

**CITY CLERK  
ORIGINAL**

OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL  
ELECTRONIC RECORDING  
20120569646,06/29/2012 09:07,  
C78782-14-1-1--,N

When recorded, mail to:  
CITY OF GLENDALE  
Neighborhood Revitalization  
5850 W. Glendale Avenue, Suite 107  
Glendale, AZ 85301

**C-7878-2  
12/15/2011**

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
PHYSICAL IMPROVMENTS PROJECTS  
DEED OF TRUST AND ASSIGNMENT OF RENTS**

DATE:

*December 15, 2011*

TRUSTOR:  
ADDRESS:

A New Leaf, Inc.  
868 East University Drive  
Mesa, AZ 85203

BENEFICIARY:  
ADDRESS:

**City of Glendale  
5850 West Glendale Avenue Suite 107  
Glendale, Arizona 85301**

TRUSTEE:  
ADDRESS:

City of Glendale  
5850 West Glendale Avenue Suite 107  
Glendale, AZ 85301

## DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST AND ASSIGNMENT OF RENTS is made this 15th day of December, 2011, among the Trustor(s), A New Leaf, Inc. ("Borrower or Trustor"), and the City of Glendale, a municipal corporation ("Beneficiary"), whose address is 5850 West Glendale Avenue, Suite 107, Glendale, Arizona 85301.

Borrower, in consideration of the indebtedness herein recited and the Deed of Trust and Assignment of Rents ("Deed of Trust") created herein, irrevocably grants and conveys to Trustee City of Glendale ("Trustee"), in trust with power of sale, the following described address located in the City of Glendale, Maricopa County, State of Arizona which has the address of 8581-B North 61 Avenue, Glendale, Arizona 85302 ("Property Address").

### **SEE EXHIBIT "A" ATTACHED HERETO FOR LEGAL DESCRIPTION**

Said Deed of Trust is second and subsequent in lien to a First Deed of Trust recording concurrently herewith in favor of the first lien holder, A New Leaf, Inc., an Arizona non-profit corporation in the amount of \$83,402.00.

TOGETHER with all the improvements now and hereafter erected on the property, and all easements, rights, appurtenances and rents (subject however to the rights and authorities given herein to the Beneficiary to collect and apply such rents), all of which shall be deemed to be and remain part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are hereinafter referred to as the "Property";

TO SECURE to the Beneficiary the repayment of the indebtedness evidenced by Borrower's promissory note, dated the 15<sup>th</sup> of December, 2011 and extensions and renewals thereof (herein "Note"), in the principal sum of Eighty-Three Thousand, Four Hundred Two Dollars and 00/100 (\$83,402.00), with zero interest thereon, if any, the full balance payable to Beneficiary as provided hereinafter, if not sooner paid, which shall become immediately due and payable if all or any part of the Property or any interest in it is sold, refinanced, conveyed or transferred (or if a beneficial interest in Borrower is sold, rented, refinanced, conveyed or transferred and Borrower is not a natural person), (each of which is called a "Transfer") without the prior written consent of Beneficiary; the payment of all other sums, with default interest thereon, if any, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that the Borrower's subject property is unencumbered except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

## UNIFORM COVENANTS

Borrower and Beneficiary covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note. If payment of the indebtedness is required due to a Sale of the Property where the purchase price is equal to or less than the Acquisition Cost of the Property, assuming an open and competitive sale, then repayment shall be made in the following order and amount:

- A. Outstanding principal and interest balance of the primary lender's loan;
- B. Borrower's net down-payment investment and normal cost of sale (3% minus closing costs/fees);
- C. Accrued simple interest on the principal amount of the Beneficiary's loan at the interest rate and the terms contained in the Promissory Note;
- D. The principal amount of the Beneficiary's loan; and
- E. Any remainder to Borrower.

2. **Funds for Taxes and Insurance.** To protect the security of the Deed of Trust, Borrower agrees to pay, at least ten (10) days before delinquency, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; and all costs, fees and expenses of this Deed of Trust.

