

When Recorded Return to:

CITY OF FLAGSTAFF  
211 W. Aspen Avenue  
Flagstaff, Arizona 86001  
Attn: Legal Department

**DEED OF TRUST**  
**(With Assignment of Rents and Security Agreement)**  
**(Lone Tree Ranch Affordable Housing)**

THIS DEED OF TRUST (With Assignment of Rents and Security Agreement) (as it may be amended and modified from time to time, the “**Deed of Trust**”) is made as of \_\_\_\_\_, 2026, by and among (a) LONE TREE RANCH, L.P., an Arizona limited partnership, whose mailing address is 401 Wilshire Blvd., 11<sup>th</sup> Floor, Santa Monica, CA 90401 (“**Trustor**”); (b) \_\_\_\_\_ Title Agency, Inc., an Arizona corporation, with an address of \_\_\_\_\_ Arizona \_\_\_\_\_ (“**Trustee**”); and (c) CITY OF FLAGSTAFF, ARIZONA, a municipal corporation of the State of Arizona, whose address is 211 W. Aspen Avenue, Flagstaff, Arizona 86001 (“**Beneficiary**”).

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor’s interest in that certain real property located in the City of Flagstaff, County of Coconino, State of Arizona, more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (the “**Premises**”);

TOGETHER WITH Trustor’s interest in any and all buildings and other improvements now or hereafter erected on the Premises including, without limitation, fixtures, attachments, appliances, equipment, machinery, and other personal property attached to such buildings and other improvements (collectively, the “**Improvements**”), all of which shall be deemed and construed to be a part of the Premises;

TOGETHER WITH all rents, issues, profits, damages, royalties, income and other benefits now or hereafter derived from the Premises and the Improvements (collectively, the “**Rents**”), subject to the terms and provisions of Article 2 of this Deed of Trust with respect to all Leases (as defined below), and further subject to the right, power and authority hereinafter given to Trustor to collect and apply such Rents;

TOGETHER WITH all interests, estates or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Premises or the Improvements;

TOGETHER WITH Trustor's interest in all easements, rights-of-way and other rights now owned or hereafter acquired by Trustor used in connection with the Premises or the Improvements or as a means of access thereto (including, without limitation, all rights pursuant to any trackage agreement and all rights to the nonexclusive use of common drive entries, and all tenements, hereditaments and appurtenances thereof and thereto) and all water and water rights and shares of stock evidencing the same;

TOGETHER WITH all right, title and interest of Trustor in and to all leases or subleases covering the Premises or the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder including, without limitation, all rights of Trustor against guarantors thereof, all cash or security deposits, advance rentals, and deposits or payments of similar nature (collectively, the "**Leases**");

TOGETHER WITH all right, title and interest now owned or hereafter acquired by Trustor in and to any greater estate in the Premises or the Improvements;

TOGETHER WITH all right, title and interest of Trustor in (i) the property and interests in property described on **Exhibit B** attached hereto and incorporated herein by reference, (ii) all other personal property now or hereafter owned by Trustor that is now or hereafter located on or used in connection with the Premises or the Improvements, (iii) all other rights and interests of Trustor now or hereafter held in personal property that is now or hereafter located on or used in connection with the Premises or the Improvements, (iv) all personal property and rights and interests in personal property of similar type or kind hereafter acquired by Trustor in connection with the Premises or the Improvements, and (v) all proceeds thereof (such personal property and proceeds referred to herein collectively as the "**Personal Property**");

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Premises, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Premises;

TOGETHER WITH all the estate, interest, right, title, other claim or demand, both in law and in equity (including, without limitation, claims or demands with respect to the proceeds of insurance in effect with respect thereto) that Trustor now has or may hereafter acquire in the Premises, the Improvements, the Personal Property, or any other part of the Trust Estate (as defined below), and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the Trust Estate (including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages);

TOGETHER WITH all proceeds of the foregoing.

The entire estate, property, right, title and interest hereby conveyed to Trustee (including, but not limited to, the Premises, Improvements, Rents, Leases, and Personal Property) may hereafter be collectively referred to as the “**Trust Estate**.”

FOR THE PURPOSE OF SECURING the following obligations (collectively, the “**Obligations**”):

A. payment of that certain Loan in the amount of One Million Six Hundred and Fifty Thousand and 00/100 Dollars (\$1,650,000.00) (the “**Loan**”), evidenced by that certain Funding Agreement, dated the date hereof, by and between the Beneficiary and the Trustor, as it may be amended, modified, extended and renewed from time to time (the “**Loan Agreement**”), and that certain Promissory Note, dated the date hereof, by the Trustor to the order of the Beneficiary, as it may be amended, modified, extended and renewed from time to time (the “**Note**”);

B. performance of every obligation of Trustor contained in the Loan Documents;

C. payment of all sums advanced by Beneficiary to protect the Trust Estate; and

D. payment of all other sums, with interest thereon, that may hereafter be loaned to Trustor, or its successors or assigns, by Beneficiary or its successors or assigns, and as evidenced by the Note.

This Deed of Trust, the Loan Agreement, the Note, and any other deeds of trust, mortgages, agreements, guaranties or other instruments given to evidence or further secure the payment and performance of any or all of the Obligations, as the same may be amended, modified, extended, or renewed from time to time, may hereinafter be collectively referred to as the “**Loan Documents**”.

TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

## **ARTICLE 1. COVENANTS AND AGREEMENTS OF TRUSTOR**

### **1.1 Payment and Performance of Secured Obligations.**

Trustor shall pay when due and/or perform each of the Obligations in all material respects.

