

COMMUNITY LAND TRUST GROUND LEASE

THIS LEASE ("Lease") made and entered into this ___ day of _____, 20___, by and between Newtown Community Development Corporation, an Arizona non-profit corporation ("NEWTOWN") as Lessor, and _____, _____, as Lessee.

WHEREAS, NEWTOWN is organized exclusively for charitable purposes, including: the development and preservation of decent, affordable housing and the creation of homeownership opportunities for low and moderate income people who otherwise would be denied such opportunities because of limited financial resources; and

WHEREAS, a goal of NEWTOWN is to stimulate the conveyance of decent, affordable housing among low and moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Leased Premises described in this Lease have been acquired and are being leased by NEWTOWN in furtherance of these charitable purposes; and

WHEREAS, the Lessee shares the purposes and goals of NEWTOWN and has agreed to enter into this Lease not only to obtain those benefits to which Lessee is entitled under this Lease, but also to further the charitable purposes of the Lessor; and

WHEREAS, Lessor and Lessee recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by Lessor and Lessee that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of Lessor and Lessee, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

ARTICLE 1: Letter of Stipulation and Acknowledgement

1.1 LESSEE'S STIPULATION AND ACKNOWLEDGEMENT Attached as Exhibit A and made part of this Lease by reference is a Letter of Stipulation of Lessee setting forth Lessee's review and understanding of this Lease (in particular, Article 10) and related documents for this transaction.

ARTICLE 2: Demise of Leased Premises

2.1 LEASED PREMISES: The Lessor, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby lease unto Lessee, and Lessee does hereby lease from Lessor, the property (referred to in this Lease as the "Leased Premises") described in the attached Exhibit B: LEASED PREMISES. Lessor has furnished to Lessee a copy of the

most current, if any, title report previously obtained by Lessor for the Premises, and Lessee accepts title to the Leased Premises in their condition "as is" as of the execution of this Lease.

2.2 RESERVATION OF MINERAL RIGHTS: Lessor reserves to itself all the minerals and other extractive resources. This reservation shall not diminish the right of the Lessee under this Lease to occupy and freely use the Leased Premises for the purposes contained herein. Any eventual extraction by the Lessor of minerals or other extractive resources shall be carried out with as little disruption to the Lessee as is reasonably possible. In instances requiring a material disruption of the Lessee's right of use and occupancy of the Leased Premises as provided herein, the Lessor shall not make such extraction without the consent of the Lessee.

ARTICLE 3: Duration of Lease

3.1 PRINCIPAL TERM: The term of this Lease shall be 99 years, commencing on the ____ day of _____, 20__ and terminating on the ____ day of _____, 21__ unless terminated sooner or extended as provided below.

3.2 LESSEE'S OPTION TO EXTEND: Lessee may extend the principal term of this Lease for one (1) additional period of 99 years, subject to all of the provisions of this Lease; provided that Lessor may make changes to the terms of the Lease for the renewal period prior to the beginning of such renewal period but only if these changes do not materially harm Lessee's rights under the Lease. Not more than 365 nor less than 180 days before the last day of the current term, Lessor shall give Lessee written notice, stating the date of expiration, describing any changes that Lessor intends to make to the terms of the Lease as permitted above, and reiterating the conditions for renewal as set forth immediately below.

3.2.1 Lessee's right to exercise the option to extend is subject to the following conditions: (a) within 60 days of receipt of Lessor's written notice of impending expiration, Lessee shall give Lessor written notice, irrevocably exercising the option to extend; (b) this Lease shall be in effect at the time notice of intent to extend is given and on the last day of the term, and (c) there shall not then be an Event of Default by Lessee under this Lease or under any loan documents between Lessee and any Permitted Mortgagee.

3.2.2 When Lessee has rightfully exercised the option to extend, each party shall execute a memorandum, in mutually agreeable recordable form, acknowledging the fact that the option had been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease.

3.3 CHANGE OF LESSOR; LESSEE'S RIGHT TO PURCHASE: In the event that ownership of the land on which the Leased Premises and Improvements is located (the "Land") is conveyed or transferred (whether voluntarily or involuntarily) by Lessor to any other

person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event Lessor desires or attempts to convey the Land to any person or entity other than a non-profit corporation, charitable trust, governmental agency or other similar entity sharing the goals described in the Recitals above (or as security for a mortgage loan), the Lessee shall have a right of first refusal to purchase the Land. This right shall be as specified in the attached Exhibit C: FIRST REFUSAL. Any sale or other transfer contrary to this Section shall be null and void.

