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**MEMORANDUM** Planning and Development – Staff Memo No. RS07-20

**DATE:** 26 April 2007

**TO:** MAYOR AND COUNCIL

**THRU:** W. MARK PENTZ, CITY MANAGER  
DOUG BALLARD, PLANNING & DEVELOPMENT DIRECTOR  
JEFF KURTZ, ASST. PLANNING AND DEV. DIRECTOR

**FROM:** PAT TYRRELL, COMMUNITY DEV. COORDINATOR

**SUBJECT:** MEMORANDUM OF UNDERSTANDING – HOUSING OUR COMMUNITIES, DOWNPAYMENT ASSISTANCE PROGRAM

RECOMMENDATION: Mayor and City Council are requested to approve a Memorandum of Understanding with Housing Our Communities (a local nonprofit agency) for the provision of Downpayment Assistance and Housing Counseling to moderate income, first time homebuyers.

BACKGROUND AND DISCUSSION: The City of Chandler has been awarded funding from the federal Ameridream Downpayment Assistance (ADDI) Program. ADDI funds are received through the Maricopa HOME Consortium from the US Department of Housing and Urban Development. The City of Chandler has funds available that, if unencumbered by the end of the fiscal year, must be returned to the federal government. Because of recent trends in the housing market, particularly loans to families with little or no credit history, the city's existing downpayment assistance program is seeing little to no activity.

Housing Our Communities (HOC) is an East Valley Based non-profit agency with over fifteen years in housing counseling and homebuyer assistance. Because of their experience and established relationships with lenders, HOC has a waiting list of qualified, moderate-income families many of whom are Chandler residents. HOC proposes to use the ADDI funds to provide up to \$6,000.00 in assistance per family. HOC will provide required homebuyer counseling and handle all necessary administrative tasks. Any funds provided for a homeowner will be secured as a second lien and in the city's name.

Staff recommends a total of \$94,162.00 be allocated to HOC. This amount will provide at least 14 families with funds necessary to attain homeownership.

FINAL IMPLICATIONS: All costs associated with the federal Ameridream Downpayment Assistance Program will be paid by the federal government and do not require repayment on the part of the City of Chandler.

PROPOSED MOTION: Move to approve a Memorandum of Understanding with Housing Our Communities for the use of federal Ameridream Downpayment Assistance Program Funds.

## **CITY OF CHANDLER- HOME PROGRAM MEMORANDUM OF UNDERSTANDING**

**THIS MEMORANDUM OF UNDERSTANDING (MOU)**, made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2007, by and between **The City of Chandler**, an Arizona municipal corporation hereinafter referred to as the **CITY** and **Housing Our Communities, Inc. (HOC)** an Arizona non-profit 501(c)3 organization hereinafter referred to as **HOC**, both parties established under the laws of the State of Arizona.

**WHEREAS**, pursuant to the National Affordable Housing Act, the CITY, through the Maricopa HOME Consortium (Consortium), will receive HOME Investment Partnerships Program (HOME) funds which includes American Dream Downpayment Initiative funds (ADDI) for certain eligible activities; and

**WHEREAS**, it is necessary that the CITY and HOC enter into a Memorandum of Understanding (MOU) for the implementation of certain eligible ADDI activities;

**NOW, THEREFORE**, the parties do hereby agree as follows:

**MOU TERM**: This MOU shall take effect as of the date of execution by the CITY and shall be in effect for a term of two years. If ADDI funds are no longer made available from the United States Department of Housing and Urban Development (HUD) this MOU will terminate.

### **AMOUNT OF FUNDS**

The City of Chandler has been allocated the following amount of funds for the American Dream Down Payment Initiative program:

FY 2003 \$32,669.00  
FY 2004 \$39,109.00  
FY 2005 \$22,384.00

TOTAL: \$94,162.00

**City of Chandler ADDI PROGRAM**: The ADDI Program will be administered in accordance with HUD's ADDI regulations with emphasis on the following program requirements:

- A. The applicant must be a first-time homebuyer as defined by HUD. Interim Rule for ADDI defines "first-time homebuyer" as an individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home with ADDI assistance.
- B. The ADDI funding will be made available via a loan, secured by a deed of trust and promissory note, and recapture provisions provided by HOC. This note is non-forgivable and is due in full upon sale or transfer. Funds provided through the ADDI program will not exceed six percent of the purchase price up to a maximum of \$10,000.