### **1.2 Maintenance, Repair, Alterations.**

Trustor shall keep the Trust Estate in reasonably good condition and repair (normal wear and tear excepted). Following completion of construction of the Improvements, Trustor shall not remove, demolish, or substantially alter any of the Improvements in any material way, except with the prior written consent of Beneficiary or as contemplated in the Loan Agreement. Trustor shall complete promptly and in a good and workmanlike manner any Improvement that may be now or hereafter constructed on the Premises and promptly restore in like manner any Improvements that may be damaged or destroyed from any cause whatsoever and pay when due all claims for labor performed and materials furnished therefor, provided that sufficient insurance

proceeds are received by Trustor. Trustor shall comply in all material respects with all Requirements (as defined below) and shall not suffer to occur or exist any violation of any Requirement. Trustor shall not commit or permit any physical waste of the Trust Estate. Trustor shall perform its obligations under each Lease and otherwise enforce the terms thereof. “**Requirement**” and “**Requirements**” mean, respectively, each and all applicable obligations and requirements now or hereafter in effect by which Trustor or the Trust Estate are bound or which are otherwise applicable to the Trust Estate, to construction of any Improvements on the Trust Estate, or to operation, occupancy or use of the Trust Estate (including, without limitation (i) such obligations and requirements imposed by common law or any law, statute, ordinance, regulation, or rule (federal, state, or local), and (ii) such obligations and requirements of, in or in respect of (A) any consent, authorization, license, permit, or approval relating to the Trust Estate, (B) any condition, covenant, restriction, easement, encumbrance, or right-of-way reservation applicable to the Trust Estate, (C) any Lien or Encumbrance (as defined in Section 1.17), (D) any other agreement, document or instrument, in connection with the Trust Estate, to which Trustor is a party or by which Trustor or the Trust Estate is bound or affected, and (E) any order, writ, judgment, injunction, decree, determination, or award of any arbitrator, other private adjudicator, court, government, or governmental authority (federal, state or local) to which Trustor is a party or by which Trustor or the Trust Estate is bound or affected.

### 1.3 Required Insurance.

Trustor shall at all times provide, maintain and keep in force or cause to be provided, maintained and kept in force with respect to the Trust Estate, at no expense to Trustee or Beneficiary, insurance as required by the Loan Agreement.

### 1.4 Delivery of Policies, Payment of Premiums.

(a) At the option of Beneficiary, all policies of insurance shall either have attached thereto a lender's loss payable endorsement for the benefit of Beneficiary in form reasonably satisfactory to Beneficiary or shall name Beneficiary as an additional insured. Trustor shall furnish Beneficiary with certificates of insurance for each required policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number and the period of coverage. At least thirty (30) days prior to the expiration of each required policy, Trustor shall deliver to Beneficiary proof of the payment of premiums and the renewal or replacement of such policy continuing insurance in form as required by this Deed of Trust. For each insurance policy required by the insurance provisions of this Deed of Trust, the Trustor must provide to the Beneficiary, within five (5) business days of receipt, any notice received by Trustor notifying Trustor that a policy is suspended, voided or canceled for any reason.

(b) In the event Trustor fails to obtain, maintain, or deliver to Beneficiary the policies of insurance with respect to the Trust Estate required by the Loan Agreement, Beneficiary may at its election, but without any obligation so to do, procure, at reasonable market rates, such insurance or single-interest insurance for such risks covering Beneficiary's interest, and Trustor will pay all premiums thereon promptly to Beneficiary (as directed in writing by Beneficiary) upon demand, and until such payment is made by Trustor, the amount of all such premiums shall bear interest at the Agreed Rate. During the occurrence and continuation of an Event of Default and

upon written request by Beneficiary, Trustor shall deposit with Beneficiary (as directed in writing by Beneficiary) in monthly installments, an amount equal to one-twelfth (1/12) of the estimated aggregate annual insurance premiums on all policies of insurance required by this Deed of Trust (funds deposited for this purpose are referred to as “**Insurance Impounds**”). In such event, upon request of Beneficiary, Trustor further agrees to cause copies of all bills, statements, or other documents relating to the foregoing insurance premiums to be sent or mailed to Beneficiary in accordance with the notice requirements set forth in the Loan Agreement. Upon receipt of bills, statements, or other documents evidencing that a premium for a required policy is then payable, and provided there are sufficient Insurance Impounds, Beneficiary (as agreed among them) shall timely pay such amounts as may be due thereunder out of the Insurance Impounds. If at any time and for any reason the Insurance Impounds are or will be insufficient to pay such amounts as may then or subsequently be due, Beneficiary shall notify Trustor in writing of the same and Trustor shall promptly deposit an amount equal to such deficiency with Beneficiary (as directed in writing by Beneficiary). Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of Insurance Impounds or to be obligated to pay any amounts in excess of the amount of the Insurance Impounds, nor shall anything contained herein modify the obligation of Trustor set forth in Section 1.3 hereof to obtain and maintain insurance. Beneficiary shall not commingle Insurance Impounds with their own funds, and Trustor shall not be entitled to interest thereon. Beneficiary may reserve for future payments of premiums such portion of Insurance Impounds as Beneficiary in its commercially reasonable discretion deems proper. If Trustor fails to deposit with Beneficiary (as directed in writing by Beneficiary) sums sufficient to pay fully such premiums at least thirty (30) days before delinquency thereof, Beneficiary may at its election, but without any obligation so to do, advance any amounts required to make up the deficiency, which advances, if any, shall be secured hereby and shall be repayable to Beneficiary upon demand with interest from the date advanced at the Agreed Rate, or at the option of Beneficiary may, without making any advance whatever, apply any Insurance Impounds to payment of the Obligations, notwithstanding that such Obligations may not yet be due. Upon and during the occurrence of an Event of Default, Beneficiary may, at any time, at their option, apply any Insurance Impounds or Imposition Impounds under this Section 1.4 or Section 1.8 hereof, any funds paid as Rents, and any other funds of Trustor held by Beneficiary to payment of the Obligations, notwithstanding that such Obligations may not yet be due, subject to the rights of the First Mortgagee (as defined in the Loan Agreement).

#### 1.5 Casualties; Insurance Proceeds.

Insurance proceeds from casualty and condemnation shall be used to restore and rebuild the Improvements so long as Trustor is not in default under the Loan Documents, and subject to the rights of the First Mortgagee.

#### 1.6 Assignment of Policies Upon Foreclosure.

In the event of foreclosure of this Deed of Trust, as a mortgage, a sale under the power of sale, or any other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the Obligations, all right, title and interest of Trustor in and to all policies of insurance required by Section 1.3 hereof shall inure to the benefit of and pass to the successor in

interest to Trustor or the purchaser or grantee of the Trust Estate, to the extent such policies are assignable pursuant to the terms thereof.