Should Borrower fail to make any payment or to do any act as herein provided, then Beneficiary, without obligation to do so and without notice to or demand upon Borrower and without releasing Borrower from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights powers or Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrances, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his/her reasonable fees.

3. **Application of Permits.** Unless applicable law provides otherwise, all payments received by Beneficiary under section 1 and 2 shall be applied; first, to any prepayment charges due under the Note; second, to amounts payable under section 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Prior Mortgages and Deeds of Trust; Charges, Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

5. **Hazard Insurance.** Borrower shall keep the improvement(s) now existing or hereinafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Beneficiary may require and in such amounts and for such periods as Beneficiary may require.

The insurance carrier providing the insurance shall be chosen by the Borrower subject to approval by Beneficiary; provided, that such approval will not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Beneficiary and shall include a standard mortgage clause in favor of and inform acceptable to Beneficiary. Beneficiary has the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Beneficiary. Beneficiary may make proof of loss if not made promptly by Borrower.

If Property is abandoned by Borrower, or if Borrower fails to respond to Beneficiary within thirty (30) days from the date notice is mailed by Beneficiary to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

6. **Preservation and Maintenance of Property, Condominium, Cooperatives, Planned Unit Developments.** Borrower will keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall maintain property including the principle house, garage and out buildings as well as lawn/landscape maintenance, and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants, conditions and restrictions, creating or governing the condominium, planned unit development the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. **Protection of Beneficiary Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action of proceeding is commenced which materially affects Beneficiary's interest in the Property, then Beneficiary, at Beneficiary's option, upon notice to Borrower, may make such appearances, disburse such sums including reasonable attorney's fees, and take such action as is necessary to protect Beneficiary's interest. If the Beneficiary required mortgage insurance as a condition of making the loan secured by this

Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Beneficiary's written agreement or applicable law.

Any amounts disbursed by Beneficiary pursuant to this Paragraph, with interest thereon, at the original Note rate, will become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Beneficiary agree to other terms of payment, such amounts will be payable upon notice from Beneficiary to Borrower requesting payment thereof. Nothing contained in this Paragraph will require Beneficiary to incur any expense or take any action hereunder.

8. **Inspection.** Beneficiary may make or cause to be made reasonable entries upon and inspections of the Property, provided that Beneficiary will give the Borrower notice prior to any such inspection specifying reasonable cause therefore related to Beneficiary's interest in the Property.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

10. **Borrower Not Released; Forbearance by Beneficiary Not a Waiver.** Extension of the time for payment or modification of payment of the sums secured by this Deed of Trust granted by Beneficiary to any successor-in-interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Beneficiary shall not be required to commence proceedings against such successor or to extend time or payment or otherwise modify payment of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any such right or remedy.

11. **Successors and Assigns Bound, Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective Successors and Assigns, hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signed this Deed of Trust, but does not execute the Note:

- A. Is co-signing this Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under the terms of this Deed of Trust;
- B. Is not personally liable to the Note or under this Deed of Trust; and

- C. Agrees that the Beneficiary and any other Borrower hereunder may agree to extend, modify, forbear or make any other accommodations with regard to the terms of this Deed of Trust or the Note, without that Borrower's consent and without releasing that Borrower or Modifying this Deed of Trust as to that Borrower's interest in the Property.

12. **Notice.** Except for any notice required under applicable law to be given in another manner, any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail, addressed to Borrower at the Property address or such other address as Borrower may designate by notice to Beneficiary as provided herein, and

- A. Any notice to Beneficiary will be given by certified mail, return receipt requested, to Beneficiary address stated herein or to such other address as Beneficiary may designate by notice to Borrower as provided herein.
- B. Any Notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Beneficiary when given in the manner designated herein.

13. **Governing Law, Severability.** The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Deed of Trust. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law of limited herein.

14. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and This Deed of Trust at the time of execution or after recordation hereof.

15. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold, rented, refinanced, conveyed or transferred (or if a beneficial interest in Borrower is sold, rented, refinance, conveyed or transferred and Borrower is not a natural person), the full loan balance, as hereafter defined, in the Property shall be shared between the Borrower and the Beneficiary on the following basis:

## NON-UNIFORM COVENANTS

Borrower and Beneficiary further covenant and agree as follows:

**16. Acceleration, Remedies.** Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, and those contained in paragraph 17 hereof, the Beneficiary, prior to acceleration, shall give notice to Borrower as provided in Paragraph 12 hereof specifying:

- A. The breach;
- B. The action required to cure such breach;
- C. A date, not less than ten (10) days from the date the notice is mailed to Borrower, by which such breach must be cured; and
- D. That failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property.

The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration of sale. If the breach is not cured on or before the date specified in the notice, Beneficiary, at Beneficiary's option, may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Paragraph 17, including, but not limited to, reasonable attorney's fees.

If Beneficiary invokes power of sale, Beneficiary shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Beneficiary's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Beneficiary or Trustee shall mail copies of such notice in the manner prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Beneficiary or Beneficiary's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima

facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order:

- A. To all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees and costs of title evidence;
- B. To all sums secured by this Deed of Trust; and
- C. The excess, if any, to the person or persons legally entitled thereto.

**17. Borrower's Right to Reinstate.** Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if:

- A. Borrower pays Beneficiary all sums, which would be then due under this Deed of Trust, and the Note, had no acceleration occurred;
- B. Borrower cures all breaches of any other covenants or agreements of Borrower contained in the Deed of Trust;
- C. Borrower pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided in Paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and
- D. Borrower takes such action as Beneficiary may reasonably require to assured that the lien of this Deed of Trust, Beneficiary's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired.

Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

**18. Assignment of Rents; Appointment of Receiver; Beneficiary in Possession.** As additional security hereunder, Borrower hereby assigns to Beneficiary the rents of the Property, provided that Borrower shall, prior to any default by Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder, have the right to collect and retain such rents as they become due and payable.

Upon any such default, the Beneficiary, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to

collect the rents of the property including those past due. All rents collected by Beneficiary or the receiver shall be applied first to payment of the cost of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust, Beneficiary and the receiver shall be liable to account only for those rents actually received. The entering upon and taking possession of said property and 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 pursuant to such notice.

19. **Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property and will surrender this Deed of Trust and all Notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

20. **Substitute Trustee.** The Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Beneficiary and recorded in the office of the Recorder of the county where the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this instrument is recorded and the name and address of the successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

21. **Request for Notices.** Borrower requests that copies of the Notice of Default and Notice of Sale be sent to Borrower's address, which is the Property Address. Beneficiary requests that copies of notices of foreclosures from the holder of any lien which has priority over this Deed of Trust be sent to Beneficiary's address, as set forth on Page One of this Deed of Trust as provided by Section 2942b of the Civil Code of Arizona.

22. **Deed of Trust Rider.** The Deed of Trust Rider executed by Borrower is attached and made part of this Deed of Trust.

23. **Covenants, Conditions and Restrictions.** The Property is subject to Covenants, Conditions and Restrictions ("Restrictions") between the Beneficiary and the Borrower, that are not attached hereto but are incorporated by reference. Borrower acknowledges receipt of said Restrictions and agrees for him/her self/ his/her heirs, successors and assigns to be bound the same.

24. **Warranties of Borrower.** Borrower warrants to Beneficiary that:

- A. Borrower is a first-timer homebuyer; that is, s/he has not owned a home, or had any ownership interest in a home within a three-year period immediately preceding the date of this Deed of Trust, and
- B. That Borrower's annual gross income does not exceed eighty percent (80%) of the median income for the Glendale metropolitan area, as adjusted for family size, as said median income is determined by the HUD, on the latter of:
  - 1) The date of initial application to the City; or
  - 2) The date of the recordation of this Deed of Trust.
- C. That for so long as Borrower owns the Property, Borrower will reside in the Property as Borrower's principal place of residence. Borrower agrees not to sublet, lease or rent out the Property during the term of this Deed of Trust.

