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THE CITY OF ROSEVILLE
c/o City Clerk
311 Vernon Street
Roseville, CA 95678

DEED OF TRUST AND ASSIGNMENT OF RENTS
(CITY HOME LOAN)

THIS DEED OF TRUST is made as of _____, 20___, by and between the Trustor, ADVOCATES FOR MENTALLY ILL HOUSING, INC., a California non-profit, public benefit corporation, ("Borrower" or "Trustor"), whose address is P.O. Box 5216, Auburn, CA 95604; the Trustee, _____; and the Beneficiary, the CITY OF ROSEVILLE, a municipal corporation whose address is 311 Vernon Street, Roseville, California 95678 ("Lender," "Beneficiary" or "City").

Borrower, in consideration of the indebtedness described below and the trust created by this City HOME Deed of Trust, irrevocably grants and conveys to Trustee, in trust with power of sale, the property ("Property") located in the City of Roseville, County of Placer, State of California and described in **Exhibit A**, attached to and made a part of this City HOME Deed of Trust.

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject, however, to the rights and authorities given to Lender to collect and apply such rents), issues, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures, including but not limited to all gas and electric fixtures, engines and machinery, radiators, heaters, furnaces, heating equipment, steam and hot water boilers, stoves, ranges, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other plumbing and heating equipment, cabinets, mantels, refrigerating plant and refrigerators, whether mechanical or otherwise, cooking apparatus and appurtenances, furniture, shades, awnings, screens, blinds and other furnishings, now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this City HOME Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this City HOME Deed of Trust is on a leasehold) are herein referred to as the "Property;"

To secure to Lender (a) the repayment of the indebtedness evidenced by Borrower's HOME Promissory Note of even date herewith ("HOME Note"), in the principal sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000), or such lesser amount as shall equal the aggregate amount disbursed to Borrower or for Borrower's account by Lender, with interest, due and payable in accordance with the Home Note; and (b) the performance of the covenants and agreements of Borrower contained in this City HOME Deed of Trust, the City HOME Note, the City HOME Regulatory Agreement and the City HOME Loan Agreement of even date herewith ("HOME Loan Agreement") entered into by the Borrower and Lender regarding the Note and the Property.

Borrower represents and covenants that Borrower is lawfully seized of the estate conveyed by this

City HOME Deed of Trust and has the right to grant and convey the Property, and that Borrower will warrant and defend generally the title of the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal and interest, if any, on the indebtedness evidenced by the City HOME Note. All payments received by Lender under the City HOME Note shall be applied by Lender first to interest payable on the City HOME Note, if any, and thereafter to the unpaid principal of the City HOME Note.
2. Charges; Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property and leasehold payments or ground rents, if any, by Borrower making payment, when due, directly to the appropriate payee. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall pay when due any encumbrance, charge and lien, with interest in accordance with its terms, on the Property or any portion which are inferior or superior to this City HOME Deed of Trust.
3. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire or hazards under a policy approved by Lender and which provides "special form" coverage in an amount at least equal to the replacement value of the structure. In addition, Borrower shall insure against loss of all furniture, equipment and other personal property owned by Borrower related to Borrower's operation of the Property.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid by Borrower making payment, when due, directly to the insurance carrier, or in a manner agreed to by the Lender.

All insurance policies and policy renewals shall be written with loss payable to the Lender. Lender shall have the right to hold the policies and policy renewals, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this City HOME Deed of Trust is not hereby impaired. If such restoration or repair is not economically feasible or if the security of this City HOME Deed of Trust would be impaired, the insurance proceeds shall be applied to repay the sums secured by this City HOME Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of insurance proceeds to principal shall not extend or postpone the due date of any payment or change the amount of such payment. If under Section 17, the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and proceeds of such policies resulting from damage to the Property prior to the sale of acquisition shall pass to Lender to the extent of the sums secured by this City HOME Deed of Trust immediately prior to such sale or acquisition.

4. Liability Insurance. Borrower shall maintain premises liability insurance for the Property in a form and coverage approved by Lender. The insurance carrier shall be chosen by the Borrower subject to approval by the Lender; provided, that such approval shall not be unreasonably withheld. All premiums shall be paid by Borrower. Lender shall be named as an additional insured.

5. Preservation and Maintenance of Property. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment, demolition, or deterioration of the Property.