1.7 Indemnification; Subrogation; Waiver of Offset.

(a) If Beneficiary is made a party to any litigation concerning any of the Loan Documents, then Trustor shall indemnify, defend and hold Beneficiary harmless for, from and against all liability by reason of said litigation, including actual, reasonable out-of-pocket attorneys' fees and expenses incurred by Beneficiary as a result of any such litigation, whether or not any such litigation is prosecuted to judgment. Beneficiary may employ an attorney to protect their respective rights hereunder, and in the event of such employment during a time when Event of Default by Trustor under the Loan Documents exists, Trustor shall pay Beneficiary actual, reasonable out-of-pocket attorneys' fees and expenses incurred by it, whether or not an action is actually commenced against Trustor by reason of such Event of Default. Notwithstanding the foregoing, Trustor shall have no responsibility to indemnify Beneficiary for claims resulting from the Beneficiary's gross negligence or intentional misconduct. Trustor shall be entitled to notice of and opportunity to defend and settle any third-party claim which may result in an indemnification obligation hereunder.

(b) To the extent permitted by applicable law, Trustor waives any and all right to claim or recover against Beneficiary and its successors and assigns, its council members, officials, directors, officers, employees, agents and representatives, for loss or damage to Trustor, the Trust Estate, Trustor's property or the property of others under Trustor's control from any cause insured against or required to be insured against by the Loan Documents, specifically excluding any claim, damages, loss or liability caused by the gross negligence or intentional misconduct of the Beneficiary.

(c) All sums payable by Trustor pursuant to this Deed of Trust shall be due and payable promptly upon notice without counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction (specifically excluding the defense of full payment and performance), and, to the extent permitted by applicable law, the obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof; (ii) any restriction or prevention of or interference by any Person (as defined below) with any use of the Trust Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Premises or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such proceeding; (v) any claim that Trustor has or might have against Beneficiary (except for the defense of full payment and performance); or (vi) any other occurrence whatsoever, whether similar or dissimilar to the foregoing. Except as expressly provided herein, Trustor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Trustor (except for the defense of full payment and performance). **"Person"** means any natural

person, any unincorporated association, any corporation, any partnership, any joint venture, any trust, any other legal entity, or any governmental authority (federal, state, local or foreign).

1.8 Impositions.

(a) To the extent applicable, Trustor shall pay, or cause to be paid, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever (including, without limitation, non-governmental levies or assessments such as maintenance charges, levies, or charges resulting from covenants, conditions and restrictions affecting the Trust Estate) that are assessed or imposed upon the Trust Estate or become due and payable and that create, may create, or appear to create a lien upon the Trust Estate (the above are sometimes referred to herein individually as an “**Imposition**” and collectively as “**Impositions**”), provided, however, that if by applicable law any Imposition is payable, or may at the option of the taxpayer be paid, in installments, Trustor may pay the same or cause it to be paid, together with any accrued interest on the unpaid balance of such Imposition, in installments as the same become due and before any fine, penalty, interest, or cost may be added thereto for the nonpayment of any such installment and interest.

(b) Intentionally Omitted.

(c) Subject to the provisions of Section 1.8(d) hereof and upon advance written request by Beneficiary, Trustor shall deliver to Beneficiary within thirty (30) days after the date upon which any Imposition is due and payable by Trustor official receipts of the appropriate taxing authority, or other proof reasonably satisfactory to Beneficiary, evidencing the payment thereof.

(d) Trustor shall have the right to contest or object to the amount or validity of any Imposition by appropriate proceedings, but such right shall not be deemed or construed in any way as relieving, modifying or extending Trustor's covenant to pay any such Imposition at the time and in the manner provided in this Section 1.8, unless, in Beneficiary's commercially reasonable discretion, (i) Trustor shall demonstrate to Beneficiary's commercially reasonable satisfaction that the proceedings to be initiated by Trustor shall operate to prevent the sale of the Trust Estate or any part thereof or interest therein to satisfy such Imposition prior to final determination of such proceedings, (ii) Trustor shall furnish a good and sufficient bond or surety or other collateral satisfactory to Beneficiary, or (iii) Trustor shall demonstrate to Beneficiary's commercially reasonable satisfaction that Trustor has provided a good and sufficient undertaking as may be required or permitted by applicable law to accomplish a stay of any such sale.

(e) During the occurrence and continuation of an Event of Default and upon advance written request by Beneficiary, Trustor shall pay to Beneficiary (as directed in writing by Beneficiary) an initial cash deposit in an amount adequate to pay all Impositions for the ensuing tax fiscal year and shall thereafter continue to deposit with Beneficiary (as directed in writing by Beneficiary), in monthly installments, an amount equal to one-twelfth (1/12) of the sum of the annual Impositions reasonably estimated by Beneficiary, for the purpose of paying the installment of Impositions next due (funds deposited for this purpose are referred to as “**Impositions Impounds**”). In such event, upon request of Beneficiary, Trustor further agrees to cause copies of all bills, statements, or other documents relating to Impositions to be sent or mailed to Beneficiary.

Upon receipt of bills, statements, of other documents, and providing there are sufficient Impositions Impounds, Beneficiary (as agreed among them) shall timely pay such amounts as may be due thereunder out of the Impositions Impounds. If at any time and for any reason the Impositions Impounds are or will be insufficient to pay such amounts as may then or will subsequently be due, Beneficiary may notify Trustor in writing of the same and upon such notice Trustor shall deposit immediately an amount equal to such deficiency with Beneficiary (as directed in writing by Beneficiary). Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of Impositions Impounds or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary pursuant to this Section 1.8(e). Beneficiary shall not commingle Impositions Impounds with its own funds and shall not be obligated to pay any interest on any Impositions Impounds. Beneficiary may reserve for future payment of Impositions such portion of Impositions Impounds as Beneficiary may in its commercially reasonable discretion deem proper. If Trustor fails to deposit with Beneficiary sums sufficient to fully pay such Impositions at least thirty (30) days before delinquency thereof, Beneficiary may at their election, but without any obligation so to do, advance any amounts required to make up the deficiency, which advances, if any, shall be secured hereby and shall be repayable to Beneficiary upon demand together with interest thereon at the Agreed Rate from the date of such advance, or at the option of Beneficiary, it may, without making any advance whatever, apply any Impositions Impounds held by it towards payment of the Obligations, notwithstanding that such Obligations may not yet be due. Notwithstanding the foregoing, all Imposition requirements herein are subject and subordinate to the Senior Lender's requirements.

(f) Trustor shall not initiate or suffer to occur or exist the joint assessment of any real and personal property included in the Trust Estate or any other procedure whereby the lien of real property taxes and the lien of personal property taxes shall be assessed, levied, or charged to the Trust Estate as a single lien.

#### 1.9 Utilities.

Trustor shall pay when due all charges that are incurred by Trustor for the benefit of the Trust Estate or that may become a charge or lien against the Trust Estate for gas, electric, water, sewer, or other services furnished to the Trust Estate (excluding any utilities that are the obligation of the tenants of the Improvements).