- C. The applicant must attend and complete a face-to-face first-time homebuyer education course that is FHA/HUD approved and provided by a non-profit. Applicants can attend the FHA/HUD approved class offered by HOC. HOC will accept a Certificate of Completion from other approved organizations providing the face-to-face first-time homebuyer education course.
- D. The applicant's household projected income cannot exceed 80 percent of median income for the area as defined by HUD. HOC will verify applicant income and document it in accordance with HUD requirements.
- E. The request for funds will be submitted to the CITY by HOC on behalf of the qualified applicant who has furnished HOC with a mortgage commitment, and HUD estimate of settlement fees. HOC may also request ADDI funds from the City for eligible project costs as defined in §92.602(b), with the maximum amount of assistance for any family not to exceed §92.602(e). Funds will then be dispersed by HOC to the appropriate title agency. The ADDI funding will be granted on a first-come, first-serve basis.
- F. ADDI funding for approved applicants will be forwarded by the CITY to HOC. HOC will then disperse funding to the appropriate title agency. Once approved for funding, the request to forward funds to the title company must be made by the applicant to HOC at least 30 days prior to the closing date.
- G. The maximum appraised value of the home to be purchased will not exceed the maximum property value established by HUD for the HOME program found at §92.254.

**MOU ADMINISTRATION:** In accordance with federal regulations, including 24 CFR 92, the CITY is responsible for ensuring the administration of the HOME Program and the ADDI funds in accordance with all program requirements.

- A. Internal Controls - HOC shall utilize adequate internal controls and maintain necessary source documentation for all activity costs incurred.
- B. Affordability Period - HOC shall ensure the protection of the ADDI investment under the requirements set forth in 24 CFR §92.503. Any ADDI invested in housing that does not meet the affordability requirements for the period specified in §92.252 or §92.254, as applicable, must be repaid in accordance with 24 CFR §92.503 (b)(3).
- C. Required Records - HOC shall maintain all records required by the Federal regulations specified in 24 CFR §92.508 that are pertinent to the ADDI activities to be funded under this MOU. Such records shall include but not be limited to:
  - 1) a full description of each activity undertaken and its impact;
  - 2) documentation supporting the eligibility of activities;
  - 3) documentation supporting the acquisition of real property acquired with HOME assistance;
  - 4) documentation demonstrating continued compliance with HUD's affordability requirements;

- 5) documentation supporting compliance with the fair housing, nondiscrimination and equal opportunity components of the HOME program;
  - 6) documentation supporting compliance with HOME regulations;
  - 7) documentation demonstrating compliance with deeds of trust, promissory notes, and loans associated with CITY owner-occupied housing activities;
  - 8) client data demonstrating that the clients served meet the income and other criteria required by Federal law, and that no unlawful discrimination occurs in the solicitation or selection process of low income persons or groups.
- D. Records Retention - HOC shall retain all records pertinent to this MOU for a period of five (5) years after the close of an activity, except that records documenting affordability compliance shall be kept for five (5) years after the end of the period of affordability, and shall submit to the CITY upon request all such records and reports.
- E. Activity Reports – HOC shall submit reports required by the CITY including, but not limited to, activity setups, completion reports, reports of beneficiaries' demographics, and other HUD-required reporting data. These reports shall be submitted to CITY quarterly no later than 15 days past the quarter ended and once yearly no later than July 15 of each year.
- F. Audits and Inspections – All HOC records with respect to any matters covered by this MOU shall be made available to the CITY, their designees or the Federal Government, at any time during normal business hours as often as the CITY deems necessary to audit, examine and make excerpts or transcripts of all relevant data. It is the intent of the CITY to examine all such records prior to forwarding ADDI funds to complete a purchase.
- G. Subcontractors – If HOC utilizes subcontractors to administer any portion of this activity, HOC shall enforce all program requirements under this MOU on its subcontractors.

#### GENERAL PROVISIONS:

- A. It is expressly understood by the parties hereto that this MOU has been negotiated and executed in anticipation of receipt of ADDI funds by the CITY from the Maricopa HOME Consortium and HUD pursuant to the HOME Program and that, therefore, the terms, conditions and sums payable under this MOU are subject to any changes or limitations which may be required by HUD and the HOME ADDI Program regulations. Notwithstanding any other provisions of this MOU, any payment by CITY under this MOU is contingent upon the actual receipt of ADDI funds from HUD and as a member of the Maricopa HOME Consortium receipt of funds by the CITY from Maricopa County who is Lead Agency for the Maricopa HOME Consortium funds.
- B. Both parties acknowledge that no member of the governing body, nor any employee of the CITY who exercises any functions or responsibilities in connection with the carrying out of the Activity to which this MOU pertains, has any personal interest direct or indirect in this MOU.
- C. The CITY may amend this MOU at any time provided that such amendments make specific reference to this MOU and are executed in writing, signed by a

duly authorized representative of both organizations and in compliance with the procedures in the federal regulations found at 24 CFR Part 92 and 24 CFR Part 84 for non-profit organizations. Such amendments shall not invalidate the MOU nor relieve or release HOC from its obligations under this MOU. Amendments shall be filed with this original MOU.

