Exempt from filing fees pursuant

to Govt. Code Section 6103

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

County of Siskiyou

1312 Fairlane Road

Yreka, CA 96097

Attn: County Administrator

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**DEED OF TRUST WITH ASSIGNMENT OF RENTS**

This Deed of Trust With Assignment of Rents (this “Deed of Trust”), made on this \_\_ day of \_\_\_\_\_\_ 2025, by Mount Shasta Chestnut Street LP, a California limited partnership ("Trustor"), whose address is 5251 Ericson Way, Arcata, California 95291, to First American Title Company ("Trustee"), whose business address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, in favor of the County of Siskiyou ("Beneficiary"), whose business address is 1312 Fairlane Road, Yreka, CA 96097.

W I T N E S S E T H:

Trustor irrevocably grants, transfers, and assigns to Trustee in trust, with power of sale, all that property in the City of Mount Shasta, Siskiyou County, California, described in Exhibit A attached hereto and by this reference incorporated herein (the “Property"), together with the rents, issues and profits therefrom, subject, however, to the right reserved by Trustor pursuant to paragraph 13 hereof to collect and apply such rents, issues and profits, prior to any default hereunder, for the purpose of securing Trustor's performance of Trustor's duty and obligation to pay to Beneficiary, any sums due including the original principal of One Million Eight Hundred Eighty-Five Thousand and Three Hundred Twenty-One Dollars and Fifty-Five Cents ($1,885,321.55) provided for under the “PLHA Loan Agreement" (Permanent Local Housing Allocation) executed by Trustor and Beneficiary dated \_\_\_\_\_\_\_\_\_, 2025 ("Loan Agreement"), which is incorporated fully herein by this reference and a true and correct copy of which is available at the County of Siskiyou, in the event of a default of Trustor in the performance of the covenants and conditions of such Loan Agreement.

To protect the security of this Deed of Trust, Trustor agrees as follows:

1. To maintain the Property in good condition and repair, ordinary wear and tear excepted; not to remove or demolish any building or improvement thereon, except as may be necessary or incidental to the construction of the Project; to complete promptly in workmanlike manner any improvement hereafter constructed thereon and to restore promptly in workmanlike manner any improvement thereon that is damaged or destroyed by fire or other casualty at a cost not in excess of the proceeds of any fire insurance required herein or otherwise acquired therefor; to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property; not to commit or permit any waste thereof or any act upon the Property in violation of law or of covenants, conditions, or restrictions affecting the Property.
2. To provide, maintain and deliver to Beneficiary a certificate evidencing Builder's Risk insurance during the course of construction and upon completion of construction to provide, maintain, and deliver to Beneficiary a certificate evidencing insurance in accordance with the Loan Agreement. The amount collected under any insurance policy and all insurance premiums may be applied by Trustor in accordance with the Loan Agreement. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered thereby at any trustee's sale held hereunder, or at any foreclosure sale of such property. Beneficiary will not have the right to elect not to rebuild the Project to the extent that the insurance proceeds realized from a fire, casualty or other insurance policy are sufficient therefor.
3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and also, if at any time Beneficiary or Trustee is a party to or appears in any such action or proceeding, or in any action or proceeding to enforce any obligation hereby secured, to pay all costs and expenses paid or incurred by them or either of them in connection therewith, including attorneys' fees in a reasonable sum.
4. To pay, prior to delinquency, all taxes and assessments which affect the Property; all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto; and all costs, fees, and expenses of this Deed of Trust.
5. To pay, immediately and without demand, all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from the date of expenditure at one percent (1%) per annum.
6. In the event Trustor fails to make any payment or to do any act as herein provided, then Beneficiary or Trustee may, but without obligation so to do, and with or without notice or demand upon Trustor, and without releasing Trustor from any obligation hereof: (i) make payment or take such action in a manner and to such extent as either deems necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purpose; (ii) appear in or commence any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; or (iii) pay, purchase, contest, or compromise any encumbrance, charge or lien that, in the judgment of either, appears to be superior hereto. In exercising any such power, Beneficiary or Trustee may incur necessary expenses, including reasonable attorneys' fees.
7. In the event an award of damages is made in connection with the condemnation for public use of or injury to the Property or any part thereof, such award is hereby assigned and shall be paid to Beneficiary, who may apply or release such monies received therefor in the same manner and with the same effect as above provided for the disposition of proceeds of fire or other insurance.
8. The acceptance by Beneficiary of any payment less than the amount then due shall be deemed an acceptance on account only and shall not constitute a waiver of the obligation of Trustor to pay the entire sum then due or of Beneficiary's right either to require prompt payment of all sums then due or to declare default. The acceptance of payment of any sum secured hereby after its due date will not waive the right of Beneficiary either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. No waiver of any default shall be a waiver of any preceding or succeeding default of any kind.
9. At any time, or from time to time, without liability therefore and with or without notice, upon written request of Beneficiary and presentation of this Deed of Trust, the Loan Agreement secured hereby for endorsement, and without affecting the personal liability of any person (if any) for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of the Property, Trustee may reconvey any part of the Property, consent to the making of any map or plat thereof, join in granting any easement, or join in any extension agreement or any agreement subordinating the lien or charge thereof.
10. Upon written request of Beneficiary stating that all sums secured hereby have been paid or that the term of the Loan Agreement secured hereby has expired, and upon surrender of this Deed of Trust and payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance shall be conclusive proof of the truthfulness thereof. The Trustor may be designated in such reconveyance as "the person or persons legally entitled thereto."
11. Upon the occurrence of any "Event of Default," whether such be in the nature of a failure to pay any indebtedness or in the performance of any other provision of any agreements secured hereby, then Beneficiary may, with or without notice to Trustor, declare all sums secured hereby immediately due and payable by instituting suit for the recovery thereof or for the foreclosure of this Deed of Trust, or by delivering to Trustee a written declaration of default and demand of sale, as well as a written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be filed for record. If such declaration is delivered to Trustee, Beneficiary also shall deposit with Trustee this Deed of Trust and the PLHA Loan Agreement secured hereby. For purposes of this Deed of Trust, an "Event of Default" shall be any default by Trustor in the performance of any obligation, whether monetary or non-monetary, of any provision of any agreement secured hereby, which default is not cured by Trustor within sixty (60) days of receipt of written notice, or if the nature of the default is such that it cannot be cured within sixty (60) days, such other reasonable time period provided that cure is commenced within sixty (60) days of the notice and thereafter diligently prosecuted to completion. The Trustor's limited partner shall have the opportunity, but not the obligation, to cure in the Event of Default.