#### 1.10 Actions Affecting Trust Estate.

Trustor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee hereunder; and Trustor shall pay all actual, reasonable out-of-pocket costs and expenses (including, without limitation, costs of evidence of title, litigation, and reasonable attorneys' fees) in any such action or proceeding in which Beneficiary or Trustee may appear.

#### 1.11 Actions by Trustee or Beneficiary.

If Trustor fails to make any payment or to do any act as and in the manner provided in any of the Loan Documents, then Beneficiary and Trustee, in their commercially reasonable

discretion, without obligation to do so, and without releasing Trustor from any obligation hereunder, and with only such prior written notice to or demand upon Trustor as may be reasonable under the circumstances, (in no event required to exceed ten (10) days' prior written notice), may make or do the same in such manner and to such extent as they may deem reasonably necessary or appropriate, subject to the rights of the First Mortgagee. In connection therewith (without limiting their general powers, whether conferred herein, in another Loan Document or by applicable law), Beneficiary and Trustee shall have and are hereby given the right, but not the obligation, (a) to enter upon and take possession of the Trust Estate; (b) to make additions, alterations, repairs and improvements to the Trust Estate that they may consider reasonably necessary or appropriate to keep the Trust Estate in good condition and repair; (c) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary or Trustee; (d) to pay, purchase, contest or compromise any Lien or Encumbrance (as defined below) or alleged Lien or Encumbrance whether superior or junior to this Deed of Trust; and (e) in exercising such powers, to pay necessary expenses (including, without limitation, reasonable expenses of employment of counsel or other necessary or desirable consultants.) Trustor shall, promptly upon written demand therefor by Beneficiary or Trustee or any of them, pay to Beneficiary or Trustee (as directed in writing by Beneficiary) an amount equal to all actual, reasonable out-of-pocket costs and expenses incurred by them in connection with the exercise of the foregoing rights (including, without limitation, costs of evidence of title, court costs, appraisals, surveys and receiver's, trustee's and attorneys' fees) together with interest thereon from the date of such expenditures at the Agreed Rate.

#### 1.12 Transfer of Trust Estate by Trustor.

In order to induce Beneficiary to make the Loan, Trustor agrees that, in the event of any Transfer (as hereinafter defined), without the prior written consent of Beneficiary, Beneficiary shall have the right, at its option, upon written notice, to declare all sums secured hereby immediately due and payable. Consent to one Transfer shall not be deemed to be a waiver of the right to require consent to future or successive Transfers. Beneficiary may grant or deny such consent in its commercially reasonable discretion and, if consent should be given, any such Transfer shall be subject to this Deed of Trust, and such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein. Such assumption shall not, however, release Trustor or any maker or guarantor (if any) of any of the Loan Documents from any liability thereunder without the prior written consent of Beneficiary.

**“Transfer”** shall mean any sale, transfer, conveyance, hypothecation, encumbrance, lease or vesting of the Trust Estate or any part thereof, whether voluntary, involuntary, by operation of applicable law, or otherwise, except in connection with the **“Permitted Encumbrances”** (as such term is defined in **Exhibit C** attached hereto and incorporated herein by reference) and/or as expressly permitted and completed in accordance with the other Loan Documents.

Nothing in this Deed of Trust shall prohibit the Trustor entering into dwelling leases with eligible tenants without the consent of the Beneficiary.

#### 1.13 Intentionally Deleted.

#### 1.14 Additional Security.

No other security now existing, or hereafter taken, to secure the Obligations secured hereby shall be impaired or affected by the execution of this Deed of Trust. All security for the Obligations taken from time to time shall be considered and held as cumulative. Any taking of additional security, execution of partial releases of the security, or any extension of the time of payment of, or modification of other terms of any of the Obligations shall not diminish the force, effect or lien of this Deed of Trust and shall not affect or impair the liability of any maker, guarantor, surety or endorser for the payment or performance of any of the Obligations. In the event Beneficiary at any time holds additional security for any of the Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently with, or after a sale or realization is made hereunder.

#### 1.15 Appointment of Successor Trustee.

Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and recorded in the county in which the Trust Estate is located and by otherwise complying with the provisions of applicable law, substitute a successor or successors to any Trustee named herein or acting hereunder, and such successor(s) shall, without conveyance from the predecessor Trustee, succeed to all title, estate, rights, powers and duties of such predecessor.

#### 1.16 Inspections.

Beneficiary, its agents, representatives, officers, and employees, are authorized to enter, upon at least seventy-two (72) hours' prior written notice, the Trust Estate for the purpose of inspecting the same and for the purpose of performing any of the acts Beneficiary is authorized to perform hereunder or under the terms of any of the Loan Documents, subject to the rights of the tenants of the Improvements under the Arizona Residential Landlord Tenant Act (A.R.S. § 33-1301 *et seq.*) as may be amended from time to time. Trustor acknowledges and agrees that Beneficiary shall be liable for any loss or damage caused by its entry onto the Trust Estate, or any part thereof.

#### 1.17 Ownership and Liens and Encumbrances.

Trustor is, and as to any portion of the Trust Estate acquired hereafter will upon such acquisition be, and shall remain the fee owner of the Trust Estate free and clear of any Liens and Encumbrances, subject only to the **Permitted Encumbrances**. Trustor shall not grant, shall not suffer to exist, and shall pay and promptly discharge, post to bond, escrow, or properly contest any Liens and Encumbrances, at Trustor's cost and expense. Trustor shall promptly notify Beneficiary in writing of any Lien or Encumbrance or claim thereof (other than Permitted Encumbrances). Trustor shall have the right to contest in good faith the validity of any involuntary Lien or Encumbrance. If Trustor shall fail to remove and discharge or escrow for any Lien or Encumbrance or claim thereof (other than Permitted Encumbrances), then, in addition to any other right or remedy of Beneficiary pursuant to applicable law or under the Loan Documents, Beneficiary may, after only such written notice to Trustor as may be reasonable under the then

existing circumstances, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such Lien or Encumbrance by depositing in a court a bond for the amount claimed or otherwise giving security for such claim, or by procuring such discharge in such manner as is or may be prescribed by applicable law. Trustor shall promptly upon demand therefor by Beneficiary, pay to Beneficiary (as directed in writing by Beneficiary) an amount equal to all costs and expenses incurred by Beneficiary in connection with the exercise of the foregoing right to discharge any Lien or Encumbrance or claim thereof, together with interest thereon from the date of each such expenditure at the Agreed Rate. Such costs and expenses shall be secured by this Deed of Trust. **“Lien or Encumbrance”** and **“Liens and Encumbrances”** mean, respectively, each and all of the following in respect to the Trust Estate: leases, other rights to occupy or use, mortgages, deeds of trust, pledges, security agreements, assignments, assignments as security, conditional sales, title retention arrangements or agreements, conditions, covenants, and restrictions, and other charges, liens, encumbrances, or adverse interests, whether voluntarily or involuntarily created and regardless of whether prior or subordinate to any estate, right, title or interest granted to Trustee or Beneficiary in this Deed of Trust, excluding from the foregoing the Permitted Encumbrances.