- D. The CITY may, at any time, by written order, make changes within the general scope of this MOU in any one or more of the following areas:
  - 1) Work Statement activities reflecting changes in Federal, State, County or local regulations, policies or requirements;
  - 2) Administrative requirements such as changes in reporting periods, frequency of reports, or report formats required by HUD or local regulations, policies or requirements.
- E. This MOU shall be governed by and construed in accordance with the laws of the State of Arizona and all applicable federal laws and regulations.
- F. The invalidity in whole or in part of any provision of this MOU shall not void or affect the validity of any other provision of this MOU.
- G. HOC shall not discriminate against any ADDI applicant, employee, or applicant for employment because of race, color, religion, sex, national origin, familial status, age or disability. HOC shall take affirmative action to insure that applicants for employment and employees are treated, during employment, without regard to their race, color, religion, sex, national origin, familial status, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training including apprenticeship.
- H. HOC shall administer all services in accordance with the Fair Housing Act.
- I. HOC shall provide reasonable accommodations to individuals with disabilities upon request.
- J. During the term of this MOU, HOC shall indemnify, hold, protect and save harmless the CITY and any and all of its officers, agents, and employees from and against any and all actions, audits, proceedings, claims and demands, loss, liens, costs, expense and liability of any kind and nature whatsoever, for injury to or death of persons, or damage to property, including property owned by CITY, brought, made, filed against, imposed upon or sustained by the CITY, its officers, agents, or employees in and arising from or attributable to or caused directly or indirectly by the negligence, wrongful acts, omissions or from operations conducted by HOC, its officers, agents or employees, or by any person or persons acting on behalf of HOC and with HOC's knowledge and consent, expressed or implied. Should HOC perform any work knowing it to be contrary to applicable laws, ordinances, rules, building codes and/or regulations, it shall assume full responsibility, therefore, and shall bear all cost incurred due to its negligence. Any dispute not disposed of by mutual agreement by the parties hereto shall be decided in accordance with the applicable Arizona laws, ordinances, and codes of the state and local governments.

- K. No person who is an employee, agent, consultant, officer or elected official, or appointed official who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME assisted activity, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.
- L. HOC certifies that neither it nor its principals or subcontractors, are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- M. In accordance with 24 CFR §85.43, the CITY may suspend or terminate this MOU if HOC violates any term or condition of this MOU or if HOC fails to maintain a good faith effort to carry out the purpose of this MOU.
- N. The CITY or HOC may terminate this MOU for convenience in accordance with 24 CFR §85.44. Both parties shall agree upon the termination conditions including the effective date of the termination. The party initiating the termination shall notify the other party in writing stating the reasons for such termination.
- O. This MOU is subject to cancellation pursuant to A.R.S. §38-511.
- P. This MOU constitutes the entire agreement between the parties with respect to the subject matter hereof, and all prior agreements, representations, statements and undertakings are hereby expressly cancelled.
- Q. HOC will file on behalf of the City of Chandler, the attached Deed of Trust, Declaration of Deed Restrictions, Promissory Note and Recapture Provisions enforcing HOME and ADDI regulatory requirements.

IN WITNESS WHEREOF, the parties have executed this Agreement on the year and day first above written.

**HOC, Inc.**

**City of Chandler**

\_\_\_\_\_  
**John Smith, President and CEO**

\_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**City of Chandler**

\_\_\_\_\_  
**MAYOR**

\_\_\_\_\_  
**Date**

APPROVED AS TO FORM:

CHANDLER CITY ATTORNEY  
*JRB*

WHEN RECORDED, RETURN TO:  
City of Chandler Housing & Redevelopment Division  
Mail Stop #101  
P.O. Box 4008  
Chandler, AZ 85244-4008

**CITY OF CHANDLER  
HOUSING & REDEVELOPMENT DIVISION  
DOWNPAYMENT ASSISTANCE PROGRAM  
DEED OF TRUST AND ASSIGNMENT OF RENTS**

DATE:

PROPERTY ADDRESS:

TRUSTOR:

TRUSTOR'S MAILING ADDRESS:

