

After recording, return to:  
Winthrop & Weinstine, P.A. (RPS)  
225 South Sixth Street, Suite 3500  
Minneapolis, MN 55402

APN: 16-06-110-001

CT-158150-MCM

**TRUST DEED, SECURITY AGREEMENT,  
FINANCING STATEMENT, FIXTURE FILING AND  
ASSIGNMENT OF RENTS AND LEASES**

**(SPONSOR LOAN – OHS-ARPA)**

THIS TRUST DEED, SECURITY AGREEMENT, FINANCING STATEMENT, FIXTURE FILING AND ASSIGNMENT OF RENTS AND LEASES (this "Trust Deed") is given as of March 26, 2024, by **STRATFORD APARTMENTS 169, LLLP**, a Utah limited liability limited partnership ("Borrower"), to **COTTONWOOD TITLE INSURANCE AGENCY, INC.**, acting through Stewart Title Guaranty Company, whose address is 1216 W. Legacy Crossing Blvd., Suite 100, Centerville, UT 84014 (the "Trustee"), in favor of **FIRST STEP HOUSE**, a Utah nonprofit corporation, whose address is 440 South 500 East, Salt Lake City, Utah 84102 ("Lender").

RECITALS

A. Borrower has requested that Lender make a loan to Borrower in the amount of \$780,000 (the "Loan") pursuant to the terms and subject to the conditions set forth in that certain Promissory Note of even date herewith executed by Borrower and made payable in the original principal amount of \$780,000 (the "Note") which Note will be payable and mature as provided therein;

B. Borrower shall use the proceeds of the Loan to assist in the development and operation of the Real Property (as defined hereunder) in the City of Salt Lake City, and construction of the improvements thereon (the "Improvements"), to provide a multifamily residential facility.

C. Lender is making the Loan from funds obtained by Lender through the Federal Department of Treasury Coronavirus State and Local Fiscal Recovery Funds received by the Utah Department of Workforce Services, Office of Homeless Services ("DWS") pursuant to the

American Rescue Plan Act of 2021 (Pub. L. 117-2) and the rules and regulations promulgated thereunder, as amended (the "OHS-ARPA Grant").

D. Lender has determined to assist in the financing of the construction and operation of the Real Property and the Improvements (together, the "Project") by loaning to Borrower the Loan, upon the terms and conditions of that certain Loan Agreement dated even herewith by and between Borrower and Lender (the "Loan Agreement") and the Note. The principal balance, together with accrued interest and all other amounts due on the Loan, shall be due and payable in full on or before December 31, 2054.

## **ARTICLE 1.**

### **PARTIES, PROPERTY, AND DEFINITIONS**

The following terms and references shall have the meanings indicated:

1.1. Real Property: The Borrower's fee simple interest and easement rights in the real property described in Exhibit A, attached hereto and by this reference incorporated herein (the "Real Property"), together with all right, title and interest of Borrower in the following with respect to the Real Property, whether now owned or hereafter acquired by Borrower:

(a) all improvements now or hereafter located on such Real Property and all easements and appurtenances thereto;

(b) the land lying within any street or roadway adjoining the Real Property; any vacated or hereafter vacated street or alley adjoining the Real Property; and any strips and gores adjoining the Real Property;

(c) all and singular the passages, waters, water rights (whether tributary or non-tributary or not non-tributary), water courses, riparian rights, wells, well permits, water stock, other rights, liberties and privileges thereof or in any way now or hereafter appertaining to the Real Property, including homestead and any other claim at law or in equity, as well as any after-acquired title, franchise or license, and the reversion and reversions and remainder and remainders thereof; and

(d) all machinery, apparatus, equipment, fittings, fixtures (whether actually or constructively attached or incorporated, and including all trade, domestic, and ornamental fixtures) now or hereafter located in, upon, or under such Real Property or improvements and used or usable in connection with any present or future operation thereof, including but not limited to all lighting, utility, and power equipment; engines; pipes; pumps; tanks; motors; conduits; utility systems, plumbing, lifting, cleaning, fire prevention, fire extinguishing, signage, heating, air-conditioning; communication apparatus; water heaters; ranges; furnaces; appliances, refrigerators, stoves; shades, awnings, screens, storm doors and windows; attached cabinets; rugs, carpets and draperies and all additions thereto and replacements therefor.

1.2. Chattels: All goods, trade fixtures, fixtures, inventory, furnishings, fittings, machinery, apparatus, equipment, building and other construction materials, supplies, and other tangible personal property of every nature now owned or hereafter acquired by Borrower and used, intended for use, or reasonably required in the development, construction, reconstruction,

alteration, repair, or operation of the Property and any improvements or infrastructure located thereon, together with all accessions thereto, replacements and substitutions therefor, and proceeds thereof, including, without limitation, to the extent not deemed to be Real Property under this Trust Deed, all apparatus, machinery, motors, fittings, equipment, and other furnishings and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures.

1.3. Intangible Personalty: All right, title and interest of the Borrower in and to the following, with respect to the Real Property:

(a) all of the rents, royalties, income (including, without limitation, operating income), receipts, revenues, issues, and profits of and from the use, operation, or enjoyment of such Real Property and improvements (collectively, the "Income"), whether such Income is attributable to the period, or is collected, prior to or subsequent to any default by Borrower;

(b) all plans and specifications for the improvements on the Real Property; soil, environmental, engineering, land planning maps, surveys and other studies and reports concerning the Real Property or prepared for the orderly planning and development of the Real Property, including all plans, drawings and studies concerning the platting or replatting of the Real Property; all contracts and subcontracts relating to the improvements on the Real Property, or any thereof;

(c) all awards and payments, including interest thereon, resulting from the exercise of any right of eminent domain or any other public or private taking of, casualty or injury to, or decrease in the value of, any of such Real Property, including without limitation all property insurance payments, proceeds and policies related to such Real Property;

(d) all of the licenses, permits, franchises, and other entitlements to use and all rights thereto which have been issued by or which are pending before any governmental or quasi-governmental agency which are necessary or appropriate for the Property;

(e) all funds, accounts, operating accounts, accounts receivable, deposit accounts, escrow accounts, monies, claims, causes of action, rights to payment, prepaid insurance and other prepaid items, contracts, contract rights, refunds and rebates, maintenance contracts, maintenance warranties, continuing agreements, security deposits, general intangibles and payment intangibles associated with the property, letter of credit rights and insurance proceeds;

(f) all water taps, sewer taps, building permits, curb cut permits, storm water discharge permits, refunds, rebates or deposits due or to become due from any utility companies or governmental entity;

(g) the absolute right to Borrower's interest in any trade name used by Borrower in connection with the Property and all of Borrower's rights in and to contract rights, leases, concessions, trade names, trademarks, service marks, logos, operating systems, trade secrets, technology and technical information, copyrights, warranties, licenses, plans, drawings and other items of intangible personal property relating to the ownership or operation of the Property; and

(h) all other and greater rights and interests of every nature in such property and in the possession or use thereof and income therefrom, whether now owned or subsequently acquired by Borrower.