**25. Subordination.** The Beneficiary and Borrower acknowledge and agree that this Deed of Trust is subject to and will subordinate in all respects to the liens, terms, covenants, and conditions of the First Trust Deed and to all advances heretofore made or which may be hereafter be made pursuant to the First Trust Deed including all sums advanced for the purpose of:

- A. Protecting or further securing the lien of the First Trust Deed, curing defaults by the Borrower under the First Trust Deed or for any other purpose expressly permitted by the First Trust Deed; and
- B. Constructing, renovating, repairing, furnishing, fixturing or equipping the Property.

The terms and provisions of the First Trust Deed are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure of deed in lieu of foreclosure of the First Trust Deed, any provisions herein or any provision in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the Property. Any person, including his/her successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Trust Deed shall receive title to the property free and clear from such restrictions.

Further, if the Primary Lender acquired title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Deed of Trust shall automatically terminate upon the Primary Lender's acquisition of title, provided that:

- A. The Beneficiary has been given written notice of a default under the First Trust Deed; and
- B. The Beneficiary shall not have cured the default under the First Trust Deed, or diligently pursued curing the default as determined by the Primary Lender, within the sixty (60) day period provided in such notice sent to the Beneficiary.

The Beneficiary and Borrower further acknowledge and agree that this Deed of Trust will only subordinate for a rate and term refinance of the First Trust Deed at the discretion of the Beneficiary and shall not be subject to subordination for a cash out refinance, equity line of credit or any other such form of refinance as deemed inappropriate by the Beneficiary.

**26. Funds for Taxes and Insurance.** The Beneficiary will waive collection of impounds for taxes and assessment (including condominium, planned unit development and planned residential development assessments, if any). Borrower will make all payments for impounds to First Trust Deed holder.

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

- Transfer Rider
- 1-4 Family Rider
- Other(s) [specify]:
- Condominium Rider
- PUD Rider

*(Remainder of Page Intentionally Left Blank)*

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by Borrower and recorded with it.

*Luz Bojorquez*  
Borrower/Trustor

\_\_\_\_\_  
Borrower/Trustor

\_\_\_\_\_  
Borrower/Trustor

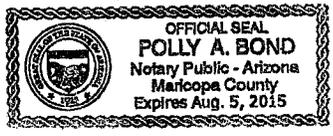
\_\_\_\_\_  
Borrower/Trustor

STATE OF ARIZONA     )  
  ) ss.  
County of Maricopa     )

SWORN AND SUBSCRIBED before me, this 15<sup>th</sup> day of December, 2011, by Luz Bojorquez, CFO, the Borrower who signed this Deed of Trust.  
A New Leaf, Inc.

*Polly A. Bond*  
Notary Public

My Commission Expires:  
August 5, 2015



**DO NOT RECORD THIS PAGE**

**REQUEST FOR RECONVEYANCE**

**TO TRUSTEE:** The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Dated: \_\_\_\_\_

**DO NOT LOSE OR DESTROY THIS DEED OF TRUST OR THE NOTE WHICH IT SECURES. BOTH MUST BE DELIVERED TO THE TRUSTEE FOR CANCELLATION BEFORE RECONVEYANCE WILL BE MADE.**

Exhibit A

Legal Description

Property Address: 8581-B North 61 Avenue

Parcel No.: 143-46-032-C

Property Description: N 250F OF W 242F OF FOL N2 OF N 20 AC OF TH PT SE 4 NE4 WH LIES S OF ST LI  
EXT PR PT ON E LI WH IS 257S OF NE COR SE 4 NE4 TO PT ON W LI SE4 NE4 WH  
IS 257 S OF NW COR SE4 NE4 EX W 25F RD

Section Township

Range: 31 3N 2E