6. Protection of Lender's Security. Borrower shall appear in and defend any action or proceeding purporting to affect the security under this City HOME Deed of Trust or the rights of the Lender. If Borrower fails to perform the covenants and agreements contained in this City HOME Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, foreclosure, involuntary sale, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement or reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Section, with interest, shall become additional indebtedness of Borrower secured by this City HOME Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment, and shall bear interest from the date of disbursement at the highest rate permissible under applicable law. Nothing contained in this Section shall require Lender to incur any expense or take any action.

7. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower and occupants reasonable notice prior to any such inspection.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of all or any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a taking of all of the Property, the proceeds shall be applied to the sums secured by this City HOME Deed of Trust, subject to any claims of prior lienholders, with the excess, if any, paid to junior lienholders and Borrower, as they may determine. In the event of the partial taking of the Property, unless Borrower and Lender otherwise agree in writing, and subject to any claims of prior lienholders, there shall be applied to the sums secured by this City HOME Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this City HOME Deed of Trust immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to junior lienholders and Borrower, as they may determine.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this City HOME Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payment or change the amount of such payment.

9. Borrower Not Released. Extension of the time for payment of the sums secured by this City HOME Deed of Trust granted by Lender to Borrower or 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. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment by reason of any demand made by the original Borrower or Borrower's successors in interest.

10. Forbearance by Lender Not a Waiver. Any forbearance by Lender 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. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this City HOME Deed of Trust.

11. Remedies Cumulative. All remedies provided in this City HOME Deed of Trust are distinct and cumulative to any other right or remedy under this City HOME Deed of Trust, the City HOME Note, the City HOME Loan Agreement and the City HOME Regulatory Agreement (hereinafter "City HOME Loan Documents") or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements contained in this City HOME Deed of Trust shall bind, and the rights under this City HOME Deed of Trust shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this City HOME Deed of Trust are for convenience only and are not to be used to interpret or to define its provisions.

13. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at the address above, or at such other address as Borrower may designate by notice to Lender and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated above or to such other address as Lender may designate by notice to Borrower. Any notice provided for in this City HOME Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated.

14. Governing Law; Severability. This City HOME Deed of Trust shall be governed by the law of the State of California. In the event that any provision or clause of this City HOME Deed of Trust or the City HOME Note conflicts with applicable law, such conflict shall not affect other provisions of this City HOME Deed of Trust or the City HOME Note which can be given effect without the conflicting provision, unless expressly stated otherwise, and to this end the provisions of the City HOME Deed of Trust and the City HOME Note are declared to be severable.

15. Borrower's Copy. Borrower shall be furnished a conformed copy of the City HOME Note and of this City HOME Deed of Trust at the time of execution or after recordation hereof.

16. Transfer or Refinancing of the Property; Assumption. If all or any part of the Property or

an interest in the Property is sold, transferred, assigned, refinanced, conveyed or leased to any person (other than the rental of Project units to eligible residential tenant occupants), whether voluntarily or involuntarily, including the sale of any general or limited partnership interests, the removal of any general partner, or any substantial change in operational or management control over the Property (collectively referred to as "Transfers") in violation of the terms of the City HOME Loan Agreement, the City HOME Note, the City HOME Regulatory Agreement and this City HOME Deed of Trust, without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this City HOME Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to any Transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the loan may be assumed. If Lender has waived the option to accelerate provided in this Section and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this City HOME Deed of Trust and the City HOME Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration. Such notice shall provide a period of not less than thirty (30) days from the date the notice is mailed, within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Section 17.

17. Acceleration; Remedies. Except as provided in Section 16, upon Borrower's breach of any covenant or agreement of Borrower in this City HOME Deed of Trust, the City HOME Note (including the covenants to pay when due any sums secured by this City HOME Deed of Trust and restricting transfer of the Property), the City HOME Regulatory Agreement and/or the City HOME Loan Agreement, Lender shall mail notice to Borrower specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, no less than thirty (30) days from the date the notice is mailed to Borrower, by which the breach must be cured; and (4) 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 City HOME Deed of Trust and sale of the Property. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this City HOME 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. Lender shall be entitled to collect from the Borrower, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies provided in this Section, including, but not limited to, reasonable attorneys' fees.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any portion of the Property is located. Lender or Trustee shall mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons 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. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser a Trustee's deed conveying the Property so sold without any

covenant or warranty, express or implied. The recitals in the Trustee's deed shall be conclusive evidence of the truth of the statements contained in the recitals. 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 City HOME Deed of Trust and (c) the excess, if any, to the person or persons legally entitled thereto as determined by Lender. In the event of a dispute regarding the excess funds, either Lender or Trustee may file an action in interpleader to determine who shall receive the funds and may then deposit the excess funds with the court.

18. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security, Borrower assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Section 16 or Section 17 or abandonment of the Property, have the right to collect such rents as they become due.

Upon acceleration under Section 16 or Section 17 or abandonment of the Property, Lender, 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 Lender or the Receiver shall be applied first to payment of the costs 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 City HOME Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received. The provisions of this Section, Section 16 and Section 17 shall operate subject to the claims of prior lienholders.

19. Reconveyance. Upon payment of all sums secured by this City HOME Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this City HOME Deed of Trust and all notes evidencing indebtedness secured by this City HOME Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to such reconveyance. Such person or persons shall pay all costs of recordation, if any. The recitals in the reconveyance of any matters or facts shall be conclusive evidence of the truth of the statements contained in the recitals.

20. Substitute Trustee. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed under this City HOME Deed of Trust. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee by this City HOME Deed of Trust and applicable law.

21. Request for Notice. Borrower requests that copies of the notice of default and notice of sale be sent to Borrower's address, with a copy to:

California Department of Housing and Community Development
651 Bannon Street
Sacramento, California 95811
Attention: HOME Program Section Chief.

22. Statement of Obligation. Lender may collect a reasonable fee for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California, as it may be amended from time to time.

23. Use of Property. Borrower shall not permit or suffer the use of any of the Property for any purpose other than the use for which the same was intended at the time this City HOME Deed of

Trust was executed.

24. Nonrecourse. The City HOME Loan secured by this City HOME Deed of Trust is a nonrecourse obligation of Borrower. Neither Borrower nor any of its officers, directors or general and limited partners shall have any personal liability for repaying the principal or interest of the City HOME Loan or personal liability for the performance of Borrower's obligations under the City HOME Loan Documents. The sole recourse of Lender for repayment of the principal and interest shall be the exercise of Lender's rights against the Property under the City HOME Loan Documents. The foregoing limitation shall not apply to any and all loss, damage, liability, action, cause of action, cost or expense (including without limitation, reasonable attorneys' fees and expenses) incurred by Lender as a result of any (a) fraud or material misrepresentation under or in connection with the City HOME Loan or any City HOME Loan Document; (b) intentional bad faith waste of the Property; (c) losses resulting from Borrower's failure to maintain insurance as required under the City HOME Loan Documents; or (d) misappropriation of any rents, security deposits, insurance proceeds, condemnation awards or any other proceeds derived from the collateral security. In the event of any of the foregoing events (a) through (d) occurs, Lender shall have the right to proceed directly against Borrower to recover any and all loss, damage, liability, action, cause of action, cost or expense (including without limitation, reasonable attorneys' fees and expenses) incurred by Lender.

25. No Discrimination. Borrower covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual preference, marital status, family status, age (except to qualify a tenant as a senior citizen), source of income, physical or mental handicap, medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Project.

26. Hazardous Substances.

a. As used in this section 26, the following terms shall have the following meanings:

(i) "Environmental Laws" means all statutes, ordinances, orders, rules, regulations, plans, policies or decrees and the like now or hereafter in effect relating to (A) Hazardous Substance Activity or Hazardous Substances; (B) the generation, use, storage, transportation or disposal of Hazardous Substances, or solid waste; or (C) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health, safety or welfare, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. section 9601 et seq.) ("CERCLA"); the Hazardous Material Transportation Act (49 U.S.C. section 180 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. section 136 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.); the Clean Air Act (42 U.S.C. section 740 et seq.); the Federal Water Pollution Control Act (33 U.S.C. section 1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. section 651 et seq.); the Safe Drinking Water Act (42 U.S.C. section 300f et seq.); the Porter-Cologne Water Quality Control Act (California Water Code section 13020 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health & Safety Code section 25249.5 et seq.); the Hazardous Substance Account Act

(California Health & Safety Code section 25300 et seq.); the Hazardous Waste Control Act (California Health & Safety Code section 25100 et seq.); The California Environmental Quality Act (California Public Resources Code section 2100 et seq.); and the rules, regulations and ordinances of the City of Roseville or any applicable federal, state and local agencies or bureaus, as amended from time to time.