1.4. Property: The Real Property, the Chattels and the Intangible Personalty are sometimes collectively called the "Property." It is specifically understood that the enumeration of any specific articles of the Property, including Chattels and Intangible Personalty shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the Real Property, Chattels and Intangible Personalty, whether affixed or annexed or not, and all rights hereby conveyed and mortgaged are intended to be as a unit and are hereby understood and agreed and declared to be appropriated to the use of the real estate, and shall for the purposes of this Trust Deed be deemed to be real estate and conveyed and mortgaged hereby.

1.5. Secured Obligations: The Property is granted and shall be held for the purpose of securing (the "Secured Obligations"):

(a) The payment of the indebtedness as evidenced in the Loan Agreement and Note; and

(b) The performance and observance of all terms, covenants, conditions, and provisions to be performed or observed by the Borrower pursuant to the terms of this Trust Deed, and UCC-1 financing statements required to perfect Lender's security interest in the personal property as granted by this Trust Deed (the "Financing Statement").

The Loan Agreement, Note, this Trust Deed, the Financing Statement, and any and all other documents or instruments executed in connection with the foregoing to evidence or secure the Note shall be hereinafter collectively called the "Loan Documents".

1.6. Fixture Filing. This Trust Deed constitutes a fixture filing pursuant to Article 9 of the Utah Uniform Commercial Code, Section 70A-9a-502, Utah Code Annotated, as such Utah Uniform Commercial Code (Section 70A-9a-101, et seq.) is amended or recodified from time to time. The addresses of the secured party (Lender) and the debtor (Borrower) are set forth in Section 9.9 of this Trust Deed. This Trust Deed is to be recorded in the real estate records in the County Recorder's office of the county in which the Real Property is located. Borrower is the record owner of the Real Property.

## ARTICLE 2. GRANTING CLAUSE

2.1. Grant to Trustee. As security for the Secured Obligations, Borrower hereby grants, bargains, sells, and conveys the Property to Trustee, in trust forever, with power of sale, for the use and benefit of Lender, and subject to all provisions hereof.

2.2. Security Interest to Lender. As additional security for the Secured Obligations, Borrower hereby grants to Lender a security interest in the Chattels and in the Intangible Personalty and in such of the Real Property as may be deemed personalty (collectively, the "Collateral"). To the extent any of the Collateral may be or has been acquired with funds advanced by Lender under the Loan Documents, this security interest is a purchase money security interest. This Trust Deed

constitutes a Security Agreement under the Utah Uniform Commercial Code (the “Code”) with respect to any part of the Property and Collateral that may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate; all of the terms, provisions, conditions and agreements contained in this Trust Deed pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Property, and the following provisions of this section shall not limit the generality or applicability of any other provision of this Trust Deed but shall be in addition thereto:

(a) The Collateral shall be used by Borrower solely for business purposes, being installed upon or owned in connection with the real estate comprising part of the Property for Borrower’s own use or as the equipment and furnishings furnished by Borrower, as owner, to tenants of the Property;

(b) The Chattels shall be kept at the real estate comprising a part of the Property, and shall not be removed therefrom without the consent of Lender and the Chattels may be affixed to such real estate but shall not be affixed to any other real estate;

(c) Except for any financing statement evidencing a Permitted Exception (as defined in Paragraph 3.1 hereunder), no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office; and Borrower will, at its cost and expense, upon demand, furnish to Lender such further information and will execute and deliver to Lender such financing statements and other documents in form satisfactory to Lender and will do all such acts and things as Lender may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject to no adverse liens or encumbrances; and Borrower will pay the cost of filing the same or filing or recording such financing statements or other documents and this instrument in all public offices wherever filing or recording is deemed by Lender to be necessary or desirable;

(d) The terms and provisions contained in this section and in Section 7.6 (Enforcement of Security Interests) of this Trust Deed shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code; and

(e) This Trust Deed constitutes a security agreement and financing statement under the Code with respect to the Collateral. As such, this Trust Deed covers all items of the Collateral that are personal property including all items which are to become fixtures. Borrower is the “Debtor” and Lender is the “Secured Party” (as those terms are defined and used in the Code) insofar as this Trust Deed constitutes a financing statement.

(f) The Borrower agrees that Lender may, to the extent permitted by applicable law, prepare and file financing statements, amendments thereto, and continuation statements without the signature of the Borrower and file any financing statement, amendment thereto or continuation statement electronically.

2.3. Future Advances. This Trust Deed secures future Advances up to a total maximum amount of \$1,560,000.00.

**ARTICLE 3.**  
**BORROWER'S TITLE AND AUTHORITY**

3.1. Fee Simple Interest. Borrower, for itself, its successors and assigns, represents and warrants to Lender, its successors and assigns, that Borrower has a good and marketable fee simple interest to the Property, subject only to those matters of record listed on the attached Exhibit B ("Permitted Exceptions"). Borrower, for itself, its successors and assigns, represents and warrants to Lender, and its successors and assigns, that Borrower is the absolute owner of the Collateral, free of any liens, encumbrances, security interests, and other claims whatsoever, other than the Permitted Exceptions. Borrower, for itself and its successors and assigns, hereby agrees to warrant and forever defend, all and singular, all of the Property, Collateral and property interest granted and conveyed in trust pursuant to this Trust Deed, against every person whomsoever lawfully claiming, or to claim, the same or any part thereof, subject to the Permitted Exceptions. The warranties contained in this section shall survive foreclosure of this Trust Deed, and shall inure to the benefit of and be enforceable by any person who may acquire Borrower's fee simple interest to the Property or the Collateral pursuant to any such foreclosure.

3.2. [Reserved].

3.3. Due Authorization. Borrower represents and warrants to Lender that that the execution of this Trust Deed has been duly authorized by all necessary partnership action on the part of Borrower.

**ARTICLE 4.**  
**BORROWER'S AFFIRMATIVE COVENANTS**

4.1. Payment of Note. Borrower will pay all principal, interest, and other sums payable under the Note, this Trust Deed, or the Loan Documents, on the date when such payments are due, without notice or demand.

4.2. Performance of Other Obligations. Borrower will promptly and strictly perform and comply with all other covenants, conditions, and prohibitions required of Borrower by the terms of the Loan Documents.

4.3. Other Encumbrances. Borrower will promptly and strictly perform and comply with all covenants, conditions, and prohibitions required of Borrower in connection with any other encumbrance affecting the Property or the Collateral, or any part thereof, or any interest therein, regardless of whether such other encumbrance is superior or subordinate to the lien hereof. This paragraph does not authorize any lien or encumbrance against the Property or the Collateral except as permitted by Section 3.1 or with the prior written consent of Lender as provided in this Trust Deed.