ARTICLE 4: Use of Leased Premises

4.1 RESIDENTIAL USE ONLY: Lessee shall use, and shall cause all occupants to use, the Leased Premises and Improvements only for residential purposes and any incidental activities related to residential use that are currently permitted by applicable state and local zoning laws. In addition, use of the Leased Premises shall be further limited by the restrictions set forth in that attached Exhibit D: RESTRICTIONS.

4.2 RESPONSIBLE USE AND COMPLIANCE WITH LAW: Lessee shall use the Leased Premises in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Lessee shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects except for normal wear and tear, and in full compliance with all applicable laws and regulations of any governmental authority with jurisdiction over matters concerning the condition of the Leased Premises and Improvements. Lessee shall maintain landscaping in all yard areas that are visible from a public street, alley or sidewalk or a neighboring property so as to enhance the appearance and value of the Premises and shall not present a deteriorated or slum- like appearance.

4.3 RESPONSIBLE FOR OTHERS: Lessee shall be responsible for the use of the Leased Premises by all residents and their families, friends and visitors and anyone else using the Leased Premises with their consent, and shall make all such people aware of the spirit, intent and appropriate terms of this Lease.

4.4 OCCUPANCY: Lessee shall occupy the Leased Premises for at least nine months of each year of this Lease, unless otherwise agreed by Lessor. Occupancy by children or other immediate family members or dependents of Lessee shall be considered occupancy by Lessee.

4.5 INSPECTION: Lessor may inspect any portion of the Leased Premises at any reasonable time for cause, but not more than two times in a single calendar year (excepting emergency circumstances), and in any reasonable manner, upon at least forty-eight (48) hours oral notice to Lessee. In the event of emergency, Lessor may inspect any portion of the Leased Premises without notice provided the Lessor shall have made reasonable efforts to give advance notice to Lessee.

4.6 LESSEE'S RIGHT TO PEACEFUL ENJOYMENT: Lessee has the right to undisturbed enjoyment of the Leased Premises, and Lessor has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Lessee, subject to the provisions of this Lease.

ARTICLE 5: Lease Fee

5.1 LEASE FEE: In consideration of the possession, continued use and occupancy of the Leased Premises, Lessee shall pay to Lessor a monthly Lease Fee (the "Lease Fee") of Thirty-Five Dollars (\$35.00).

5.2 PAYMENT OF LEASE FEE: The Lease Fee shall be payable to Lessor, at the address specified in this Lease as Lessor's address, on the first day of each month for as long as this Lease remains in effect, unless, with Lessor's consent, the Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee. If the Lease commences on a day other than the first of the month, a pro-rata portion of the Lease Fee shall be paid for the balance of the month at the time the Lease is executed.

5.2.1 In the event that any amount of payable Lease Fee remains unpaid when the Improvements are sold and the leasehold estate is transferred to another party, the amount of payable Lease Fee shall be paid to Lessor out of any proceeds of sale otherwise due to Lessee at the time of sale.

5.3 CALCULATION OF LEASE FEE: The Lease Fee specified in Section 5.1 above has been calculated as follows. First, an amount approximating the monthly fair rental value of the Land has been established, current as of the commencement of the Lease term, recognizing that use of the Land is restricted by some of the provisions of the Lease. Second, the costs of administering this Lease have been considered. Then the affordability of this monthly amount for the Lessee has been analyzed and, if necessary, the amount has been reduced to yield the amount stated in Section 5.1 above, which has been determined to be affordable for Lessee.

5.4 REDUCTION, DELAY OR WAIVER OF LEASE FEE: Lessor may reduce, delay or waive entirely the Lease Fee at any time and from time to time for the purpose of assuring affordable monthly housing costs for the Lessee. Any such reduction, delay or waiver must be in writing and signed by Lessor before being effective.