1.18 Trustee's Powers.

Upon written request of Beneficiary, Trustee may, without further liability, (a) reconvey any part of said Trust Estate to Borrower without any effect of this Deed of Trust upon the remainder of said Trust Estate, (b) consent in writing to the making of any map or plat of the Trust Estate, (c) join in granting any easement thereon required by the development agreement for the Trust Estate (the Lone Tree Ranch), or (d) join in any extension agreement or any agreement subordinating the lien or charge hereof.

1.19 Powers.

Beneficiary may, from time to time (a) release any person liable for the payment of the Obligations, (b) extend the timing of the Obligations, (c) grant other indulgences with regard to the Obligations, (d) release or reconvey, or cause to be released or reconveyed, at any time at Beneficiary's option any parcel, portion or all of the Trust Estate from the lien of the Obligations and this Deed of Trust, (e) take or release any other or additional security or any guaranty for the Obligations and this Deed of Trust, or (f) make compositions or other arrangements with debtors in relation thereto.

1.20 Intentionally Omitted.

1.21 Trade Names.

At the request of Beneficiary from time to time, Trustor shall execute a certificate in form reasonably satisfactory to Beneficiary listing the trade names or fictitious business names under which Trustor intends to operate the Trust Estate or any business located thereon and representing and warranting that Trustor does business under no other trade names or fictitious business names with respect to the Trust Estate. Trustor shall promptly notify Beneficiary in writing of any change in said trade names or fictitious business names, and will, upon written

request of Beneficiary, execute any additional financing statements and other certificates necessary to reflect the change in trade names or fictitious business names.

## **ARTICLE 2. ASSIGNMENT OF RENTS**

### **2.1     Assignment of Rents.**

Subject to the rights of the First Mortgagee, Trustor hereby absolutely and irrevocably assigns and transfers to Beneficiary, equally and ratably, all the Rents of the Trust Estate and hereby gives to and confers upon Beneficiary, acting collectively, the right, power and authority, to, upon Beneficiary's notice to Trustor, collect the Rents solely during the existence of an Event of Default that continues beyond all applicable notice and cure periods. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact solely during the existence of an Event of Default that continues beyond all applicable notice and cure periods, acting collectively, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Trustor or Beneficiary, for all Rents and apply the same to the payment of the Obligations. Trustor hereby authorizes and directs the lessees, tenants and occupants to make all payments under the Leases directly to Beneficiary upon and as directed in written demand by Beneficiary solely during the existence of an Event of Default that continues beyond all applicable notice and cure periods without further consent of Trustor; provided, however, that Trustor shall have the right to collect such Rents (but not more than one (1) month in advance unless the written approval of Beneficiary is first obtained), and to retain and enjoy same, so long as an Event of Default shall not exist hereunder or under any of the Loan Documents. The assignment of the Rents of the Trust Estate in this Article 2 is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest.

### **2.2     Collection Upon an Event of Default.**

During the occurrence and continuance of an Event of Default, Beneficiary may, upon advance written notice to Trustor, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, enter upon and take possession of the Trust Estate, or any part thereof, and, with or without such entry or taking possession, in their own name sue for or otherwise collect the Rents (including, without limitation, those past due and unpaid) and apply the same, less actual, reasonable out-of-pocket costs and expenses of operation and collection (including, without limitation, attorneys' fees) toward payment of the Obligations. The collection of such Rents, or the entering upon and taking possession of the Trust Estate, or the application of the Rents as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default. Trustor also hereby authorizes Beneficiary upon such entry, at their option, acting collectively, to take over and assume the management, operation and maintenance of the Trust Estate and to perform all acts they in their sole discretion (as agreed among them) deem necessary and proper and to expend such sums out of Rents as may be needed in connection therewith, in the same manner and to the same extent as Trustor theretofore could do (including without limitation, the right to enter into new leases, to cancel, surrender, alter or amend the terms of and/or renew existing Leases and/or to make concessions to tenants). Trustor hereby releases all claims of any kind or nature against Beneficiary arising out of such

management, operation and maintenance, excepting the liability of Beneficiary to account as hereinafter set forth.

### 2.3 Application of Rents.

Upon such entry, Beneficiary shall, as agreed among them, after payment of all property charges and expenses (including, without limitation, reasonable compensation to such managing agent as they may select and employ) and after the accumulation of a reserve to meet requisite amounts, credit the net amount of the Rents received by them to the Obligations. Beneficiary shall be accountable for more monies than it actually receives from the Trust Estate; nor shall Beneficiary be liable for failure to collect Rents. Beneficiary shall make reasonable efforts to collect Rents, reserving, however, within their own absolute and sole discretion, as agreed among them, the right to determine the method of collection and the extent to which enforcement of collection of Rents shall be prosecuted and their judgment shall be deemed conclusive and reasonable.

### 2.4 Mortgagee in Possession.

It is not the intention of the parties hereto that an entry by Beneficiary upon the Premises under the terms of this instrument shall make Beneficiary a party in possession in contemplation of applicable law, except at the option of Beneficiary as agreed among them.

### 2.5 Indemnity.

Trustor hereby agrees to indemnify and hold harmless Beneficiary for, from and against any and all losses, liabilities, obligations, claims, demands, damages, penalties, judgments, actual, reasonable out-of-pocket costs and expenses, including actual, reasonable out-of-pocket legal fees and expenses, howsoever and by whomsoever asserted, arising out of or in any way connected with this Deed of Trust; and all such losses, liabilities, obligations, claims, demands, damages, penalties, judgments, actual, reasonable out-of-pocket costs and expenses shall be deemed added to the indebtedness secured hereby and shall be secured by any and all other instruments securing said indebtedness, provided, however, that Trustor shall have no liability hereunder with respect to any damages, losses, costs or expense incurred as a result of the gross negligence or willful misconduct of the Beneficiary.