4.4. Payment of Taxes.

(a) Property Taxes. Borrower shall pay, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes, assessments and other governmental, municipal, or other charges or impositions of any kind or nature whatsoever (including without limitation, charges and assessments on water or water stocks used on or with

the Property and levies or charges resulting from covenants, conditions and restrictions affecting the Trust Estate) which are assessed or imposed upon the Property, or become due and payable, and which create, may create, or appear to create, a lien upon the Property or any portion of the Property, or upon any equipment or other facility used in the construction, operation or maintenance of the Property (all of which taxes, assessments and other governmental charges of like nature are referred to as the "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the election of the taxpayer be paid in installments, Borrower may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) Intangible Taxes. If by reason of any statutory or constitutional amendment or judicial decision adopted or rendered after the date hereof, any tax, assessment, or similar charge is imposed against the Note, against Lender arising directly from Lender's interests in the Loan Documents (other than a tax based on Lender's income), or against any security interest of Lender in the Property, Borrower will pay such tax, assessment, or other charge before delinquency and will indemnify Lender against all loss, expense, or diminution of income in connection therewith. In the event Borrower is unable to do so, either for economic reasons or because the legal provisions or decisions creating such tax, assessment or charge forbid Borrower from doing so, then the Note will, at Lender's option, become due and payable in full upon thirty (30) days' notice to Borrower.

(c) Right to Contest. Notwithstanding any other provision of this section, Borrower will not be deemed to be in default solely by reason of Borrower's failure to pay any impositions so long as, in Lender's judgment, each of the following conditions is satisfied:

(i) Borrower is engaged in and diligently pursuing in good faith administrative or judicial proceedings appropriate to contest the validity or amount of such impositions; and

(ii) Nonpayment of such impositions will not result in the loss or forfeiture of any Property encumbered hereby or any interest of Lender therein.

If Lender determines that any one or more of such conditions is not satisfied or is no longer satisfied, Borrower will pay the impositions in question, together with any interest and penalties thereon, within ten (10) days after Lender gives notice of such determination.

#### 4.5. Maintenance of Insurance.

(a) Policies. Borrower shall obtain and maintain the following insurance and pay all related premiums as they become due:

(i) Casualty. Insurance of the Project against damage or loss by fire, lightning, and other perils, on an all-risks basis, such coverage to be in an amount satisfactory to Lender.

(ii) Liability. Combined commercial general liability insurance protecting Borrower and Lender against loss or losses from liability imposed by law or assumed

in any agreement, document, or instrument and arising from bodily injury, death, or property damage with a limit of liability satisfactory to Bank per occurrence and general aggregate. Also, "umbrella" excess liability insurance in an amount satisfactory to Lender.

(iii) Additional Insurance. Borrower shall obtain and maintain such other policies of insurance as Lender may reasonably request in writing and which is commercially customary for similar projects.

(b) Application of Insurance Proceeds. Subject to the rights of any lender with a superior interest under a recorded trust deed or similar document or instrument, all sums paid under any insurance policy required in subsection (a) shall be paid to the Lender (after application of such proceeds to prior lienholders, to the extent of the indebtedness secured by their liens). Lender shall apply such amounts (after first deducting therefrom its expenses incurred in collecting the same including but not limited to reasonable attorneys' fees) to the restoration of the Property pursuant to such conditions as the Lender shall in its reasonable discretion require, unless the senior lien holder has applied such proceeds solely to the payment of its lien, in which case Lender may do likewise. Any proceeds remaining after payment of expenses and restoration of the Property described herein shall be released to the Borrower. No application of insurance proceeds shall extend or postpone the due dates of the installments payable under the Note or change the amount of such installments.

4.6. Maintenance and Repair of Property and Collateral. Borrower will at all times maintain the Property and the Collateral in good condition and repair, and will diligently prosecute the completion of any infrastructure, building or other improvement which is at any time in the process of construction on the Property in full compliance with all building codes and other governmental requirements. Borrower shall constantly maintain and shall not diminish in any respect nor materially alter the Property during the term of this Trust Deed except as contemplated by the plans and specifications of the Project previously delivered to Lender (the "Plans"), and except as required by law or municipal ordinance, without the prior written consent of Lender. Subject to the rights of any lender under a superior trust deed, Borrower will promptly repair, restore, replace, or rebuild any part of the Property or the Collateral which may be affected by any casualty or any public or private taking or injury to the Property or the Collateral. Any repair, restoration, replacement, or rebuilding shall be consistent with all applicable laws and regulations. All costs and expenses arising out of the foregoing shall be paid by Borrower whether or not the proceeds of any insurance or eminent domain shall be sufficient therefor. Borrower will comply with all statutes, ordinances, and other governmental or quasi-governmental requirements and private covenants relating to the ownership, construction, use, or operation of the Property and the Collateral, including but not limited to any environmental or ecological requirements, legislation or regulations with respect to the Americans with Disabilities Act; provided, that so long as Borrower is not otherwise in default hereunder, Borrower may, upon providing Lender with security reasonably satisfactory to Lender, proceed diligently and in good faith to contest the validity or applicability of any such statute, ordinance, or requirement. Lender and any person authorized by Lender may enter and inspect the Property at all reasonable times, and may inspect the Collateral, wherever located, at all reasonable times.

4.7. Management. The Borrower will provide and maintain good and efficient management of the Property satisfactory to Lender. Borrower shall obtain Lender's advance



written approval of any management provided, and of any contract therefor or assignment thereof, which written approval shall not be unreasonably withheld.

4.8. Condemnation. Subject to the rights of any lender with a superior interest under a recorded trust deed or similar document or instrument, the entire proceeds of any award or any claim for damages for any of the Property taken or damaged under the power of eminent domain or by condemnation shall be paid to the Lender. Lender shall apply such amounts (after first deducting therefrom its expenses incurred in collecting the same including but not limited to reasonable attorneys' fees) to the restoration of the Property pursuant to such conditions as the Lender shall in its reasonable discretion require, unless the senior lien holder has applied such proceeds solely to the payment of its lien, in which case Lender may do likewise. Any proceeds remaining after payment of expenses and restoration of the Property described herein shall be released to the Borrower. No proceeds under the power of eminent domain or by condemnation shall extend or postpone the due dates of the installments payable under the Note or change the amount of such installments.

4.9. Mechanics' Liens. Borrower will keep the Property free and clear of all liens and claims of liens by contractors, subcontractors, mechanics, laborers, material men, and other such persons.

4.10. Defense of Actions. Borrower will defend, at Borrower's expense, any action, proceeding or claim which affects any Property encumbered hereby or any interest of Lender in such Property or in the Secured Obligations, and will indemnify and hold Lender harmless from all loss, damage, cost, or expense, including reasonable attorneys' fees, which Lender may incur in connection therewith except to the extent such loss is caused by Lender's gross negligence.

4.11. Inventories; Assembly of Chattels. Borrower will, from time to time at the request of Lender, supply Lender with a current inventory of the Chattels, in such detail as Lender may require. Upon the occurrence of any Event of Default hereunder, Borrower will, at Lender's request assemble the Chattels and make the Chattels available to Lender at any place designated by Lender which is reasonably convenient to both parties.

4.12. Further Assurances; Estoppel Certificates. Borrower will execute and deliver to Lender upon demand, and pay the costs of preparation and recording thereof, any further documents which Lender may request to confirm or perfect the liens and security interests created or intended to be created hereby, or to confirm or perfect any evidence of the Secured Obligations. Borrower will also, within ten (10) days after any request by Lender, deliver to Lender a signed and acknowledged statement certifying to Lender, or to any proposed transferee of the Secured Obligations, (a) the balance of principal, interest, and other sums then outstanding under the Note, and (b) whether Borrower claims to have any offsets or defenses with respect to the Secured Obligations and, if so, the nature of such offsets or defenses.