When the time then required by law has elapsed after recordation of such notice of default, and notice of sale having been given as then required by law, Trustee, with or without demand on Trustor, shall sell the Property at the time and place fixed in the notice of sale, either as a whole or in separate parcels and in such order as Trustee determines, at public auction, to the highest bidder, for cash in lawful money of the United States, payable at time of sale. Trustee may postpone from time to time the sale of all or any portion of the Property by public announcement at the time and place of sale originally fixed or at the last preceding postponed time. Trustee shall deliver to the purchaser its deed conveying the Property, but without any covenant or warranty, expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor, Trustee, Beneficiary, or any other person may purchase at the sale.

After deducting all costs, fees, and expenses of Trustee and of this Deed of Trust, including cost of evidence of title and reasonable attorney's fees in connection with sale, Trustee shall apply the proceeds of the sale to payment of all sums expended under the terms hereof and not theretofore repaid, with accrued interest at the amount allowed by law in effect at the date hereof, and all other sums then secured hereby in such order as Beneficiary in the exercise of its sole discretion, directs. The remainder, if any, shall be paid to the person or persons legally entitled thereto.

Before the Trustee's sale, Beneficiary may rescind such notices of default and of election to cause the Property to be sold by delivering to Trustee a written notice of rescission, which notice, when recorded, shall cancel any prior declaration of default, demand for sale, and acceleration of maturity. The exercise of such right of rescission shall not constitute a waiver of any default then existing or subsequently occurring, or impair the right of Beneficiary to deliver to Trustee other declarations of default and demands for sale or notices of default and of election to cause the Property to be sold, or otherwise affect any provision of the Loan Agreement or this Deed of Trust or any of the rights, obligations, or remedies of Beneficiary or Trustee hereunder.