(ii) "Foreclosure Transfer" means the transfer of title to all or any part of the Project or the Trust Estate at a foreclosure sale under the City HOME Deed of Trust, either pursuant to judicial decree or the power of sale contained in the City HOME Deed of Trust, or by deed in lieu of such foreclosure.

(iii) "Hazardous Substances" means (A) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "infectious waste," "biohazardous waste," "toxic substance," "pollutant," "toxic pollutant," "contaminant" as well as any other formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "EP toxicity" or "TCLP toxicity"; (B) petroleum, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (C) "hazardous substance" as defined in section 2782.6(d) of the California Civil Code; (D) "waste" as defined in section 13050(d) of the California Water Code; (E) asbestos in any form; (F) urea formaldehyde foam insulation; (G) polychlorinated biphenyls (PCBs); (H) radon; and (1) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment.

(iv) "Hazardous Substance Activity" means any actual, proposed, or threatened use, storage, holding, existence, location, release (including, without limitation, any spilling, leaking, leaching, pumping, pouring, emitting, emptying, dumping, disposing into the environment, and the continuing migration into or through soil, surface water, groundwater or any body of water or the air), discharge, deposit, placement, generation, processing, construction, treatment, abatement, removal, disposal, disposition, handling, or transportation of any Hazardous Substance from, under, in, into, or on the Project and/or the Property, including without limitation, the movement or migration of any Hazardous Substances from surrounding property, surface water, groundwater or any body of water, or the air under, in, into or onto the Project and/or the Property and any residual Hazardous Substances contamination in, on, or under the Project and/or the Property.

(v) "Losses" means all charges, losses, liabilities, damages (whether actual, consequential, punitive, or otherwise denominated), costs, fees, demands, claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, causes of action, assessments, fines, penalties, costs, and expenses of any kind or character, foreseeable and unforeseeable,

liquidated and contingent, proximate and remote, including, without limitation, the following: (A) the reasonable fees and expenses of outside legal counsel; (B) the reasonable fees and expenses of accountants, third-party consultants, and other independent contractors retained by Beneficiary; (C) costs, including capital, operating and maintenance costs, incurred in connection with any investigation or monitoring of site conditions or any clean-up, remedial, removal or restoration work required or performed by any federal, state or local governmental agency or political subdivision or performed by any non-governmental entity or person that is required by Environmental Laws or administrative ruling or directive because of the presence, suspected presence, release or suspected release of Hazardous Substances in violation of Environmental Laws in the air, soil, surface water or groundwater at the Project or the Property; (D) any and all diminution in value of the Project and/or the Property, loss of use or damage to the Project and/or the Property, or loss of profits or loss of business opportunity; and (E) reasonable costs and expenses of enforcing this Section 26.a.

(vi) "Environmental Losses" means Losses rising out of or as a result of: (A) the occurrence of any Hazardous Substance Activity; (B) any violation of any applicable Environmental laws relating to the Project and/or the Property to the ownership, use, occupancy or operation thereof; (C) any investigation, inquiry, order, hearing, action, or other proceeding by or before any governmental agency in connection with any Hazardous Substance Activity; or (D) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which directly or indirectly relates to, arises from or is based on any of the matters described in clauses (A), (B), or (C), or any allegation of any such matters.

b. Trustor represents and warrants to Beneficiary that Trustor has conducted an appropriate inquiry and investigation, and, to the best of Trustor's knowledge, based on such inquiry and investigation, no portion of the Project and/or the Property is being used or has ever been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Substances, nor have any Hazardous Substances migrated onto or from the Project. Neither the Project nor Trustor is in violation of or subject to any existing, pending or threatened investigation by any governmental authority under any Environmental Law. Trustor's prior and intended use of the Project and/or Property will not result in the disposal or release of any Hazardous Substances on, under, about, or to the Project and/or the Property or the migration of any Hazardous Substances from the Project and/or Property. The foregoing representations and warranties shall be continuing and shall be true and correct for the period from the date hereof to the release of this City HOME Deed of Trust (whether by payment of the indebtedness secured hereby or foreclosure or action in lieu thereof), and these representations and warranties shall survive such release.

c. Trustor represents and warrants to Beneficiary that Trustor has complied with all recommendations by any engineers retained by Trustor and all requirements of any applicable department of environmental resources, environmental protection agency or similar governmental agency, and there are no recommendations by said engineers or requirements ordered by said agency or any other governmental body for environmental investigation or cleanup with respect to the Project and/or the Property.