4.13. Parking Requirements. Borrower shall maintain at all times sufficient parking spaces to comply with the parking requirements of all leases, zoning and other regulations affecting the Property.

4.14. Financial Statements and Inspection of Records. Borrower will furnish or cause to be furnished to Lender copies of such certified reports, financial statements, supporting schedules and other financial data as Lender may reasonably require covering the financial condition of Borrower, in form and content satisfactory to Lender.

4.15. Insurance Proceeds. Insurance proceeds from casualty and condemnation shall be used to restore and rebuild the Property so long as Borrower is not in default.

4.16. DWS Requirements. DWS and the Lender entered into that certain Grant Agreement Deeply Affordable Housing Fund First Step House – The Stratford Project pertaining to that certain OHS-ARPA Grant (the “OHS-ARPA Grant Agreement”) in the amount of \$780,000 from DWS to Lender to partially finance the development of the Property (the “OHS-ARPA Grant Funds”). Pursuant to the OHS-ARPA Grant Agreement, DWS has agreed to disburse the proceeds of the OHS-ARPA Grant to Lender; Lender has agreed to make the loan secured hereby to Borrower. In consideration for the benefits received as aforesaid, Borrower agrees to comply with all of the terms of the Note and this Trust Deed, including Borrower’s agreement to be bound by (i) any OHS-ARPA Requirements established by the OHS-ARPA program, DWS, or its successors, and (ii) that certain Deed Restriction made by the Borrower for the benefit of DHS and recorded against the Property in connection with the OHS-ARPA Grant Agreement (the “Deed Restriction”).

## ARTICLE 5. BORROWER’S NEGATIVE COVENANTS

5.1. Zoning and Private Covenants. Borrower will not initiate, join in, or consent to any change in any zoning ordinance or classification, any change in the “zone lot” or “zone lots” (or similar zoning unit or units) presently comprising the Property, any change in any private restrictive covenant, or any change in any other public or private restriction limiting or defining the uses which may be made of the Property or any part thereof, without the express written consent of Lender. If under applicable zoning provisions the use of all or any part of the Property is or becomes a nonconforming use, Borrower will not cause such use to be discontinued or abandoned without the express written consent of Lender.

5.2. Disposition of Property, Leases or Beneficial Interest in Borrower. It is expressly acknowledged, covenanted and agreed that there may be no sale, lease (except for leases of space in the improvements on the Property made by Borrower in the ordinary course of Borrower’s business), exchange, assignment, conveyance, encumbrance, mortgage, alienation, transfer or other disposition (herein collectively called a “Disposition”) of (a) all or any portion of the Property or any lease thereof (or any interest therein) which gives the lessee any option to purchase the Property or any part thereof, or (b) all or any part of the legal or beneficial ownership interest or management control in Borrower, except that a transfer of the Investor Limited Partner’s (as defined below) or STC Special Limited Partner’s (as defined in the Borrower’s Partnership Agreement) interest in the Borrower or the withdrawal, replacement and/or addition of a general partner of the Borrower pursuant to the terms of the Partnership Agreement of Borrower (collectively, “Approved Dispositions”) shall not constitute a violation of the foregoing provision. Lender hereby consents to each of the encumbrances listed on Schedule B of the owner’s policy of title insurance issued to Borrower by Cottonwood Title Insurance Agency, Inc., acting as

authorized agent for Stewart Title Guaranty Company, as Permitted Exceptions. In the event there occurs a Disposition without Lender's written consent, with the exception of Approved Dispositions, then Lender may, at Lender's option, accelerate the maturity of the Note and enforce any and all of Lender's rights, remedies and resources set forth in this Trust Deed upon the occurrence of an Event of Default. It is acknowledged and agreed that Lender may withhold, at its sole option, its consent to any Disposition, with the exception of Approved Dispositions, as described above. Lender's failure to exercise its remedies hereunder for a disapproved Disposition shall not be construed as a waiver of Lender's right to subsequently exercise such remedies, and Lender's approval of a Disposition shall not be construed as a waiver of the provisions hereof with respect to any subsequent Disposition. The rights and options herein granted to Lender may be exercised at Lender's sole option and discretion, need not be based upon an increased business risk or any other risk, and are an integral and valuable part of the security given to Lender.

5.3. Further Encumbrance of Property. Except for the Permitted Exceptions, Borrower will not create, place or permit to be created or placed or allow to remain against the Property any lien, mortgage or trust deed, regardless of whether the same is expressly subordinate to the liens and security interests imposed hereby or by any other instruments securing the Secured Obligations and Borrower shall not encumber the Property without the prior written consent of Lender.

5.4. Transfer or Removal of Chattels. Borrower will not sell, transfer or remove from the Property all or any material part of the Chattels, unless the items sold, transferred, or removed are simultaneously replaced with similar items of equal or greater value.

5.5. Further Encumbrance of Collateral. Borrower will not create or permit any junior lien, security interest or other encumbrance against the Collateral without the prior written consent of Lender.

5.6. Change in Name, Location of Collateral, Etc. Without giving at least thirty (30) days' prior written notice to Lender, the Borrower shall not: (a) change its name, identity structure, or jurisdiction of organization; (b) change the location of its place of business (or chief executive office if more than one place of business); or (c) add to or change any location at which any of the Collateral is stored, held or located, without first notifying Lender of Borrower's intention to do so and shall execute and deliver to Lender modifications or supplements of this Trust Deed (and to any financing statement which may be filed in connection herewith) as Lender may require.

5.7. Improper Use of Property or Collateral. Borrower will not use the Property or the Collateral for any purpose or in any manner, or take any action with respect to the Property which violates any applicable law, ordinance, or other governmental requirement, the requirements or conditions of any insurance policy, or any private covenant.

## **ARTICLE 6.**

### **EVENTS OF DEFAULT**

Each of the following events will constitute a default (an "Event of Default") under this Trust Deed and under each of the other Loan Documents:

6.1. Failure to Pay. Default shall be made in the payment of any installment of principal or interest on the Note or any other sum any of the Loan Documents when due (after giving consideration to any grace period which may be applicable under such document).

6.2. Breach of Material Terms. The Borrower shall fail duly to perform or observe any of the covenants, agreements, or material terms contained in the Loan Agreement or in this Trust Deed.

6.3. Conveyance. The Borrower shall sell or convey the Property or any interest therein.

6.4. Bankruptcy / Insolvency. The Borrower shall be generally unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such a receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower, and such appointment shall continue undischarged for a period of ninety (90) days; or the Borrower shall institute (by petition, application, answer or otherwise) any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution, liquidation or similar proceedings under the laws of any jurisdiction; or any such proceeding shall be instituted against the Borrower; or the Borrower shall terminate or dissolve.

6.5. Representations. Any representation of the Borrower made herein or made by the Borrower in any submission or document delivered by or on behalf of the Grantor in connection with the Indebtedness shall prove to be materially untrue, or a default or an "Event of Default," however defined, shall occur under any other document or instrument now or hereafter securing repayment of the Note or issued in connection therewith, or evidencing or securing a loan made by any other lender with regard to the Property.