5.5 ADJUSTMENT OF LEASE FEE: The Lease Fee stated in Section 5.1 above shall be applicable during the term of this Lease, as adjusted in the way provided below. However, in the event that, for any reason, the provisions of Article 10 or Article 11 regarding transfers of the Improvements and the Leasehold Estate or Section 4.4 regarding occupancy are suspended or invalidated for any period of time, then during that time, the Lease Fee shall be increased to an amount calculated by Lessor to equal the fair rental value of the Land for use not restricted by the provisions of the suspended portions of the

Lease, but initially an amount not to exceed \$500. In such event, Lessor shall notify Lessee of the amount calculated in this way, and the Lease Fee shall then be this amount.

5.5.1 In order to keep the Lease Fee reasonably current, the amount specified in Section 5.1 (and the maximum amount specified in the preceding Section 5.5) shall be recalculated every fifth year during the term of the Lease. At such intervals, the amount shall be recalculated through such reasonable process as the Lessor shall choose, based upon the standards set forth in Sections 5.3 and 5.4 above. This recalculation shall be deemed reasonable if the percentage increase of the new Lease Fee is less than the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers ("CPI-U") for the Phoenix metropolitan area, or such other index or such other area as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Bureau of Labor Statistics of the U.S. Department of Labor. Lessor shall notify Lessee promptly upon recalculation of the new Lease Fee amount, and if Lessee does not state objections to the recalculated amount within thirty (30) days after receipt of this notice, the Lease Fee shall then be as stated by Lessor in the notice. If Lessee does state objections to the recalculated Lease Fee, and Lessor and Lessee are then unable to agree on a recalculated Lease Fee within fifteen (15) days of Lessor's receipt of Lessee's objection, the dispute shall be resolved according to the arbitration process set forth in Article 8 below, except that the arbitrators chosen by each party shall be ones with experience in the valuation of real estate. Upon the final determination of the recalculated Lease Fee in accordance with the terms of this section, Lessor shall maintain in its file a notarized certification of the amount of such recalculated Lease Fee and the process by which it was determined.

ARTICLE 6: Taxes, Fees and Assessments

6.1 TAXES, FEES AND ASSESSMENTS: Lessee shall be solely responsible for payment of all (a) homeowner fees and assessments; (b) taxes, assessments and other governmental charges that relate to the Improvements or the Leased Premises; and (c) any other service bill, utility charge or other fee or assessment levied or otherwise charged against the Leased Premises (collectively, the "Taxes, Fees and Assessments"). Lessee shall pay the Taxes, Fees and Assessments when they become due, and shall make such payment directly to the entity to which such payment is owed.

6.2 RECEIPT OF INVOICE: Within twenty (20) days of receipt by Lessor, Lessor shall provide Lessee notice of any invoice or other request to pay Taxes, Fees and Assessments that is received by Lessor as record-owner of the Leased Premises.

6.3 LESSEE'S RIGHT TO CONTEST: Lessee shall have the right, at its sole cost and expense, to contest the amount or validity of any taxes relating to the Improvements or the Leased Premises. Lessor shall, upon written request by Lessee, join in any such proceedings if

Lessee reasonably determines that it is necessary or convenient for Lessor to do so. All other costs and expenses of such proceedings shall be paid by Lessee.

6.4 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Lessee fails to pay the Taxes, Fees and Assessments, Lessor may increase, but shall not be obligated to increase, Lessee's Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements and Leased Premises. Upon collecting any such amount, Lessor shall pay the amount collected to the taxing or other authority or creditor entity in a timely manner.

6.5 PROOF OF COMPLIANCE: Concurrently with the payment of any Taxes, Fees and Assessments, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a paid receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

ARTICLE 7: Improvements

7.1 OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by the Lessee or constructed or placed by the Lessee on any part of the Leased Premises at any time during the term of this Lease (the "Improvements") shall be property of the Lessee. Title to such Improvements shall be and remain vested in the Lessee. However, Lessee's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the financing and the disposition of Improvements by the Lessee and the Lessor's option to purchase the Improvements. In addition, Lessee shall not sever or move the Improvements from the Land.

7.2 PURCHASE OF IMPROVEMENTS BY LESSEE: Lessee is simultaneously purchasing the Improvements now located on the Land and described in the Deed or Bill of Sale, which is annexed to this Lease as Exhibit E: DEED/BILL OF SALE.