BENEFICIARY: City of Chandler, a Arizona municipal corporation

BENEFICIARY'S ADDRESS: Mail Stop #101, P.O. Box 4008, Chandler, AZ 85244-4008

TRUSTEE: Glenn A. Brockman, Assistant Chandler City Attorney and a member of the State Bar of Arizona, MS# 602, PO Box 4008, Chandler, AZ 85244-4008

WHEREAS, the Trustor is the owner in fee simple of residential land and improvements located thereon as Property in Maricopa County, State of Arizona, legally described as:

This Deed of Trust is made between the Trustor, the Trustee and the Beneficiary above named,

WITNESSETH: That Trustor irrevocably grants, conveys, transfers and assigns to Trustee in Trust, with Power of Sale, the above-described real property and all buildings, improvements and fixtures located thereon or hereinafter erected thereon, together with the leases, rents, issues profits or income thereof, (all of which are hereinafter called "property income"); SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; AND SUBJECT TO existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, rights of way and easements of record.

FOR THE PURPOSE OF SECURING:

A. Performance of each agreement of Trustor herein contained.

B. Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in principal sum of «amount» (\$) executed by Trustor in favor of Beneficiary or order.

C. Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete and restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; and, do all other acts which from the character or use of said property may be reasonably necessary, the specific enumeration's herein not excluding the general.

2. To provide, maintain and deliver to Beneficiaries fire insurance policies satisfactory to and with loss payable to Beneficiaries. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured thereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security thereof or the rights or powers of Beneficiary or Trustee, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

4. To pay: before delinquent, 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; all costs, fees and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security thereof, Beneficiary or Trustee

being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

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

IT IS MUTUALLY AGREED:

6. That any award of damages in connection with condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor; however, the right to sue therefore and ownership thereof subject to this Deed of Trust), and upon receipt of such monies Beneficiary may hold the same as such further security, or apply or release the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

7. That time is of the essence of this Deed of Trust, and by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

8. That at any time or from time-to-time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement subordinating the lien, encumbrance or charge thereof.

9. That upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation, and upon payment of its fees, Trustee shall by Deed of Release and Full Reconveyance release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. The recitals in such Deed of Release and Full Reconveyance of any matters shall be conclusive proof of the truthfulness thereof. The grantee in such Deed of Release and Full Reconveyance may be described as "The Person or Persons Legally Entitled Thereto."

10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such property income, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such property income and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

11. That upon default by Trustor in the payment of any indebtedness hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof and of election to cause to be sold said property under this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust, said note(s) and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee's sale in manner required by law, and after the lapse of such time as may then be required by law, Trustee shall sell, in the manner required by law, said property at public auction at the time and place affixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of the sale to payment of all sums then secured hereby and all other sums due, under the terms hereof, with accrued interest, and, the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. Sec.33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

The purchaser at the Trustee's sale shall be entitled to immediate possession of the property against Trustor and shall have a right to the summary proceedings to obtain possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorney's fees. In lieu of sale pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real

property. Beneficiary shall also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies shall be cumulative.

12. That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee here shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.

13. That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

14. That 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. In the event Trustee is made a party in any legal or court proceeding as a result of litigation between Trustor and Beneficiary or between a third party and either or both of Trustor and/or Beneficiary, the attorney's fees and costs of Trustee shall be paid by either Trustor or Beneficiary, whichever is the non-prevailing party.

15. Time is of the essence of this Deed of Trust and each and every provision hereof.

16. Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to Trustor at Trustor's mailing address hereinbefore set forth. All notices required hereby shall be sent to the addresses indicated above unless such party shall have recorded a Request for Notice pursuant to A.R.S. Sec. 33-809.A in the county recorder's office of the county where the property encumbered hereby is located, indicating a different address.

17. In the event that Trustor shall sell, convey, or alienate or otherwise transfer the subject property, or any part thereof, or any interest therein, or shall be divested of title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of Beneficiary being first obtained, said Beneficiary, to the fullest extent provided by law, shall have the right at its option to declare any indebtedness or obligation secured by this Deed of Trust, irrespective of the maturity date specified in the Note evidencing the same, immediately due and payable.

DATED:

\_\_\_\_\_  
TRUSTOR

\_\_\_\_\_

TRUSTOR

STATE OF ARIZONA ) This instrument was acknowledged before me this  
                          ) ss. \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
County of Maricopa )

by \_\_\_\_\_  
\_\_\_\_\_

My commission will expire: \_\_\_\_\_  
\_\_\_\_\_ NOTARY PUBLIC