6.6. Superior Lien Against the Property. Other than with respect to the loans listed as Permitted Exceptions, the assertion of any claim of priority over this Trust Deed, by title, lien, or otherwise in any legal, administrative, or equitable proceeding, unless such assertion be withdrawn, or effective action satisfactory to Lender commenced (and thereafter diligently prosecuted) and Lender is secured against any loss or damage therefrom, within thirty (30) days of the assertion of such claim.

6.7. Abandonment. The actual or constructive abandonment of all or a substantial portion of the Property or the Collateral (such abandonment constituting an assignment to Lender, at Lender's option, of Borrower's interest in any lease or contract now or hereafter affecting the abandoned property).

6.8. Judgment. A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Property or a material part of the Collateral, or any judgment involving monetary damages shall be entered against Borrower or Borrower's general partner, which shall become a lien on the Property or any portion thereof or interest therein and such execution, attachment, or similar process or judgment is not released, bonded, satisfied, vacated, or stayed within sixty (60) days after its entry or levy.

6.9. Cure Rights. Notwithstanding anything to the contrary contained in the Loan Documents, if an Event of Default occurs hereunder and Lender gives Borrower written notice of

such default, Lender shall also send a copy of such notice at the same time and in the same manner to USA Institutional Stratford LLC, a Delaware limited liability company, its successors and assigns (“Investor Limited Partner”). Upon such default, Investor Limited Partner shall have the right, but not the obligation to cure such default for a period of thirty (30) days after the date of receipt of such written notice of default; provided, however, if it is not capable of being cured within such thirty (30) day period, so long as Investor Limited Partner diligently pursues such cure, then Investor Limited Partner shall have such reasonable amount of time to effectuate a cure. Lender agrees and acknowledges it shall accept any such cure tendered by the Investor Limited Partner as though such cure was tendered by the Borrower.

## ARTICLE 7. LENDER’S REMEDIES

Immediately upon or any time after the occurrence of any Event of Default hereunder, Lender may exercise any remedy available at law or in equity, including but not limited to those listed below and those listed in the other Loan Documents, in such sequence or combination as Lender may determine in Lender’s sole discretion:

7.1. Performance of Defaulted Obligations. Lender may make any payment or perform any other obligation under the Loan Documents which Borrower has failed to make or perform, and Borrower hereby irrevocably appoints Lender as the true and lawful attorney-in-fact for Borrower to make any such payment and perform any such obligation in the name of Borrower, which appointment is coupled with Lender’s interest in the Property and the Collateral. All payments made and expenses (including attorneys’ fees and legal assistant’s fees) incurred by Lender in this connection, together with interest thereon at rate set forth in the Note, from the date paid or incurred until repaid, will be part of the Secured Obligations and will be immediately due and payable by Borrower to Lender.

7.2. Specific Performance and Injunctive Relief. Notwithstanding the availability of legal remedies, Lender will be entitled to obtain specific performance, mandatory or prohibitory injunctive relief, or other equitable relief requiring Borrower to cure or refrain from repeating any default.

7.3. Acceleration of Secured Obligations. Upon an Event of Default, Lender may, at Lender’s option and in addition to any other remedy Lender may have under the Note, Lender may declare all sums secured hereby immediately due and payable and elect to have the Property sold in the manner provided herein. In the event Lender elects to sell the Property, Lender may execute or cause Trustee to execute a written notice of default and of election to cause the Property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in the office of the County Recorder of the County wherein the Property is located. Lender shall also deposit with Trustee the Note and all documents evidencing expenditures secured by this Trust Deed.

7.4. Exercise of Power of Sale. Pursuant to applicable law, after the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Borrower, shall sell the Property on the date and at the time and place designated in the notice of sale.

7.5. Surrender of Possession of Property. Borrower shall surrender possession of the Property to the purchaser immediately after the sale of the Property as provided in Section 7.4 of this Trust Deed, in the event such possession has not previously been surrendered by Borrower.

7.6. Enforcement of Security Interests. Lender may exercise all rights of a secured party under the Code with respect to the Collateral, including but not limited to taking possession of, holding, and selling the Collateral and enforcing or otherwise realizing upon any accounts and general intangibles. Any requirement for reasonable notice of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made, will be satisfied by Lender's giving of such notice to Borrower at least fifteen (15) days prior to the time of any public sale or the time after which any private sale or other intended disposition is to be made. If permitted by statute or court decision, the Collateral may be sold by the Trustee as part of the foreclosure sale of the Property.

7.7. Foreclosure Against Property. Subject to Section 7.11 herein, Lender may foreclose this Trust Deed in the manner provided by law for the foreclosure of mortgages on real property and Lender shall be entitled to recover in such proceedings all costs and expenses incident thereto, including reasonable attorneys' fees and costs in such amounts as shall be fixed by the court.

7.8. Appointment of Receiver. Lender, as a matter of right and without regard to the interest of Borrower therein, shall have the right upon notice to Borrower to apply to any court having jurisdiction to appoint a receiver or receivers of the Property and Borrower hereby irrevocably consents to such appointment. Any such receiver or receivers shall have all the usual powers and duties of a receiver and shall continue as such and exercise all such powers until completion of the sale of the Property or the foreclosure proceeding, unless the receivership is sooner terminated.

7.9. Right to Make Repairs, Improvements. Should any part of the Property come into the possession of Lender or a receiver, whether before or after an Event of Default, Lender or the receiver and receiver's agents shall be empowered subject to the rights of any lender under a superior trust deed:

(a) To take possession of the Property, Leases, Rents and Revenues and any business conducted by Borrower or any other person thereon and any business assets used in connection therewith and any Property in which Lender has a security interest granted by Borrower and, if the receiver deems it appropriate, to operate the same;

(b) To exclude Borrower and Borrower's agents, servants, and employees from the Property;

(c) With or without taking possession of the Property, to collect the Rents and Revenues, including those past due and unpaid and security deposits;

(d) To rent, lease or let all or any portion of the Property to any party or parties at such rental and upon such terms as Lender shall, and to pay any leasing or rental commissions associated therewith in its discretion, determine;

(e) To continue the development, marketing and sale of the Property or any portion thereof;

(f) To complete any construction or development which may be in progress;

(g) To do such maintenance and make such repairs and alterations as the receiver deems necessary;

(h) To use all stores of materials, supplies and maintenance equipment on the Property and to replace and replenish such items at the expense of the receivership estate;

(i) To pay the operating expenses of the Property, including costs of management and leasing or marketing thereof (which shall include lease commissions, sale commissions), payments under contracts and agreements for development and construction;

(j) To pay all taxes and assessments against the Property and any property which is collateral for the Secured Obligations, all premiums for insurance thereon, all utility and other operating expenses, and all sums due under any prior or subsequent encumbrance;

(k) To borrow from Lender such funds as may be reasonably necessary to the effective exercise of the receiver's powers, on such terms as may be agreed upon by the receiver and Lender, but not in excess of the interest rate set forth in the Note; and

(l) Generally do anything which Borrower could legally do if Borrower were in possession of the Property.