7.3 CONSTRUCTION AND ALTERATION: Any construction in connection with an existing or new Improvement is subject to the following conditions: (a) all costs shall be borne and paid for by the Lessee; (b) all construction shall be performed in a workmanlike manner and shall comply with all applicable laws and regulations; (c) all construction shall be consistent with the permitted uses set forth in Article 4; (d) the exterior (including height) of such Improvements shall not be increased or expanded and new Improvements shall not be constructed without the prior written consent of Lessor, who, however, shall not unreasonably withhold such consent; and (e) Lessee shall furnish to Lessor a copy of any plans and all building permits for such construction prior to commencing construction.

7.4 PROHIBITION OF LIENS: No lien for services, labor or materials resulting from Lessee's construction shall attach to the Lessor's title to the Land or to Lessor's interest in the Leased Premises or to any other property owned by the Lessor. Lessee shall not permit

any statutory or similar lien to be filed against the Premises, the Improvements, or any interest of Lessor or Lessee which remains more than sixty (60) days after it has been filed. Lessee shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Lessee fails to cause such lien to be discharged within the sixty-day period, then, in addition to any other right or remedy, Lessor may, but shall not be obligated to, discharge the lien by paying the amount in question. Lessee may, at Lessee's expense, contest the validity of any such asserted lien, provided Lessee has furnished a bond in an amount sufficient to release the Leased Premises from such lien. Any amounts paid by Lessor to discharge such liens shall be deemed to be an additional Lease Fee payable by Lessee upon demand.

7.5 MAINTENANCE AND SERVICES: Lessee shall, at Lessee's sole expense, maintain the Leased Premises and all Improvements as required by Section 4.2 above. Lessor shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Leased Premises or Improvements, and Lessee hereby assumes the sole responsibility for furnishing all services or facilities.

7.6 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Lessee shall surrender the Improvements together with the Leased Premises to the Lessor. Ownership of the Improvements shall thereupon revert to Lessor; provided, however, that Lessor shall promptly pay to Lessee as consideration for the Improvements an amount equal to Lessor's Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee including any charges that may have been added to the Lease Fee in accordance with this Lease.

ARTICLE 8: Financing

8.1 PERMITTED MORTGAGE OR DEED OF TRUST: Lessee may mortgage or otherwise encumber the Leased Premises and the Improvements only with the written consent of Lessor. Any mortgage or other encumbrance of the Leased Premises or the Improvements by the Lessee without the consent of the Lessor shall be void. Not less than thirty (30) days prior to the date on which Lessee (or a prospective Lessee who has contracted to purchase the Improvements) requests Lessor's consent to a mortgage or deed of trust to be effective, Lessee (or prospective Lessee) shall furnish to Lessor copies of every document to be executed in connection with the transaction represented by such mortgage or deed of trust. Lessor may choose to consent to any mortgage or deed of trust and in so doing shall designate such mortgage or deed of trust as a "Permitted Mortgage." However, Lessor shall be required to consent to a mortgage or deed of trust if (a) at the time such copies of documents are submitted and at the time proposed by Lessee (or prospective Lessee) for the execution of such documents, no default is then outstanding; and (b) the mortgage or deed of trust so submitted is a Standard Permitted Mortgage as defined in the attached Exhibit F: PERMITTED MORTGAGES. Lessee shall pay to Lessor at Lessor's option, as

additional Lease Fee, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lessor in connection with any Permitted Mortgage.

8.2 RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage (Permitted Mortgagee) shall without requirement of consent by the Lessor have the rights identified and defined in the attached Exhibit F: PERMITTED MORTGAGES.

8.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of a trustee or foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee, the provisions of Article 10, Sections 10.1 through 10.12 inclusive shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8.4 LESSOR'S RIGHT TO PURCHASE PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, upon recording a notice of default or upon the acquisition of title to the Improvements and leasehold estate by the Permitted Mortgagee, the Permitted Mortgagee shall give the Lessor written notice of such default or acquisition and the Lessor shall have an option to purchase the Improvements and leasehold estate from the Lessee or the Permitted Mortgagee, as the case may be, for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that the Lessor gives written notice to the Lessee and the Permitted Mortgagee of the Lessor's intent to purchase the Improvements and leasehold estate within thirty (30) days following the Lessor's receipt of the Permitted Mortgagee's notice of such acquisition of the Improvements and leasehold estate. The Lessor shall complete the purchase of the leasehold estate within sixty (60) days of having given written notice of its intent to purchase. If the Lessor does not complete the purchase, the Permitted Mortgagee shall be free to complete the trustee or foreclosure sale, and/or to sell the Improvements and leasehold estate to another person.