### 2.6 No Obligation to Perform.

Nothing contained herein shall operate or be construed to obligate Beneficiary to perform any obligations of Trustor under any Lease (including, without limitation, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby terminated). Prior to actual entry into and taking possession of the Premises by Beneficiary, this assignment of Rents shall not operate to place upon Beneficiary any responsibility for the operation, control, care, management or repair of the Trust Estate or any portion thereof, and the execution of this Assignment of Rents by Trustor shall constitute conclusive evidence that all responsibility for the operation, control, care, management

and repair of the Trust Estate is and shall be that of Trustor, prior to such actual entry and taking of possession by Beneficiary.

### **ARTICLE 3. SECURITY AGREEMENT**

#### **3.1     Creation of Security Interest.**

Trustor hereby grants to Beneficiary a security interest in and to all of the Personal Property.

#### **3.2     Representations, Warranties and Covenants of Trustor.**

Trustor hereby represents, warrants and covenants (which representations, warranties and covenants shall survive creation of any indebtedness of Trustor to Beneficiary and any extension of credit thereunder) as follows:

(a)     The Personal Property is not used or bought for personal, family or household purposes.

(b)     The tangible portion of the Personal Property will be kept on or at the Premises or Improvements and Trustor shall not, without the prior written consent of Beneficiary, remove the Personal Property or any portion thereof therefrom except such portions or items of Personal Property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Trustor with similar items of equal or greater value.

(c)     At the request of Beneficiary, Trustor will permit Beneficiary to prepare and file one or more financing statements and fixture filings pursuant to the Uniform Commercial Code of Arizona as in effect in the State of Arizona, Arizona Revised Statutes (“**A.R.S.**”) Sections 47-1101 through 47-11107, as amended from time to time (“**Uniform Commercial Code of Arizona**”), in form satisfactory to Beneficiary and will pay the cost of recording and filing the same in all public offices wherever recording or filing is deemed by Beneficiary to be necessary or desirable.

(d)     Trustor does not do business under any trade name except as previously disclosed in writing to Beneficiary. Trustor will immediately notify Beneficiary in writing of any change in its responsible individual or the adoption or change of any trade name or fictitious business name, and will upon request of Beneficiary execute any additional financing statements or other certificates necessary to reflect the adoption or change in trade name or fictitious business name.

(e)     Trustor shall promptly notify Beneficiary of any claim against the Personal Property adverse to the interest of Beneficiary therein.

#### **3.3     Use of Personal Property by Trustor.**

Until the occurrence and continuance of an Event of Default hereunder or under any Loan Document, Trustor may have possession of the Personal Property and use it in any lawful manner not inconsistent with this Deed of Trust and not inconsistent with any policy of insurance thereon.

#### **ARTICLE 4. REMEDIES UPON DEFAULT**

##### **4.1     Events of Default.**

The existence or occurrence of an event of default under the Loan Agreement or any of the other Loan Documents that continues beyond the applicable notice and cure periods therein shall be an “**Event of Default**”):

##### **4.2     Acceleration Upon Default; Additional Remedies.**

Upon and during the occurrence of an Event of Default, Beneficiary may, at its option and upon ten (10) days’ advance written notice and opportunity to cure, declare the Obligations, immediately due and payable without any presentment, demand, protest or notice of any kind. Beneficiary may, upon notice to Trustor, in addition to the exercise of any or all of the remedies specified in Section 3.4 hereof:

(a)     Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in their own name or in the name of Trustor, and do any acts that they deem necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the Rents, or any part thereof, including, without limitation, those past due and unpaid, and apply the same, less costs and expense of operation and collection (including, without limitation, attorneys’ fees) upon the Obligations. The entering upon and taking possession of the Trust Estate, the collection of such Rents and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of all or any portion of the Trust Estate or the collection, receipt and application of Rents, Trustee and Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, in any of the other Loan Documents or by applicable law upon and during occurrence of any Event of Default, including, without limitation, the right to exercise the power of sale;

(b)     Commence an action to foreclose the lien of this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c)     Exercise the power of sale herein contained and deliver to Trustee a written statement of breach, notice of default and election to cause Trustor’s interest in the Trust Estate to be sold; or

(d) Exercise all other rights and remedies provided herein or in any other Loan Document, or by law, including, without limitation, the rights and remedies provided in A.R.S. § 33-702.B.

#### 4.3 Exercise of Power of Sale.

If Beneficiary elects to exercise the power of sale herein contained, Beneficiary shall promptly notify Trustee and shall deposit with Trustee this Deed of Trust and the Note, including, but not limited to, the Loan Agreement and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such statement and notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Trustee's Sale as then required by applicable law. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by applicable law and after recordation of such Notice of Trustee's Sale and Notice of Trustee's Sale having been given as required by applicable law, sell the Trust Estate at the time and place of sale fixed by it in said Notice of Trustee's Sale, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(b) After deducting all costs, fees and expenses of Trustee and of this Trust, including, without limitation, Trustee's fees and reasonable attorneys' fees, and costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale in the following priority, to payment of: (i) first, all sums expended under the terms of the Deed of Trust, or under the terms of other Loan Documents in connection with the exercise of the foregoing rights and remedies, not then repaid, with accrued interest at the Agreed Rate; (ii) second, to the payment of the Obligations; (iii) all other sums, then secured hereby; and (iv) the remainder, if any, to the person or persons legally entitled thereto or as provided in A.R.S. § 33-812 or any similar or successor statute.

(c) Subject to A.R.S. § 33-810.B, Trustee may postpone sale of all or any portion of the Trust Estate by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

#### 4.4 Personal Property.

It is the express understanding and intent of the parties that as to any personal property interests subject to Chapter 9 of the Uniform Commercial Code of Arizona, Beneficiary, upon an Event of Default, may proceed under such Uniform Commercial Code of Arizona or may

proceed as to both real and personal property interests in accordance with the provisions of this Deed of Trust and its rights and remedies in respect to real property, as specifically permitted under A.R.S. § 47-9604, and treat both real and personal property interests as one parcel or package of security.

4.5 Appointment of Receiver.

Upon and during the occurrence of an Event of Default, Beneficiary, as a matter of right and without regard to the then value of the Trust Estate or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Trust Estate, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the later of the date of confirmation of sale of the Trust Estate or the date of expiration of any redemption period, unless such receivership is sooner terminated.