(m) All expenses incurred by the receiver or the receiver's agent shall constitute part of the Secured Obligations. Any revenues collected by the receiver shall be applied first to the expenses of the receivership (including attorneys' fees incurred by the receiver and by Lender), to expenses of the Property, and to preserve, protect, maintain and operate the Property and any other collateral which is security for the Secured Obligations, and the balance shall be applied toward the Secured Obligations or any deficiency which may result from any foreclosure sale, and then in such other manner as the court may direct. Unless sooner terminated with the express consent of Lender, any such receivership will continue until all amounts remaining due under the Note have been discharged in full, or until Borrower's interest in the Property has passed after foreclosure sale and all applicable periods of redemption have expired, and in either case, the court has discharged the receiver. Borrower covenants to promptly reimburse and pay to Lender or such receiver, at the place where the Note is payable, or at such other place as may be designated in writing, the amount of all reasonable expenses (including the cost of any insurance, taxes, or other charges) incurred by Lender or such receiver in connection with its custody, preservation, use or operation of the Property, together with interest thereon from the date incurred by Lender or such receiver at the interest rate set forth in the Note, and all such expenses, costs, taxes, interest, and other charges shall be part of the Secured Obligations. It is agreed, however, that the risk of accidental loss or damage to the Property is undertaken by Borrower and, except for Lender's or such receiver's willful misconduct or gross negligence, Lender or such receiver shall have no liability whatsoever for decline in value of the Property, for failure to obtain or maintain insurance, or for failure to determine whether any insurance ever in force is adequate as to amount or as to the risks insured, or to complete development.

7.10. Further Assurances. Upon issuance of a deed or deeds pursuant to foreclosure of this Trust Deed, all right, title, and interest of the Borrower in and to the Leases shall, by virtue of this instrument, thereupon vest in and become the absolute property of the grantee or grantees in such deed or deeds without any further act or assignment by the Borrower. Borrower hereby agrees to execute all instruments of assignment or further assurance in favor of such grantee or grantees in such deed or deeds, as may be necessary or desirable for such purpose. But nothing contained herein shall prevent Lender from terminating any subordinated Lease not approved by Lender through such foreclosure.

7.11. Standstill. Notwithstanding anything to the contrary set forth herein or in any of the Loan Documents, until the expiration of the "Tax Credit Compliance Period" (as that term is defined in Section 42 of the Internal Revenue Code), Lender will not commence (i) foreclosure proceedings with respect to the Property under the Loan Documents or exercise any other rights or remedies it may have under the Loan Documents, including, but not limited to, accelerating the Loan, collecting rents, appoint (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder; or (ii) join with any other creditor in commencing any bankruptcy reorganization, arrangement, insolvency or liquidation proceedings with respect to the Borrower (the "Standstill Restrictions"). Notwithstanding anything to the contrary contained herein (i) if a payment default occurs under the Note as the result of the Borrower's failure to pay amounts due under the Note despite the availability of Net Cash Flow and net proceeds resulting from a Capital Transaction (as defined in the Partnership Agreement) pursuant to Section 11.04 of the Partnership Agreement, respectively, to pay such amounts in accordance with the priorities provided in Section 11.01 and Section 11.04 of the Partnership Agreement, then Lender shall be permitted to garnish the amount of Net Cash Flow and net proceeds that should have been paid to Lender as amounts due under the Note, and (ii) if Lender is required to repay any amount of the OHS-ARPA Grant Funds to DWS under the OHS-ARPA Grant Agreement due to the acts or omissions of Borrower, or if a default occurs under the OHS-ARPA Grant Agreement or Deed Restriction that results in Lender needing to repay the OHS-ARPA Grant Funds to DWS, Lender may obtain a judgment against the Borrower (a) to enforce the performance of any and all payment obligations of the Borrower hereunder and under the note to Lender from available "Net Cash Flow" or net proceeds (as such terms are defined in the Partnership Agreement) in accordance with the respective priorities set forth in Section 11.01 and Section 11.04, and (b) to garnish the amounts of Net Cash Flow or net proceeds available in accordance with the respective priorities set forth in Section 11.01 and Section 11.04 of the Partnership Agreement. Borrower hereby appoints Lender as attorney-in-fact to execute any or all documents on behalf of the Borrower to enforce any provisions of this paragraph and the Borrower shall defend, indemnify, and save harmless the Lender from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceedings arising out of any act or omission relating to the enforcement of this paragraph.

## **ARTICLE 8.**

### **ASSIGNMENT OF RENTS AND LEASES**

8.1. Assignment of Rents and Leases. To further secure the Secured Obligations, Borrower does hereby sell, assign and transfer unto Lender all rents, issues, profits, revenue, and income now due and which may hereafter become due under or by virtue of any Leases, tenancies or agreements for occupancy "Leases" (collectively "Rents and Revenues"), whether written or



verbal, or any letting of, or of any agreement for the sale, use or occupancy of the Property or any part thereof, and all proceeds from, evidence of, and benefits and advantages to be derived therefrom, now or hereafter existing, whether or not with Lender's approval. The Borrower does hereby appoint irrevocably Lender its true and lawful attorney in its name and stead (with or without taking possession of the Property) to rent, lease or let any improvements located on the Property, and to collect all of said Rents and Revenues arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and every of the Leases, or other agreements, written or verbal, or which may hereafter exist on the Property, on the condition that Lender hereby grants to Borrower a license to collect and retain such Rents and Revenues (but expressly not including the right to collect any rents more than one (1) month in advance or any amount to prepay, terminate, or "buy out" any Leases) prior to the occurrence of any Event of Default under the Loan Documents. Borrower expressly covenants to apply the Rents and Revenue received, after application for operating expenses permitted hereunder, to payment of the Secured Obligations as and when the same become due and in compliance with the Loan Documents. Such license shall be revocable by Lender without notice to Borrower at any time upon or after an Event of Default under the Loan Documents, and immediately upon any such revocation, Lender shall be entitled to receive, and Borrower shall deliver to Lender, any and all Rents and Revenues theretofore collected by Borrower which remain in the possession or control of Borrower and all Leases, and other such agreements. It is the intention of the Borrower to create and grant, and it is the intention of Lender to create and receive, a present and absolute assignment of all of the Leases, similar agreements, Rents and Revenue now due or which may hereafter become due, but it is agreed that Lender's right to collect the Rents and Revenues is conditioned upon the existence of an Event of Default under the Loan Documents. Failure of Lender at any time or from time to time to enforce its rights under this Article 8 shall not in any manner prevent its subsequent enforcement, and Lender is not obligated to collect anything hereunder, but is accountable only for sums collected. Nothing contained herein shall be construed as constituting Lender a mortgagee in possession in the absence of the taking of actual possession of the Property by Lender pursuant to Section 8.6 (Lender's Right of Possession In Case of Default) hereof. In the exercise of the powers herein granted to Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrower.