d. On and after the date hereof, Trustor shall not (a) allow any Hazardous Substances to be installed, used, introduced, stored, treated, disposed of, generated, manufactured, discharged, dumped, transported or brought in, upon or over the Project and/or the Property in violation of applicable law; (b) allow any soil or ground water contamination or

pollution with any Hazardous Substances on the Project and/or the Property in violation of applicable law; (c) allow any Hazardous Substances to migrate from the Project and/or the Property in violation of applicable law; (d) allow any Hazardous Substances to migrate onto the Project and/or the Property from any adjacent properties in violation of applicable law; or (e) allow or cause the Project and/or the Property to be in violation of, or to trigger a duly initiated and prosecuted investigation of the Project and/or the Property by any governmental authority under applicable limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules or timetables contained in any local, state and/or federal laws, regulations, codes, ordinances, plans, administrative or judicial orders, decrees, judgments, notices or demand letters issued, entered, promulgated or approved thereunder relating to the environment, land use, water and air quality and Hazardous Substances ("Environmental Requirements").

e. If the presence of any Hazardous Substances on the Project and/or the Property caused or permitted by Trustor results in any contamination of the Project and/or the Property, Trustor shall promptly take all actions, at its sole expense, as are necessary to return the Project and/or the Property to the condition existing prior to the introduction of any such Hazardous Substances to the Project and/or the Property; provided that Beneficiary's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Project and/or the Property.

f. At any time after the occurrence and during the continuance of any default under this Section 26, Beneficiary shall have the following rights and remedies, in addition to any other rights and remedies Beneficiary has under this City HOME Deed of Trust:

(i) As provided in California Code of Civil Procedure section 564, Beneficiary or its employees, acting by themselves or through a court-appointed receiver may do any of the following: (i) enter upon, possess, manage, operate, dispose of, and contract to dispose of the Project and/or the Property or any part thereof; (ii) take custody of all accounts; (iii) negotiate with governmental authorities with respect to the Project's and/or the Property's environmental compliance and remedial measures; (iv) take any action necessary to enforce compliance with environmental provisions, including spending rent payments to abate any environmental problem; (v) make, terminate, enforce or modify leases of part or all of the Project and/or the Property; (vi) contract for goods and services, hire agents, employees, and counsel, make repairs, alterations, and improvements to the Project and/or the Property necessary in Beneficiary's judgment to protect or enhance the security hereof; and/or (vii) take any and all other actions which may be necessary or desirable to comply with Trustor's obligations hereunder and under the City HOME Loan Documents. All sums realized by the receiver or Beneficiary under this subparagraph, less all costs and expenses incurred by either of them under this subparagraph, including attorneys' fees, and less such sums as Beneficiary or the receiver deems appropriate as a reserve to meet future expenses under this subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness, nor any other action taken by Beneficiary or the receiver under this subparagraph shall cure or waive any default or notice of default hereunder, or nullify the effect of any such notice of default. Beneficiary, or any employee or agent of Beneficiary, or a receiver appointed by a court, may take any action or proceeding hereunder without regard to the adequacy of the security for the indebtedness secured hereunder, the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable,

or the filing of a notice of default.

(ii) With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor or in connection with any such default, Beneficiary or its agents, acting by themselves or through a court-appointed receiver, may enter upon the Project and/or the Property or any part thereof and perform such acts and things as Beneficiary deems necessary or desirable to inspect, investigate, assess, and protect the security hereof, including of any of Beneficiary's other rights: (i) to obtain a court order to enforce Beneficiary's right to enter and inspect the Project and/or the Property under California Civil Code section 2929.5 (in respect of which the decision of Beneficiary as to whether there exists a release or threatened release of hazardous substance, as defined therein, onto the Project and/or the Property shall be deemed reasonable and conclusive as between the parties hereto); and (ii) to have a receiver appointed under California Code of Civil Procedure section 564 to enforce Beneficiary's right to enter and inspect the Project and/or the Property for hazardous substances as defined therein. All costs and expenses incurred by Beneficiary with respect to the audits, tests, inspections, and examinations that Beneficiary or its agents or employees may conduct, including the fees of engineers, laboratories, contractors, consultants, and attorneys, shall be paid by Trustor. All costs and expenses incurred by Trustee and Beneficiary pursuant to this subparagraph (including court costs, consultant fees and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the City HOME Note rate, from the date they are incurred until said sums have been paid.

