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AND WHEN RECORDED MAIL TO:

Shasta County Department of Housing
and Community Action Agency
1450 Court Street Suite 108
Redding, CA 96001

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GOVERNMENT CODE §§6103, 27383

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APN: 005-060-058, 005-060-059, 005-060-025, 005-060-053

DEED OF TRUST WITH ASSIGNMENT OF RENTS

(Deferred Payment Loan)

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS (the “**Deed of Trust**”) is made this ____ day of November, 2017, by the City of Shasta Lake Housing Authority, a public body corporate and politic (“**Trustor**”) to First American Title Insurance Company (“**Trustee**”), for the benefit of the COUNTY OF SHASTA, a political subdivision of the State of California (“**Beneficiary**”).

Trustor hereby irrevocably GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST FOR THE BENEFIT OF BENEFICIARY, WITH POWER OF SALE, the property located in the City of Shasta Lake, Shasta County, California, known as Shasta County Assessor's Parcel No. 005-060-058 and more particularly described in Exhibit A attached hereto and incorporated herein by reference (the “**Land**”), together with all improvements now or hereafter located thereon (“**Improvements**”), all appurtenances and easements used in connection with the Land or the Improvements, all water and water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant) used in connection with the Land or the Improvements, and all fixtures, equipment, and articles of personal property now or hereafter attached to, or used in connection with the Land or the Improvements, including replacements thereof and additions thereto, (all of the foregoing, collectively, the “**Property**”) TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the assignment, as hereinafter set out, to Beneficiary of the rents and profits.

This Deed of Trust secures repayment of a Loan provided by Beneficiary to Veterans Housing Development Corporation, a California Nonprofit Corporation (“**Borrower**”) in the original principal amount of Two Hundred Forty-Eight Thousand Dollars (\$248,000) (the “**Loan**”). Borrower's obligation to repay the Loan is evidenced by a Loan Agreement and

Promissory Note Secured by Deed of Trust, dated as of the date hereof and executed by Borrower and Beneficiary (the “**Note**”). Trustor will derive a material benefit from the funding of the Loan.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES THAT TRUSTOR SHALL, OR SHALL CAUSE BORROWER:

- (1) A. To protect and preserve the Property and to maintain it in good condition and repair;
- B. Not to remove, demolish or materially alter any improvement without the consent of Beneficiary.
- C. To the extent that insurance proceeds are available, and subject to the rights of senior lienholders reasonably approved by Beneficiary, to complete or restore promptly and in good workmanlike manner any improvement that may be damaged or destroyed and pay when due all costs incurred therefore; and to comply with all of the terms of any building loan agreement between Trustor and Beneficiary;
- D. Not to commit or permit waste of the Property;
- E. To comply with all laws, covenants, conditions or restrictions affecting the Property;
- F. To cultivate, irrigate, fertilize, fumigate, prune and do all other acts that from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general;
- G. To provide and maintain fire, and other insurance as required by Beneficiary, satisfactory to and with loss payable to Beneficiary as its interests may appear, but subject to the rights of senior lienholders reasonably approved by Beneficiary, and to deliver to Beneficiary certificates evidencing all required insurance policies;
- H. 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 should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and reasonable attorneys’ fees incurred by Beneficiary or Trustee;
- I. To pay prior to delinquency all taxes, assessments, and charges affecting the Property including but not limited to any water stock and water rights payments;
- J. To pay when due all encumbrances, charges and liens on the Property, that at any time appear to be prior or superior hereto;
- K. To pay all costs, fees and expenses of Beneficiary and Trustee in connection with

enforcement of this Deed of Trust;

(2) If Trustor or Borrower fails to make any payment or to do any act required to be performed by Trustor or Borrower as herein provided, then without notice to or demand upon Trustor or Borrower except as provided below, and without releasing Trustor or Borrower from any obligation hereunder, Beneficiary or Trustee, shall have the right, but not the obligation to:

A. 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 the Property for such purpose; provided however, Beneficiary shall provide Trustor and Borrower with at least 90 days' prior written notice and a right to cure before undertaking such action.

B. Commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee;

C. Pay, purchase, contest, or compromise any encumbrance, charge or lien that is senior in priority to this Deed of Trust; provided however, Beneficiary shall provide Trustor and Borrower with at least 30 days' prior written notice and a right to cure before making such payment or undertaking such action; and

D. In exercising the foregoing powers, expend whatever amounts in the Beneficiary's or Trustee's reasonable discretion may be deemed necessary therefor, including cost of evidence of title, and reasonable attorneys' fees.

(3) All sums expended hereunder by Beneficiary or Trustee shall be payable upon demand with interest from date of expenditure at the rate of interest set forth in the Note, and payment of all such sums shall be secured by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

(1) Subject to the rights of senior lienholders reasonably approved by Beneficiary, if the Property or any part thereof is taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, earthquake, or in any manner, Trustor hereby absolutely and irrevocably assigns to Beneficiary all compensation, awards and other payment or relief therefore and Beneficiary shall be entitled at Beneficiary's option to commence, appear and prosecute in Beneficiary's own name, any action or proceedings, or to make any compromise or settlement in connection with such taking or damage. Subject to the rights of senior lienholders reasonably approved by Beneficiary, all such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting the Property, so assigned, after deduction of Beneficiary's expenses, including attorneys' fees, are to be applied on any indebtedness secured hereby.

(2) By accepting payment of any sum secured hereby after the payment due date, Beneficiary

does not waive Beneficiary's right to require prompt payment when due of all other sums so secured.

(3) Without affecting (i) the liability of any person, including Borrower for the payment of any indebtedness secured hereby, or (ii) the lien of this Deed of Trust upon the Property for the full amount of the indebtedness remaining unpaid (excepting only any person or property expressly released by Beneficiary), Beneficiary may from time to time and without notice (a) release any person liable for payment of any of the indebtedness; (b) extend the time of payment or otherwise alter the terms of any of the indebtedness; (c) accept additional security therefor of any kind, including trust deeds or mortgages; (d) alter, substitute or release any property securing the indebtedness.

(4) Upon written request of Beneficiary, payment of Beneficiary's fees and presentation of this Deed of Trust (and in case of full reconveyance, the Note for cancellation), without affecting the liability of any person for the payment of the indebtedness, Trustee or Beneficiary, as applicable, may at any time (a) consent to the making of any map or plat of the Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; or (d) reconvey, without warranty, all or any part of the Property. The grantee in any reconveyance may be described as the person or persons legally entitled thereto, and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof.

(5) Upon written request of Beneficiary stating that all of the obligations secured hereby have been paid in full, and upon surrender of this Deed of Trust, and the Note, Trustee shall reconvey, without warranty, the Property or so much of it as is then held under this Deed of Trust. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor shall pay all fees of Trustee and all recordation fees related to such reconveyance.

(6) Trustor hereby absolutely assigns to Beneficiary during the continuance of this trust, all rents, issues, royalties and profits of the Property affected by this Deed of Trust and of any personal property located thereon. Until Trustor or Borrower defaults in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor and Borrower have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable, save and excepting rents, issues, royalties and profits arising or accruing by reason of any oil, gas or mineral lease of said Property. However, if Trustor or Borrower defaults, Trustor's and Borrower's right to collect any of such moneys shall cease and Beneficiary shall have the right, without taking possession of the Property, to collect all rents, royalties, issues and profits. Failure or discontinuance of Beneficiary at any time, or from time to time to collect any such monies shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Deed of Trust to, any such tenancy, lease or option.

(7) If Trustor defaults hereunder Beneficiary may at any time upon the expiration of all applicable notice and cure periods, 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 secure, enter upon and take possession of the Property or any part thereof, in Beneficiary's own name sue for or otherwise collect said rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine, or release any of the same.