8.2. Covenants Regarding Leases. Borrower agrees:

- (a) Not to execute any Leases (except for leases of space in the improvements on the Property made by Borrower in the ordinary course of Borrower's business) affecting the Property or any part thereof without the prior written consent of Lender;
- (b) Not to collect any of the Rents for more than one (1) month in advance of the time when the same become due under the terms thereof;
- (c) Not to discount any future accruing Rents;
- (d) Other than to secure Loans listed on Exhibit B as Permitted Exceptions, not to execute any other assignments of said Leases or any interest therein or any of the Rents and Revenues thereunder;

(e) That notwithstanding any variation of the terms of this Trust Deed or any extension of time for payment thereunder or any release of part or parts of the Property, the Leases, Rents and Revenues hereby assigned, insofar as they relate to the unreleased Property, shall continue as additional security in accordance with the terms hereof; and

(f) To perform all of the Borrower's covenants and agreements under the Leases and not to suffer or permit to occur any release of liability of the lessees or purchasers.

8.3. Representations Regarding Leases. Borrower represents and warrants that, except for the Permitted Exceptions, (a) the Leases, if any, are in full force and effect; (b) the Leases and the Rents and Revenues thereunder have not been heretofore sold, assigned, transferred, or set over by Borrower or by any person or persons whatsoever; (c) no material default exists on the part of the lessees thereunder, or the Borrower as lessor; (d) no Rents have been paid by any of the lessees for more than one (1) month in advance; (e) the payment of none of the rents have been or, will be waived, released, reduced, discounted or otherwise discharged or compromised by the Borrower directly or indirectly by assuming any lessee's obligations with respect to other premises; and (f) Borrower has good right to sell, assign, transfer, and set over the same and to grant to and confer upon Lender the rights, interests, powers, and authorities herein granted and conferred.

8.4. Further Assignments. Borrower shall give Lender at any time upon demand any further or additional forms of assignment of transfer of such Rents and Revenues, leases and security as may be reasonably requested by Lender, and shall deliver to Lender executed copies of all such leases and security.

8.5. Authority of Lender. Any tenants or occupants of any part of the Property are hereby authorized to recognize the claims of Lender hereunder without investigating the reason for any action taken by Lender, or the validity or the amount of indebtedness owing to Lender, or the existence of an Event of Default under any Loan Document, or the application to be made by Lender of any amounts to be paid to Lender. The sole signature of Lender or a receiver shall be sufficient for the exercise of any rights under this Article 8 and the sole receipt of Lender or a receiver for any sums received shall be a full discharge and release therefor to any such tenant or occupant of the Property; and Borrower hereby releases each such tenant and occupant which makes payments to Lender under this Article 8 from any liability under the applicable Lease or occupancy agreement. Checks for all or any part of the rentals collected under this Article 8 shall be drawn to the exclusive order of Lender or such receiver.

8.6. Lender's Right of Possession in Case of Default. In any case in which under the provision of this Trust Deed, Lender has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, promptly upon demand of Lender, Borrower shall surrender to Lender and Lender shall be entitled to take actual possession of the Property or any part thereof personally, or by its agents or attorneys, as for condition broken, and Lender in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers and accounts of the Borrower or then owners of the Property relating thereto, and may exclude the Borrower, its agents or servants, wholly therefrom and may, as attorney-in-fact or agent of the Borrower, or in its own

name as Lender and under the powers herein granted, hold, operate, manage and control the Property and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the rents, issues, revenues and profits of the Property.

8.7. Severability and Survival. The provisions of this Article 8 shall survive the foreclosure of the lien of this Trust Deed and the exercise of the power of sale granted under this Trust Deed until the expiration of all periods of redemption following any such foreclosure or sale and thereafter with respect to all Rents and Revenues arising prior to or attributable to the period prior to the expiration of all such redemption periods.

## ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1. Lender Representation. The Lender hereby represents that the Loan has not been and will not be funded in whole or in part, directly or indirectly, with proceeds of obligations the interest on which is exempt from federal income tax under Section 103 of the Internal Revenue Code of 1986, as amended.

9.2. Time of the Essence. Time is of the essence with respect to all provisions of this Trust Deed.

9.3. Rights and Remedies Cumulative. Lender's rights and remedies under each of the Loan Documents are cumulative of the rights and remedies available to Lender under each of the other Loan Documents and those otherwise available to Lender at law or in equity. No act of Lender shall be construed as an election to proceed under any particular provision of any Loan Document to the exclusion of any other provision in the same or any other Loan Document, or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Lender.

9.4. No Implied Waivers. Lender shall not be deemed to have waived any provision of this Trust Deed unless such waiver is in writing and is signed by Lender. Without limiting the generality of the preceding sentence, neither Lender's acceptance of any payment with knowledge of a default by Borrower, nor any failure by Lender to exercise any remedy following a default by Borrower shall be deemed a waiver of such default, and no waiver by Lender of any particular default on the part of Borrower shall be deemed a waiver of any other default or of any similar default in the future.

9.5. No Third Party Rights. No person shall be a third party beneficiary of any provision of this Trust Deed. All provisions of this Trust Deed favoring Lender are intended solely for the benefit of Lender, and no third party shall be entitled to assume or expect that Lender will or will not waive or consent to modification of any such provision in Lender's sole discretion.

9.6. Preservation of Liability and Priority. Without affecting the liability of Borrower or of any other person (except a person expressly released in writing) for payment and performance of all of the Secured Obligations, and without affecting the rights of Lender with respect to any security not expressly released in writing, and without impairing in any way the priority of this

Trust Deed over the interests of any person acquired or first evidenced by recording subsequent to the recording hereof, Lender may, either before or after the maturity of the Note, and without notice or consent: (a) release any person liable for payment or performance of all or any part of the Secured Obligations; (b) make any agreement altering the terms of payment or performance of all or any of the Secured Obligations; (c) exercise or refrain from exercising, or waive, any right or remedy which Lender may have under any of the Loan Documents; (d) accept additional security of any kind for any of the Secured Obligations; or (e) release or otherwise deal with any real or personal property securing the Secured Obligations. Any person acquiring or recording evidence of any interest of any nature in the Property or the Collateral shall be deemed, by acquiring such interest or recording any evidence thereof, to have agreed and consented to any or all such actions by Lender.

9.7. [Reserved.]

9.8. Subrogation of Lender. Lender shall be subrogated to the lien of any previous encumbrance discharged with funds advanced by Lender under the Loan Documents, regardless of whether such previous encumbrance has been released of record.

9.9. Notices. Any notice required or permitted to be given by Borrower or Lender under this Trust Deed shall be in writing and will be deemed given (a) upon personal delivery or upon confirmed transmission by telecopier or similar facsimile transmission device, (b) on the first business day after receipted delivery to a courier service which guarantees next-business-day delivery, or (c) on the third business day after mailing, by registered or certified United States mail, postage prepaid, in any case to the appropriate party at its address set forth below:

If to Borrower:

Stratford Apartments 169, LLLP  
440 South 500 East  
Salt Lake City, Utah 84102  
Attention: Shawn McMillen

With copies to:

Robert P. Singleton, Esq.  
Winthrop & Weinstine, P.A.  
225 South Sixth Street, Suite 3500  
Minneapolis, Minnesota 55402

and

USA Institutional Stratford LLC  
c/o Richman Fund Manager, Inc.  
777 West Putnam Avenue  
Greenwich, Connecticut 06830  
Attention: Joanne Flanagan, Esq.

and

Kraus Lam LLC  
230 West Monroe Street, Suite 2528  
Chicago, Illinois 60606  
Attention: Daniel Kraus, Esq.