8.5 LESSOR'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE: The parties recognize that it would be contrary to the fundamental concept of this Lease and an incentive to abuse Lessee's authorization to encumber its leasehold interest with a Permitted Mortgage if Lessee could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly Lessee hereby irrevocably assigns to Lessor any and all net proceeds of sale of Lessee's leasehold interest and interest in the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Lessee, to the extent such net proceeds exceed the net proceeds that Lessee would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay said amounts directly to Lessor.

8.6 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld, conditioned or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 LESSEE'S LIABILITY: Lessee assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy and use of the Leased Premises.

9.2 INDEMNIFICATION OF LESSOR: Lessee shall defend, indemnify and hold Lessor harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises. Lessee waives all claims against Lessor for such injury or damage. However, Lessor shall remain liable (and Lessee shall not indemnify and defend Lessor against such liability or waive such claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of Lessor or Lessor's agents or employees.

9.3 PAYMENT BY LESSOR: In the event the Lessor shall be required to pay any sum that is the Lessee's responsibility or liability, the Lessee shall reimburse the Lessor for such payment and for reasonable expenses caused thereby.

9.4 INSURANCE: Lessee shall, at Lessee's sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Improvements.

9.4.1 Lessee shall, at Lessee's sole expense, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than One Hundred Thousand dollars (\$100,000) for injury to or death of any one person; and Three Hundred Thousand dollars (\$300,000) for injury to or death of any number of persons in one occurrence; and One Hundred Thousand dollars (\$100,000) for property damage, or such other coverages or amounts as Lessor may reasonably require. The dollar amounts of this coverage or other coverages shall be reviewed and adjusted, as necessary or appropriate, at five-year intervals, beginning on the date this Lease is signed, or upon Lessor's demand given not more often than annually, upon 30 days' notice to Lessee. This adjustment shall be deemed reasonable if it is less than the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers ("CPI-U") for the Phoenix metropolitan area, or such other index or such other area as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Bureau of Labor Statistics of the U.S. Department of Labor. Such insurance shall specifically insure

Lessee against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure Lessor as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for Lessor and Lessee.

9.4.2 Lessee shall provide Lessor with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days prior written notice to Lessor. Lessor shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 DAMAGE OR DESTRUCTION: Except as provided below, in the event of fire or other damage to the Improvements, Lessee shall take all steps necessary to assure the repair of such damage and the restoration of the Improvements to their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Lessee shall also promptly take all steps necessary to assure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

9.5.1 If Lessee, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration, (provided Lessee has fulfilled all of the hazard insurance requirements set forth in Section 9.4 above), then Lessee may terminate this Lease by written notice to Lessor given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until forty-five (45) days after the date upon which the notice is received by Lessor. During this forty-five-day period Lessor may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least eighty percent (80%) of the cost of repair and restoration. If successful in securing such adjustment, Lessor may render Lessee's termination notice null and void by written notice to Lessee within such forty-five (45)-day period. If Lessor fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the forty-five (45)-day period, and any insurance proceeds payable to Lessee on account of such damage shall be paid as provided below.

9.5.2 The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Lessee (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable Lessor's Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to Lessor.

9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Lessee is required to give up possession of the Leased Premises or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

9.6.1 In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to Lessor.

9.6.2 In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, the Lessor may in its discretion allocate some or all of the monetary compensation to enable Lessee to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises.

9.6.3 Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this Section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or lessee of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 REASSESSMENT OF RENTAL VALUE: In the event of any taking that reduces the size of the Leased Premises but does not result in the termination of the Lease, Lessor shall reassess the fair rental value of the remaining Premises and shall adjust the Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the premises for use as restricted by the Lease.