1. Beneficiary may from time to time, as provided by statute, or by a writing signed and acknowledged by it and recorded in the Office of the Recorder of the County of Siskiyou, appoint another trustee in place and instead of Trustee herein named; and thereupon, the Trustee herein named shall be discharged, and the trustee so appointed shall be substituted as trustee hereunder with the same effect as if originally named trustee herein.
2. Trustor reserves the right, prior to any Event of Default in payment of any indebtedness or performance of any obligation secured hereby, to collect all such rents, royalties, issues, and profits of the Property as and when they become due. However, upon any such Event of Default, Trustor's right to collect such monies shall cease, not only as to amounts accruing thereafter, but also as to amounts then accrued and unpaid. In the event of such default, Beneficiary, with or without notice and without regard to the adequacy of any security for the indebtedness hereby secured, may enter upon and take possession of the Property at any time and manage and control it in Beneficiary's discretion, and, with or without taking possession, may sue for or otherwise collect all rents, issues, and profits thereof, whether past due or coming due thereafter and apply the same, less costs and expenses of operation and collecting, including reasonable attorney's fees, upon any obligation secured hereby and in such order as Beneficiary determines. None of the aforesaid acts shall cure or waive any default hereunder or invalidate any act done pursuant to such notice. Beneficiary shall not be required to act diligently in the care or management of the Property or in collecting any rents, royalties, or other profits that it is hereby authorized to collect, and shall be accountable only for sums actually received.
3. Beneficiary may, without affecting the liability of Trustor or of any other party now or hereafter bound by the terms hereof for any obligation secured hereby, from time to time and with or without notice, release any person now or hereafter liable for performance of such obligation, and may extend the time for payment or performance, accept additional security, and alter, substitute, or release any security.
4. In any action brought to foreclose under this Deed of Trust or to enforce any right of Beneficiary or of Trustee hereunder, Trustor shall pay to Beneficiary and to Trustee attorney's fees in a reasonable sum to be fixed by the Court.
5. No remedy hereby given to Beneficiary or Trustee is exclusive of any other remedy hereunder or under any present or future law.
6. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.
7. In the event of default in the payment of any indebtedness secured hereby and if such indebtedness is secured at any time by any other instrument, Beneficiary shall not be obligated to resort to any security in any particular order; and the exercise by Beneficiary of any right or remedy with respect to any security shall not be a waiver of or limitation on the right of Beneficiary to exercise, at any time or from time to time thereafter, any right or remedy with respect to this Deed of Trust.
8. Trustor shall, upon request made by Beneficiary, furnish the Beneficiary with annual statements governing the operations of the Property.
9. This Deed of Trust applies to, inures to the benefit of, and binds, all parties hereto, their heirs, legatees, devises, administrators, executors, successors, successors in interest and assigns. Trustor may assign this Deed of Trust in accordance with the Loan Agreement.
10. 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 is a party unless brought by Trustee.
11. Beneficiary hereby agrees to the subordination of this Deed of Trust to deeds of trust, or similar security agreements, in favor of lenders providing construction and/or permanent financing (“Financing Parties”), for the housing project more particularly described in the Loan Agreement. Beneficiary also agrees to execute and record subordination agreements in the form required by the Financing Parties.
12. In order to receive an allocation of federal low-income housing tax credits, Trustor will be required to record against the Property in the real property records of the County in which the Property is located, an “extended low-income housing commitment” (as defined in Section 42(h)(6)(B) of the Internal Revenue Code of 1986, as amended (“Code”)) (“Extended Use Agreement”). Beneficiary acknowledges and agrees that, in the event of a foreclosure of its interest under this Deed of Trust or delivery by the Trustor of a deed in lieu thereof (collectively, a “Foreclosure”), Beneficiary agrees to comply with the following rule contained in Section 42(h)(6)(E)(ii) of the Code: For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the Extended Use Agreement, (i) none of the eligible tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants’ ineligibility pursuant to regulations of Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

[***Signatures appear on next page***]

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

TRUSTOR

MOUNT SHASTA CHESTNUT STREET LP,

a California limited partnership

By: Mount Shasta Chestnut Street LLC,   
a California limited liability company,  
its Administrative General Partner

By: Danco Communities,   
 a California corporation,  
 its Manager

By:

Daniel Johnson (Date)

President

And: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Christopher Dart (Date)

Secretary

By: Community Revitalization and Development

Corporation, a California nonprofit public

benefit corporation, its Managing General Partner

By:

David Rutledge (Date)

President

And: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Shelby Marocco (Date)

Vice President

THIS DOCUMENT MUST BE PROPERLY NOTARIZED

**(to be indexed as Trust Deed with Assignment of Rent)**

**EXHIBIT A**

**DEED OF TRUST WITH ASSIGNMENT OF RENTS TO THE COUNTY OF SISKIYOU, CALIFORNIA**

**735 CHESTNUT STREET, MOUNT SHASTA, CALIFORNIA**

**(County of Siskiyou/ Mount Shasta Chestnut Street LP)**

**LEGAL DESCRIPTION**

REAL PROPERTY IN THE CITY OF MOUNT SHASTA, COUNTY OF SISKIYOU, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 17 THROUGH 32, BLOCK 18, ACCORDING TO THE MAP OF THE CITY OF MT. SHASTA, FORMERLY SISSON, SISKIYOU COUNTY, STATE OF CALIFORNIA, ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 057-112-010