(8) The entering upon and taking possession of the Property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Property and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(9) If Trustor or Trustor's successors in interest, without Beneficiary's written consent, sell, transfer, or convey, or permit to be sold, transferred or conveyed, by agreement for sale or in any other manner, Trustor's interest in the Property (or any part thereof), then Beneficiary may declare all sums secured hereby immediately due and payable. This provision shall apply to each and every sale, transfer or conveyance, regardless whether or not hereunder, whether by action or non-action, in connection with any previous sale, transfer, or conveyance, whether one or more.

(10) If Trustor or Borrower defaults hereunder, notwithstanding any other provisions hereof, upon delivery of at least 90 days' notice to Trustor and Borrower (or such longer period as may be required by statute), Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be duly filed for record.

(11) After the lapse of such time as may then be required by law following the recording of said notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by the Trustee (but subject to any statutory right of Trustor to direct the order in which such Property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder for cash in lawful money or the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Any person including the Trustor, Borrower, Trustee, or Beneficiary, may purchase at the sale. Trustee shall execute and deliver to the purchaser a deed conveying the Property so sold, but without any covenant of warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Nothing in this Deed of Trust is intended to or shall operate as a waiver of any statutory reinstatement or other rights of Trustor or Borrower.

(12) Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its date and place of record, which when recorded in the office of the Shasta County Recorder, shall be conclusive proof of proper appointment of the successor trustee.

(13) The pleading of any statute of limitations as a defense to any and all obligations secured by the Deed of Trust is hereby waived, to the full extent permissible by law.

(14) This Deed of Trust shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors and assigns of the parties hereto. All obligations of Trustor hereunder are joint and several. The term Beneficiary means the owner and holder, including pledges, of the Note, whether or not named as beneficiary herein.

(15) Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee 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 shall be a party, unless brought by Trustee.

(16) This Deed of Trust shall be construed according to the laws of the State of California.

(17) For any statement regarding the obligations secured hereby, Beneficiary may charge the maximum amount permitted by law at the time of the request therefore.

FOR THE PURPOSE OF SECURING:

(1) Payment in the sum of \$248,000.00 with interest thereon according to the terms of the Note, and any extensions or renewals thereof;

(2) Performance of each agreement of Trustor and Borrower herein contained;

(3) Payment of any and all obligations now or hereafter owing from Trustor or Borrower to Beneficiary and stated to be secured by this Deed of Trust, whether such obligation be (a) joint or several; (b) direct, indirect or contingent; (c) payable to or otherwise acquired by Beneficiary; or (d) evidenced by a promissory note or otherwise.

Notices. The Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to the Trustor at the following address: 1650 Stanton Drive • Shasta Lake, CA 96019 with a copy to Borrower at: P.O Box 9007, Santa Rosa, CA 95406.

Non-Borrower Trustor. Trustor is not an obligor under the Note. Trustor authorizes Beneficiary to modify, extend, or renew the Note without Trustor's consent and without affecting Beneficiary's rights or Trustor's obligations under this Deed of Trust. Trustor shall have the right, but not the obligation, to cure any default of Borrower under the Note.

SIGNATURES ON FOLLOWING PAGE.

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

TRUSTOR:

City of Shasta Lake Housing Authority, a public body corporate and politic

By: _____

Print Name: _____

Title: _____

ACKNOWLEDGEMENT:

Borrower hereby acknowledges and agrees to the terms set forth in the foregoing Deed of Trust.