9.8 RELOCATION OF LESSEE: In the event of a termination of this Lease as a result of damage, destruction or taking, Lessor shall take reasonable steps to grant Lessee a leasehold interest, similar to the interest created by this Lease, in another tract that it owns, if such other tract can reasonably be made available. In accepting such a leasehold interest, Lessee agrees to contribute any proceeds or award received by Lessee to purchase

or develop Improvements on such tract. Lessor's failure to supply such a leasehold interest shall not give rise to any cause of action by Lessee against Lessor.

ARTICLE 10: Transfer, Sale or Disposition of Improvements

10.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower income households and expand access to homeownership opportunities for such households.

10.2 TRANSFERS TO INCOME-QUALIFIED PERSONS: Lessee may transfer its interest in the Leased Premises or the Improvements only to an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers shall be subject to Lessor's review and purchase option rights set forth in this Article 10. Any purported transfer done without following the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

10.2.1 "Income-Qualified Person" shall mean a person or group of persons whose household income does not exceed eighty percent (80%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 TRANSFER TO LESSEE'S HEIRS: Upon receipt of notice from the executor of the decedent's estate given within ninety (90) days of the death of Lessee (or the last surviving co- owner of the Improvements) Lessor shall, unless for good cause shown, consent to a transfer of the Improvements and an assumption of this Lease to and by one or more of the possible heirs of Lessee listed below as "a," "b," or "c," provided that a Letter of Stipulation (similar to that described in Article 1 of this Lease), setting forth the heirs' review, understanding and acceptance of the terms of the Lease, are submitted to Lessor to be attached to the Lease when it is transferred to the heirs:

- a) the spouse of the Lessee; or
- b) the child or children of the Lessee; or
- c) member(s) of the Lessee's household who have resided upon the Premises with Lessee for at least one year immediately prior to Lessee's death.

10.3.1 Any other heirs, legatees or devisees of Lessee must, in addition to submitting Letters of Stipulation as provided above, demonstrate to Lessor's reasonable satisfaction that they are Income-Qualified Persons as defined above, or, if unable to do so, shall not be entitled to possession of the Leased Premises but must transfer the Leased Premises in accordance with the provisions of this Article 10.

10.4 LESSEE'S NOTICE OF INTENT TO SELL: In the event that Lessee wishes to assign its interest in the Leased Premises and sell the Improvements, Lessee shall notify Lessor, in writing, of such wish (the Intent-to-Sell Notice). Such Notice shall include a statement as to whether Lessee has identified a prospective buyer as of the date of the Notice.

10.5 APPRAISAL: As soon as possible after receipt of Lessee's notice of intent to sell by Lessor, a leasehold valuation of the Leased Premises and the Improvements ("Leasehold Valuation". This Leasehold Valuation (the "Appraisal") shall be performed by a mutually acceptable and duly licensed appraiser. Lessee shall commission and pay the cost of such Appraisal. Copies of the Appraisal are to be provided to both Lessor and Lessee.

10.6 LESSEE'S RIGHT TO DESIGNATE A BUYER: Lessee may, no later than ten days following receipt of the Appraisal, notify Lessor in writing that Lessee has identified a prospective buyer. If Lessee has thus identified a prospective buyer, then, within thirty (30) days of receipt of the Appraisal, Lessee shall furnish to Lessor, or cause to be furnished to Lessor, the following documents: (1) the tax return of the prospective buyer for the immediately preceding year; (2) a current verification of the prospective buyer's employment; (3) pay stubs of the prospective buyer for the three months immediately preceding the month in which these documents are submitted to the Lessor; (4) a letter of stipulation from the prospective buyer in form and substance similar to that of Exhibit A hereto; and (5) a statement of the price and other proposed terms of sale in form and substance similar to that of Exhibit G: FORM FOR PROPOSED TERMS FOR SALE hereto, including a condition that the prospective buyer shall enter into a ground lease with NEWTOWN in a form substantially the same as this Lease.

10.6.1 No sale or other disposition shall be effective unless and until Lessor, within thirty (30) days of receipt of all of the documents listed in the paragraph above, confirms in writing that the prospective buyer is an Income-Qualified Person who understands and accepts the terms of the Lease and that the price and other terms of sale are consistent with the terms of the Lease. If Lessor determines that the proposed buyer or proposed sale are not permitted under the terms of the Lease, then Lessor shall respond with written notice to Lessee of this determination. If Lessor fails to respond in writing within thirty (30) days of its receipt of the required documents, such failure shall be deemed to constitute approval of the sale.

