped in any federally assisted program.
18. **Federal Fire Prevention and Control Act of 1992.** The Fire Administration Authorization Act of 1992 added a new Section 31 to the Federal Fire Prevention and Control Act of 1974. This Section requires that approved smoke detectors be installed in all houses assisted under the Community Development Block Grant Program. To comply with this requirement and locally adopted codes Developer shall install smoke detectors in all sleeping areas and any hallway connecting these sleeping areas.

###

**ADDITIONAL REQUIREMENTS**

**EXHIBIT "L"**

EXHIBIT L

ADDITIONAL REQUIREMENTS

See attached requirements

- 1 Procurement
- 2 Disputes/Grievance Procedure
- 3 Right to Refuse Service

## PROCUREMENT

- 1 The Developer agrees to comply with federal procurement requirements and the City's procurement code for all expenditures of funds. Below is an overview of the procurement requirements.
  - 1.1 Purchases over \$50,000 must be publicly bid
  - 1.2 Purchases between \$10,001 and \$50,000 must follow competitive purchasing procedures based on written quotations
  - 1.3 Purchases of \$5,000 to \$10,000, whenever practical, must be based on oral quotations, with file documentation of vendors contacted and quotations received
  - 1.4 Purchases under \$5,000 do not require written or oral quotations
  - 1.5 Expenditures for employee salaries or items such as client subsidies would not generally be subject to procurement requirements. (Such items do not generally constitute purchases.)
- 2 The Developer agrees to adopt a written procurement policy that, at a minimum, complies with the above procurement requirements, and to follow accounting procedures that will assure compliance with federal and city procurement codes
- 3 The Developer further agrees to retain sufficient supporting documentation to demonstrate compliance with these requirements. Examples include, but are not limited, to the following
  - 3.1 Copies of bid documents,
  - 3.2 Written quotations, and
  - 3.3 Evidence of oral quotations.

###

## DISPUTES/GRIEVANCE PROCEDURE

- 1 The Developer agrees to negotiate and resolve any disputes in the delivery of activities stated herein and will inform the City in writing of such negotiations and resolutions
- 2 In the event the issue is not resolved, the City will confer with all parties to understand the issue, if appropriate, offer guidance, and try and reach an amicable solution

###

## RIGHT TO REFUSE SERVICE

The City reserves the right to refuse, terminate, or suspend service or accounts to an individual, company, or agency, if the City believes that conduct or actions violate applicable law, is harmful to the interests of the City of Glendale and its affiliates, or meets the criteria covered under City's Right to Refuse Assistance Policy. Legal counsel will be consulted before such action is undertaken, unless an emergency exists.

###

**INSURANCE**

**EXHIBIT "M"**

EXHIBIT M

INSURANCE CERTIFICATE

(See attached)



# CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
04/03/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s)

<b>PRODUCER</b> Lockton Affinity, LLC P.O. Box 410679 Kansas City, MO 64141-0679	<b>CONTACT NAME</b> PHONE (A/C, No, Ext) 888-553-9002 FAX (A/C, No)	
	<b>E-MAIL ADDRESS</b>	
<b>INSURED</b> Habitat for Humanity Central Arizona 9133 W Grand Ave Suite 1 Peoria, AZ 85345	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>INSURER A</b> Ace American Insurance Co	<b>NAIC#</b> 22667
	<b>INSURER B</b>	
	<b>INSURER C</b>	
	<b>INSURER D</b>	
	<b>INSURER E</b>	
<b>INSURER F</b>		

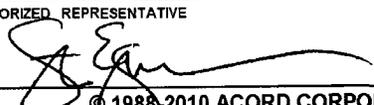
COVERAGES	CERTIFICATE NUMBER.	REVISION NUMBER
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			GL1064439-13	04/01/2013	04/01/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Fa occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/POP AGG \$ 2,000,000 \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E L EACH ACCIDENT \$ E L DISEASE - EA EMPLOYEE \$ E L DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Re Home Building or Renovation

CERTIFICATE HOLDER	CANCELLATION
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City of Glendale Community Revitalization Division 5850 W. Glendale Ave Glendale, AZ 85301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS AUTHORIZED REPRESENTATIVE 
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