Veterans Housing Development Corporation

By: _____

Print Name: _____

Title: _____

Exhibit A

Real property in the City of Shasta Lake, County of Shasta, State of California, described as follows:

PARCEL ONE:

PARCEL A AS DESCRIBED IN THAT CERTAIN PROPERTY LINE ADJUSTMENT NO. 08-07 RECORDED SEPTEMBER 18, 2008 AS INSTRUMENT NO. 2008-0031928 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF BLOCK 7 OF ASHBY SUBDIVISION UNIT NO. 1 AS SHOWN IN BOOK 5 OF MAPS AT PAGE 31, SHASTA COUNTY RECORDS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 20, THENCE ALONG THE NORTH BOUNDARY OF LOTS 20, 19, AND 18, N87°58'20"W, 100.13' TO A POINT WHICH BEARS N87°58'20"W, 10.00' FROM THE NORTHEAST CORNER OF LOT 18; THENCE LEAVING THE NORTH BOUNDARY OF LOT 18, S0°00'00"E, 140.00' TO A POINT ON THE SOUTH BOUNDARY OF LOT 18 WHICH BEARS N87°58'20"W, 10.00' FROM THE SOUTHEAST CORNER OF LOT 18; THENCE ALONG THE SOUTH BOUNDARY OF LOTS 18, 19, AND 20, S87°58'20"E, 100.13' TO THE SOUTHEAST CORNER OF LOT 20; THENCE ALONG THE EAST BOUNDARY OF LOT 20, N0°00'00"E, 140.00' TO THE POINT OF BEGINNING; TOGETHER WITH THOSE PORTIONS OF BLOCK 7 WITHIN ADJACENT STREETS AND ALLEYS WHICH WOULD PASS BY CONVEYANCE OF SAID LOTS PURSUANT TO SECTION 1112 OF THE CIVIL CODE.

PARCEL TWO:

PARCEL B AS DESCRIBED IN THAT CERTAIN PROPERTY LINE ADJUSTMENT NO. 08-07 RECORDED SEPTEMBER 18, 2008 AS INSTRUMENT NO. 2008-0031928 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IN THAT PORTION OF BLOCK 7 OF ASHBY SUBDIVISION UNIT NO. 1 AS SHOWN IN BOOK 5 OF MAPS AT PAGE 31, SHASTA COUNTY RECORDS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH BOUNDARY OF LOT 18, WHICH BEARS N87°58'20"W, 10.00' FROM THE NORTHWEST CORNER OF LOT 18, THENCE ALONG THE NORTH BOUNDARY OF LOTS 17 AND 18, N87°58'20"W, 70' TO THE NORTHWEST CORNER OF LOT 17; THENCE ALONG THE WEST BOUNDARY OF LOT 17; THENCE ALONG THE SOUTH BOUNDARY OF LOTS 17 AND 18, S87°58'20"E 70.00' TO A POINT WHICH BEARS N87°58'20"W, 10.00' FROM THE SOUTHEAST CORNER OF LOT 18; THENCE LEAVING THE SOUTH BOUNDARY OF LOT 18, N0°00'00"E, 140.00' TO THE POINT OF BEGINNING; TOGETHER WITH THOSE PORTIONS OF BLOCK 7 WITHIN ADJACENT STREETS AND ALLEYS WHICH WOULD PASS BY CONVEYANCE OF SAID LOTS PURSUANT TO SECTION 1112 OF THE CIVIL CODE.

PARCEL THREE:

LOT 15, IN BLOCK 7 OF ASHBY SUBDIVISION #1 AS PER MAP FILED SEPTEMBER 1, 1938 IN BOOK 5 OF MAPS AT PAGE 31, SHASTA COUNTY RECORDS, TOGETHER WITH THAT PORTION OF BLOCK 7 SHOWN AS A 20 FOOT WIDE ALLEY LYING ADJACENT TO THE ABOVE DESCRIBED LOT WHICH WOULD PASS A CONVEYANCE OF SAID LOT PURSUANT TO SECTION 112 OF THE CIVIL CODE.

PARCEL FOUR:

LOT 16, IN BLOCK 7 OF ASHBY SUBDIVISION UNIT #1 AS PER MAP FILED SEPTEMBER 1, 1938 IN BOOK 5 OF MAPS AT PAGE 31, SHASTA COUNTY RECORDS.

TOGETHER WITH THAT PORTION OF BLOCK 7 SHOWN AS A 20 FOOT WIDE ALLEY LYING ADJACENT.