(iii) Beneficiary may seek a judgment that Trustor has breached its covenants, representations and/or warranties with respect to the environmental matters set forth above in this Section 26, by commencing and maintaining an action or actions in any court of competent jurisdiction for breach of contract pursuant to California Code of Civil Procedure section 736, whether commenced prior to foreclosure of the Project and/or the Property or after foreclosure of the Project and/or the Property, and to seek the recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other out-of-pocket costs or expenses actually incurred by Beneficiary or advanced by Beneficiary (collectively, the "Environmental Costs") relating to the cleanup, remediation or other response action required by applicable law or which Beneficiary believes necessary to protect the Project and/or the Property, it being conclusively presumed between Beneficiary and Trustor that all such Environmental Costs incurred or advanced by Beneficiary relating to the cleanup, remediation, or other response action respecting the Project and/or the Property were made by Beneficiary in good faith. All Environmental Costs incurred by Beneficiary under this subparagraph (including court costs, consultant fees and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the City HOME Note rate, from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at any sale of the Project and/or the Property held hereunder, the amount of said costs, expenses and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.

(iv) As provided in California Code of Civil Procedure section 726.5, Beneficiary may waive its lien against the Project and/or the Property or any portion thereof, to the extent such Project and/or such Property is found to be environmentally impaired as defined therein, and to exercise any and all rights and remedies of an

unsecured creditor against Trustor and all of Trustor's assets and the Project and/or the Property for the recovery of any deficiency and Environmental Costs, including seeking an attachment order under California Code of Civil Procedure section 483.010. Beneficiary and Trustor each represents and warrants for itself that it has no actual knowledge of any release of any Hazardous Substance (as defined in section 726.5) on, to or under the Project and/or the Property. As between Beneficiary and Trustor, for purposes of California Code of Civil Procedure section 726.5, Trustor shall have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) did not cause or contribute to, and was not in any way negligent in permitting, any release or threatened release of the Hazardous Substance.


(v) Trustor acknowledges and agrees that notwithstanding any term or provision contained herein or in the City HOME Loan Documents, the Environmental Costs and all judgments and awards entered against Trustor pursuant to Section 26(f)(iv) above shall be exceptions to any nonrecourse or exculpatory provision of the City HOME Loan Documents, and Trustor shall be fully and personally liable for the Environmental Costs and such judgments and awards and such liability shall not be limited to the original principal amount of the obligations secured by this City HOME Deed of Trust, and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance, or any other transfer of the Project and/or the Property, or this City HOME Deed of Trust.

g. Trustor hereby agrees to indemnify, defend and hold harmless Beneficiary from and against any and all Environmental Losses.


[Signatures on Following Page]

IN WITNESS WHEREOF, Borrower has executed this City HOME Deed of Trust.

ADVOCATES FOR MENTALLY ILL
HOUSING, INC., a California non-profit, public
benefit corporation

By: 
Suzi deFosset
Its: President

and

By: 
Tom Drake
Its: Secretary

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: _____

THE
CITY OF ROSEVILLE, a municipal corporation

By: _____

Title: _____

(Space below this line reserved for Lender and Recorder)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, described as follows:

PARCEL ONE:

A Portion Of The Southeast Quarter Of Section 1, Township 10 North, Range 6 East, More Particularly Described As Follows:

Beginning At A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Prop. Cor.) In The Southeast Quarter Of Section 1, Township 10 North, Range 6 East, MDB & M, From Which The 6 Inch By 6 Inch Concrete Highway Monument Marking The Easterly Terminus Of The Course In The Boundary Line Of That Certain 18.60 Acre Parcel Of Land Described In The Deed From W.J. Doyle And Wife, To State Of California, Dated July 13, 1949 And Recorded In The Office Of The County Recorder Of Said County Of Placer In Book 555 Of Official Records, At Page 505, Which Course, According To The Description Contained In Said Deed To State Of California, Has A Bearing Of South 71° 26' 50" East And A Length Of 105.95 Feet Bears South 69° 24' 49" East, 233.78 Feet Distant And Running Thence North 0° 28' 20" East, Parallel With And Distant 20 Feet Easterly From (Measured At A Right Angle To) Pacific's Existing Pole And Wire Electric Transmission Line Erected Under And By Virtue Of The Deed From Clara B. Doyle To Pacific, Dated June 24, 1926 And Recorded In The Office Of The County Recorder Of Said County Of Placer In Book 224 Of Official Records, At Page 271, A Distance Of 245.00 Feet To A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Prop. Cor.); Thence North 89° 31' 40" West, 240.00 Feet To A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Prop. Cor.); Thence South 0° 28' 20" West 218.58 Feet To A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Prop. Cor.) Set At A Point Distant 50 Feet Northerly From (Measured At A Right Angle To) The Northerly Boundary Line Of Said 18.60 Acre Parcel Of Land; Thence Parallel With And Distant 50 Feet Northerly From (Measured At Right Angle To) The Northerly Boundary Line Of Said 18.60 Acre Parcel Of Land, The Following Two Courses And Distances, Namely; South 83° 03' 10" East, 235.07 Feet To A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Prop. Co.); And Thence North 89° 15' 50" East, 6.43 Feet, More Or Less, To The Point Of Beginning.