4.6 Remedies Not Exclusive.

Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any and all of the Obligations and to exercise all rights and powers under the Loan Documents, and under the applicable law now or hereafter in effect, notwithstanding some or all of the Obligations may now or hereafter be otherwise secured or guaranteed. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by applicable law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing under the applicable law. Every power or remedy given by any of the Loan Documents or by applicable law to Trustee or Beneficiary or to which any of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and, to the extent permitted by applicable law and subject to the provisions of Section 5.18 hereof, any of them may pursue inconsistent remedies.

4.7 Request for Notice.

Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address set forth in Section 5.5 hereof.

**ARTICLE 5. MISCELLANEOUS**

5.1 Change, Discharge, Termination or Waiver.

No provision of this Deed of Trust may be changed, discharged, terminated, or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination, or waiver is sought. No failure on the part of Beneficiary to exercise and no delay by Beneficiary in exercising any right or remedy under the Loan Documents or under the applicable law shall operate as a waiver thereof.

## 5.2 Trustor Waiver of Rights.

Trustor waives, to the extent permitted by applicable law, (a) the benefit of all applicable laws now existing or that may hereafter be enacted providing for any appraisement before sale of any portion of the Trust Estate, and (b) all rights of redemption, valuation, appraisement, stay of execution, notice of election to mature or declare due the Obligations and marshaling in the event of foreclosure of the liens hereby created and (c) all rights and remedies that Trustor may have or be able to assert by reason of the laws of the State of Arizona pertaining to the rights and remedies of sureties including, without limitation, A.R.S. §§ 12-1641 through 12-1646, and Arizona Rules of Civil Procedure 17(f).

## 5.3 Statements of Trustor and Beneficiary.

Trustor and/or Beneficiary shall, within ten (10) days after written notice thereof from the other party, deliver a written statement stating to the best of its knowledge the unpaid principal of and interest on the Loan and any other amounts secured by this Deed of Trust, and stating whether any offset or defense exists against such principal and interest or such other amounts.

## 5.4 Reconveyance by Trustee.

Upon written request of Beneficiary stating that all Obligations have been satisfied in full or forgiven in accordance with the Loan Documents, and upon surrender of this Deed of Trust and any promissory note or contract evidencing the Loan including, but not limited to, the Note, the Loan Agreement, to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or to the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

## 5.5 Notices.

All notices, requests and demands to be made hereunder to the parties hereto shall be in writing and shall be delivered by overnight courier service or sent by certified mail, return receipt requested, postage prepaid, through the United States Postal Service, or personally delivered to the addressees shown below or such other addressees which the parties may provide to one another in accordance herewith. Such notices, requests and demands, if sent by mail, shall be deemed given two (2) days after deposit in the United States mail, and if delivered by overnight courier service or personally delivered, shall be deemed given when delivered.

To Beneficiary:      City of Flagstaff  
                                 211 W. Aspen Avenue  
                                 Flagstaff, Arizona 86001  
                                 Attn: \_\_\_\_\_

With a copy to: City of Flagstaff  
211 W. Aspen Avenue  
Flagstaff, Arizona 86001  
Attn: Legal Department

To Trustor: Lone Tree Ranch, L.P.  
c/o Lincoln Avenue Communities  
401 Wilshire Blvd., 11<sup>th</sup> Floor  
Santa Monica, CA 90401  
Attention: Ben Taylor, Matthew Klein and Russell Condas

with a copies to: Lincoln Avenue Capital LLC  
680 5th Avenue, 17th Floor  
New York, NY 10019  
Attention: Hanna Jamar  
Email: hanna@lincolnavcap.com

And: Cohen Liuzzo PLLC  
88 Pine Street, Suite 1430  
New York, NY 10005  
Attention: Eleor Cohen, Esq. and Anthony Bargnesi, Esq.  
Email: ecohen@cohenliuzzo.com and abargnesi@cohenliuzzo.com

And: [BORROWER'S LIHTC INVESTOR AND SENIOR LENDER]

And: [BORROWER'S SENIOR LENDER]

5.6 Acceptance of Trustee.

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by applicable law.

5.7 Captions and References.

The headings at the beginning of each section of this Deed of Trust are solely for convenience and are not part of this Deed of Trust. Unless otherwise indicated, each reference in this Deed of Trust to a section or an exhibit is a reference to the respective section herein or exhibit hereto.

5.8 Invalidity of Certain Provisions.

If any provision of this Deed of Trust is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any of the Trust Estate, the unsecured or partially secured portion of the indebtedness shall be completely paid prior to the payment of the remaining and secured or

partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the indebtedness which is not secured or fully secured by the lien of this Deed of Trust.

5.9 Subrogation.

To the extent that proceeds of sums secured hereby are used to pay any outstanding lien, charge or prior encumbrance against the Trust Estate, such sums have been or will be deemed advanced by Beneficiary at Trustor's request, and Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

5.10 Attorneys' Fees.

If any or all of the Obligations are not paid when due or if an Event of Default occurs, Trustor agrees to pay all actual, reasonable out-of-pocket costs of enforcement and collection and preparation therefor (including, without limitation, reasonable attorneys' fees) whether or not any action or proceeding is brought (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings, whether at the trial or appellate level), together with interest thereon from the date of demand at the Agreed Rate.

5.11 Governing Law.

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Arizona, without giving effect to conflict of laws principles.

5.12 Joint and Several Obligations.

If this Deed of Trust is signed by more than one party as Trustor, all obligations of Trustor herein shall be the joint and several obligations of each party executing this Deed of Trust as Trustor.

5.13 Number and Gender.

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter gender and vice versa, if the context so requires.

5.14 Loan Statement Fees.

Trustor shall pay the amount demanded by Beneficiary or their authorized loan servicing agents for any statement regarding the Obligations, provided, however, that such amount may not exceed the maximum amount allowed by applicable law at the time request for the statement is made.

5.15 Counterparts.

This document may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to form one physical document, which may be recorded.

5.16 Status of Title.

Trustor represents and warrants that it is the lawful owner of the Trust Estate and Premises and Improvements free and clear of all Liens and Encumbrances, subject only to the Permitted Encumbrances, and that Trustor has full right, power and authority to convey and mortgage the same and to execute this Deed of Trust.