If to Lender:

First Step House  
440 South 500 East  
Salt Lake City, Utah 84102  
Attention: Shawn McMillen

Any person may change such person's address for notices or copies of notices by giving notice to the other party in accordance with this section.

9.10. Defeasance. Upon payment and performance in full of all the Secured Obligations and all costs of releasing this Trust Deed, Lender will execute and deliver to Borrower such documents as may be required to release this Trust Deed of record.

9.11. Illegality. If any provision of this Trust Deed is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Trust Deed, the legality, validity, and enforceability of the remaining provisions of this Trust Deed shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Trust Deed a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. If the rights and liens created by this Trust Deed shall be invalid or unenforceable as to any part of the Secured Obligations, then the unsecured portion of the Secured Obligations shall be completely paid prior to the payment of the remaining and secured portion of the Secured Obligations, and all payments made on the Secured Obligations shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of the Secured Obligations.

9.12. Obligations Binding Upon Borrower's Successors. This Trust Deed is binding upon Borrower and Borrower's successors and assigns, including all grantees and remote grantees of any interest of Borrower in the Property, and shall inure to the benefit of Lender, and its successors and assigns, and the provisions hereof shall likewise be covenants running with the land. The duties, covenants, conditions, obligations, and warranties of Borrower in this Trust Deed shall be joint and several obligations of Borrower and Borrower's successors and assigns.

9.13. Governing Law. The laws of the State of Utah shall govern the validity, construction, enforcement, and interpretation of this Trust Deed, without regard to principles of conflicts of laws.

9.14. Survival. This Trust Deed shall survive foreclosure of the liens created hereby, to the extent necessary to fulfill its purposes.

9.15. Captions. The captions and headings of various paragraphs of this Trust Deed are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

9.16. Tax Credit Requirements. Notwithstanding any provision in Trust Deed or other documents evidencing the Loan, the Lender acknowledges that the Loan and this Trust Deed is subordinate to the requirements of Section 42(h)(6)(E) of the Internal Revenue Code pertaining to limitations on eviction of tenants and increases in rent for the three-year period following foreclosure.

9.17. Organizational Number. The Employer Identification Number of Borrower is 92-0857700.

9.18. Successor Trustee. Lender may appoint a successor trustee at any time by filing for record in the office of the County Recorder of the county wherein the Property is located, a substitution of trustee. From the time the substitution is filed for record, the new Trustee shall succeed to all the powers, duties, authority and title of Trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made in the manner provided by law.

9.19. Acceptance of Trust. Trustee accepts this Trust when this Trust Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of any pending sale under any other deed of trust or any action or proceeding in which Borrower, Lender, or Trustee shall be a party, unless brought by Trustee.

9.20. This Trust Deed, the Note and the Loan Agreement shall be subject to the OHS-ARPA Grant Agreement.

*[Remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, the undersigned has signed and delivered this Trust Deed as of the date first mentioned above.

**BORROWER:**

**STRATFORD APARTMENTS 169, LLLP,**  
a Utah limited liability limited partnership

By: Stratford Apartments GP, LLC,  
a Utah limited liability company  
Its: General Partner

By: First Step House,  
a Utah non-profit corporation  
Its: Sole Member and Member

By:   
Name: Shawn McMillen  
Its: Executive Director

STATE OF UTAH                    )  
  ) ss.  
COUNTY OF SALT LAKE    )

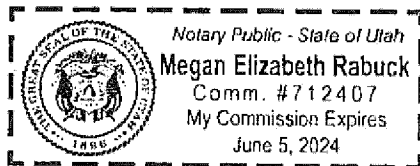
The foregoing instrument was acknowledged before me this 18 day of March 2024, by Shawn McMillen as the Executive Director of First Step House, a Utah nonprofit corporation, the manager and sole member of Stratford Apartments GP, LLC, a Utah limited liability company, the general partner of Stratford Apartments 169, LLLP a Utah limited liability limited partnership, on behalf of the limited liability limited partnership.

Witness my hand and official seal.

My commission expires: June 5, 2024

  
\_\_\_\_\_  
Notary Public

(SEAL)



**EXHIBIT A**

**PROPERTY**

**PARCEL 1:**

Residential Unit 1, contained within STRATFORD CONDOMINIUM, as the same is identified in the Plat filed in the office of the Salt Lake County Recorder, Utah, on December 20, 2006 as Entry No. 9946062 in Book 2006P of Plats at Page 384 and in the declaration recorded December 20, 2006 as Entry No. 9946063 in Book 9397 at Page 3579 and the First Amendment to Declaration for Stratford Condominiums recorded 3.21.24 as Entry No. 14221096 in Book 11400 at Page 5581 (as said declaration may have been subsequently restated, amended and/or supplemented).

TOGETHER WITH the undivided ownership interest in and to the Common Areas and Facilities defined under said declaration.

**PARCEL 1A:**

A nonexclusive easement as disclosed in that certain Encroachment Easement Agreement recorded 3.21.24 as Entry No. 1 in Book 11400 at Page 9026. Being more particularly described as follows: 14221006

Beginning at a point being South 89°58'22" West 88.00 feet and North 00°01'45" West 1.00 foot from the Southeast corner of Lot 1, Block 71, Plat "A", Salt Lake City Survey and running thence South 89°58'15" West 0.54 feet; thence North 00°01'45" West 42.86 feet; thence North 89°58'15" East 0.54 feet; thence South 00°01'45" East 42.86 feet to the point of beginning.

**ALSO:**

Beginning at a point being South 89°58'22" West 88.00 feet and North 00°01'45" West 84.92 feet from the Southeast corner of Lot 1, Block 71, Plat "A", Salt Lake City Survey and running thence South 89°58'15" West 0.61 feet; thence North 00°01'45" West 5.08 feet; thence North 89°58'15" East 0.61 feet; thence South 00°01'45" East 5.08 feet to the point of beginning.

**PARCEL 1B:**

A temporary and nonexclusive easement as disclosed in that certain Temporary Construction Easement Agreement recorded 3.21.24 as Entry No. 1 in Book 11400 at Page 9011. Being more particularly described as follows: 14221009

Beginning at a point being North 00°01'45" West 90.00 feet and South 89°58'22" West 66.50 feet from the Southeast corner of Lot 1, Block 71, Plat "A", Salt Lake City Survey and running thence South 89°58'22" West 21.50 feet; thence North 00°01'38" West 9.67 feet; thence North 89°58'22" East 21.50 feet; thence South 00°01'38" East 9.67 feet to the point of beginning.



**EXHIBIT B**

**PERMITTED EXCEPTIONS**

Those matters set forth in that certain policy of title insurance (Escrow No. 158150-MCM) issued by Cottonwood Title Insurance Agency, Inc. as authorized agent for Stewart Title Guaranty Company, a Texas corporation.

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