PARCEL TWO:

A Portion Of Section 1, Township 10 North, Range 6 East, MDB & M.

Said Portion Is All That Part Thereof Lying Within The Following Described Boundaries.

Beginning At The Northwest Corner Of That Certain Parcel Of Land Acquired By Deed Recorded April 5, 1955 In Book 672, At Page 38, Official Records Of Placer County; Thence From Said Point Of Beginning Along The Westerly Prolongation Of The Northerly Line Of Said Parcel North 89° 57' 41" West, 64.58 Feet; Thence Leaving The Westerly Prolongation Of Said Northerly Line South 12° 11' 56" East, 231.33 Feet To A Point Distant 119.28 Feet Northerly, Measured At A Right Angles From The "U" Line At Engineer's Station "U" 27+13.50 Of The Department Of Public Works' 1962 Survey On Road 03-Pla 80.Pm 1.8 (Formerly Road III-Pla-3, 1-Rv); Thence Along A Tangent Curve To The Left With A Radius Of 35 Feet, Through An

Angle Of 76° 02' 00", A Distance Of 46.45 Feet; Thence South 88° 13' 56" East, 216.40 Feet; Thence North 1° 11' 14" West, 15.01 Feet To A Point On The Southerly Line Of Said Parcel; Thence Along Said Southerly Line North 83° 29' 11" West, 235.07 Feet To The Southwest Corner Of Said Parcel; Thence Along The Westerly Line Of Parcel North 00° 02' 19 East 218.58 Feet To The Point Of Beginning.

PARCEL THREE:

A Non-Exclusive Easement For The Ingress And Egress On, Over, Under And Across The Following Described Property:

A Portion Of The Southeast 1/4 Of Section 1, Township 10 North, Range 6 East, MDB & M, Described As:

Beginning At A Bronze-Capped Monument Set In Concrete Marked (Pac. Gas & Elect. Co. Prop. Cor.) Which Is The East Terminus Of The Course Described As "South 83° 03' 10" East, 235.07 Feet; Of That Certain Parcel Acquired By Deed Recorded April 5, 1955 In Book 672, At Page 38, Official Records Of Placer County; Thence From Said Point Of Beginning Along The Southerly Line Of Said Parcel North 88° 49' 49" East, 6.54 Feet To The Southeast Corner Of Said Parcel; Thence Along The Easterly Line Of Said Parcel North 00° 02' 19" East, 43.97 Feet; Thence Leaving Said Easterly Line North 88° 49' 09" East, 167.00 Feet ; Thence North 73° 05' 03" East, 118.00 Feet; Thence South 61° 44' 28" East, 85.45 Feet; Thence South 01° 10' 51" East, 40.00 Feet; Thence South 88° 49' 09" West, 81.54 Feet; Thence South 01° 10' 51 East 8.98 Feet; Thence South 88° 49' 09" West, 280 Feet To A Point Distant 80 Feet Northerly, Measured At Right Angles From The "U" Line At Engineer's Station "U" 29+60 Of The Department Of Public Works 1962 Survey On Road 03-Pla-80 P.M. 1.8 (Formerly Road III-Pla-3, 17-Rsv); Thence North 01° 11' 14" West, 15.01 Feet To The Point Of Beginning.

APN: 013-213-001-000

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Placer

On 1/7/20 before me, S. Fairchild, Notary Public
(insert name and title of the officer)

personally appeared Suzi Defassett & Tom Drake,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