5.18 Integration.

The Loan Agreement and other Loan Documents relating to the Loan contain the complete understanding and agreement of Trustor and Beneficiary and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations with respect to the subject matter thereof. In the event of any conflict between this Deed of Trust and the Loan Agreement this Deed of Trust shall be deemed to be controlling.

5.19 Binding Effect.

The Loan Documents will be binding upon, and inure to the benefit of, Trustor, Trustee, Beneficiary, and their respective successors and assigns. Trustor may not delegate its obligations under the Loan Documents.

5.20 Time of the Essence.

Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor.

5.21 Survival.

The representations, warranties, and covenants of Trustor contained in the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of the Loan.

5.22 Limitation of Liability.

Section 12(u) of the Loan Agreement is incorporated herein by reference with the same force and effect as if set forth herein in its entirety.

5.23 Non-Recourse.

Neither Trustor nor any member of Trustor shall have any personal liability for the performance of Trustor's obligations hereunder, including any amounts payable hereunder, it being understood that Beneficiary's sole recourse shall be to the Trust Estate.

#### 5.24 Subordination of First Mortgage

The Beneficiary hereby acknowledges and agrees that this Deed of Trust shall be subject and subordinate in all respects to the mortgages securing the First Mortgage Loan (as defined in the Loan Agreement). Notwithstanding anything contained herein to the contrary, so long as the note evidencing the First Mortgage Loan is outstanding, the Beneficiary hereby covenants and agrees that it shall not, without the consent of the First Mortgagee (as defined in the Loan Agreement), (i) exercise any rights or remedies it may have against the Trustor pursuant to this Deed of Trust, including, but not limited to, accelerating the Obligations, collecting rents, exercising the power of sale, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies hereunder, notwithstanding that Beneficiary may declare a default; (ii) join with any other creditor in commencing any bankruptcy reorganization arrangement, insolvency or liquidation proceedings with respect to the Trustor or (iii) modify the terms of this Deed of Trust without the prior written consent of the First Mortgagee.

#### 5.26 Regulatory Agreement

Trustor hereby covenants and agrees that the Improvements shall be constructed in substantial accordance with the United States Housing Act of 1937, as amended, and related Federal regulations.

[signature page follows]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

**LONE TREE RANCH, L.P.,**  
an Arizona limited partnership

By: Fairview Lone Tree LLC, a Delaware  
limited liability company, its general partner

By: Fairview Housing Partners Ltd, a Delaware  
non-stock corporation, its sole member

By: \_\_\_\_\_

Name: Thom Amdur

Title: Executive Director

#### ACKNOWLEDGMENT

STATE OF \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

This Declaration was signed and acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2026, by Thom Amdur, as Executive Director of Fairview Housing Partners Ltd., the sole member of Fairview Loan Tree LLC, the general partner of the Project Owner and pursuant to authority given to him by the Project Owner. He is personally known to me or has produced \_\_\_\_\_ as identification.

In witness whereof I hereunto set my hand and official seal.

\_\_\_\_\_  
NOTARY PUBLIC

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

## **EXHIBIT A**

### **Property Description**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COCONINO, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Tracts "B", "C" and "D" as shown on the plat for Woods at Clear Creek as recorded in Case 8, Map 25, records of Coconino County, Arizona.

## **EXHIBIT B**

All of the following described estate, property and interest of Trustor now or hereafter acquired, together with all cash and noncash proceeds thereof, and all modifications, extensions, renewals and replacements thereof, in, on, at, or related to an apartment complex known as Lone Tree Ranch Apartments located at the northeast corner of Pine Knoll Drive and Lone Tree Road in, Flagstaff, Arizona:

### **A. Premises**

All of the Trustor's interest in that certain real property located in the City of Flagstaff, County of Coconino, State of Arizona, and more particularly described on Exhibit A attached to this Deed of Trust, all interests, estates or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Premises; all easements, rights-of-way and other rights now owned or hereafter acquired used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same; all minerals and mineral rights on, under or related to the Property; all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Premises and any and all sidewalks, alleys and strips and gores or land adjacent to or used in connection with the Premises;

### **B. Improvements**

Trustor's interest in any and all buildings and improvements now or hereafter located on the Premises, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other personal property attached to such buildings and improvements;

### **C. Personal Property**

All right, title and interest of Trustor in and to all tangible personal property now owned or hereafter acquired by Trustor and now or at any time hereafter located on or at the Premises or used solely in connection therewith, including, but not limited to: all building materials stored on or at the Premises, goods, machinery, tools, equipment (including fire sprinklers and alarm systems, air conditioning, heating and refrigerating equipment, medical equipment, equipment for electronic monitoring, entertainment, recreation, window or structural cleaning, maintenance, exclusion of vermin or insects, removal of dust, refuse or garbage and all other equipment of every kind), lobby and all other indoor and outdoor furniture (including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets), wall beds, wall safes, furnishings, appliances (including dishwashers, garbage disposal units, refrigerators, fans, heaters, stoves, water heaters and incinerators), inventory, rugs, carpets and other floor coverings, draperies and drapery rods and brackets, awnings, window shades, venetian blinds, curtains, lamps, chandeliers and other lighting fixtures and maintenance and other supplies;

D. Intangibles

All of Trustor's interest in all existing and future accounts, contract rights, general intangibles, files, books of account, agreements, permits, licenses, plans and specifications, drawings, warranties, guarantees and certificates necessary or desirable in connection with the acquisition, ownership, leasing, construction, operation, servicing or management of the Premises, whether now existing or entered into or obtained after the date hereof, the nonexclusive use of all existing and future names under or by which the Premises or any portion thereof may at any time be operated or known, all rights to carry on business under any such names or any variant thereof, and all existing and future telephone numbers and listings, advertising and marketing materials, trademarks and goodwill in any way relating to the Premises or any portion thereof; and

E. Claims and Awards

All the estate, interest, right, title, other claims or demands, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire in the Premises, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Premises, including, without limitation, any awards from a change of grade of streets and awards for severance damages;

F. Rents

All rents, issues, profits, damages, royalties, income and other benefits now or hereafter derived from the Premises and the Improvements; and

G. Leases

All right, title and interest of Trustor in and to all leases or subleases covering the Premises or the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder including, without limitation, all rights of Trustor against guarantors thereof, all cash or security deposits, advance rentals, and deposits or payments of similar nature.

**EXHIBIT C**  
**PERMITTED ENCUMBRANCES**

[Schedule B-II from Final Owner's Policy to be attached]