10.6.2 Upon receipt of Lessor's approval as described above, Lessee may proceed to sell the Improvements to, and obtain a new lease from, the prospective buyer. Lessee shall complete such sale and assignment within sixty (60) days of receipt of approval of the proposed sale.

10.7 LESSOR'S PURCHASE OPTION AND AGREEMENT TO COOPERATE: Upon receipt of an Intent to Sell Notice from Lessee, Lessor shall have the option to purchase said Improvements (the Purchase Option) at the Purchase Option Price calculated as set forth below, unless Lessee has identified a prospective buyer and is proceeding to seek approval

of and to sell to such buyer in accordance with the provisions of Section 10.6 above. The Purchase Option is designed to further the purpose of preserving the affordability of the Improvements for succeeding Income-Qualified Persons while taking fair account of the investment of labor and capital by the Lessee. Lessee and Lessor agree to cooperate in furthering such purposes by facilitating the sale of the Improvements to an Income-Qualified Person. Such purposes are understood to be accomplished, without Lessor having otherwise exercised the Purchase Option, if the Improvements are sold, in accordance with Section 10.6 above, to a buyer identified by Lessee. Lessor shall not exercise the purchase option directly during such time as Lessee is proceeding to sell to a prospective buyer in accordance with Section 10.6. Purchase Option within a sixty (60) day period beginning ten (10) days after Lessee's receipt of the Appraisal unless Lessee has, by such time, given notice identifying a prospective buyer. If Lessee has identified a prospective buyer but for any reason the sale to such prospective buyer cannot be completed, then Lessor may elect to exercise the Purchase Option within a sixty (60) day period beginning at such time as it is established that sale to such prospective buyer cannot be completed. In either case, Lessor shall notify Lessee in writing of its election to exercise the Purchase Option within the applicable sixty-day period.

10.8: EXERCISE OF LESSOR'S PURCHASE OPTION: Lessor may elect to exercise the Purchase Option within a sixty (60) day period beginning ten (10) days after Lessee's receipt of the Appraisal unless Lessee has, by such time, given notice identifying a prospective buyer. If Lessee has identified a prospective buyer but for any reason the sale to such prospective buyer cannot be completed, then Lessor may elect to exercise the Purchase Option within a sixty (60) day period beginning at such time as it is established that sale to such prospective buyer cannot be completed. In either case, Lessor shall notify Lessee in writing of its election to exercise the Purchase Option within the applicable sixty-day period.

10.8.1 If Lessor gives notice of election to exercise the Purchase Option, Lessor shall then complete the purchase of the Improvements within sixty (60) days of the date on which it gives such notice. If Lessor either fails to give such notice within the time permitted or fails to complete the purchase within the time permitted, the Purchase Option shall expire.

10.8.2 Exercise of the Purchase Option may be accomplished by Lessor's assignment of the Option to an Income-Qualified Person who then completes the purchase of the Improvements within the required period. The time permitted for the exercise of the Purchase Option may be extended by mutual agreement of Lessor and Lessee.

10.9 IF PURCHASE OPTION EXPIRES: If the Purchase Option has expired, Lessee may sell the Improvements and assign the Lease to any Income-Qualified Person, for not more than the then applicable Purchase Option Price. If, six months after the expiration of the Purchase Option, the Improvements still have not been sold, Lessee may sell the

Improvements and assign the Lease, for not more than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Person.

10.10 LESSOR'S POWER OF ATTORNEY TO CONDUCT SALE: In the event Lessor does not exercise its option to purchase as set forth above, and Lessee (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Lessee, as security for the performance of the acts of Lessee set forth in this Lease, does hereby appoint Lessor its attorney in fact, coupled with an interest to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease, sell the Improvements, and distribute proceeds of sale, minus Lessor's costs of sale and reletting and any other sums owed Lessor by Lessee. This power of attorney is not affected by the subsequent disability or incapacity of the principal or lapse of time.

10.11 PURCHASE OPTION PRICE: The Purchase Option Price shall be the lesser of (a) the Leasehold Value of the Leased Premises and Improvements as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below (the Formula Price).

10.12 CALCULATION OF THE FORMULA PRICE: The Formula Price shall be equal to Lessee's Purchase Price, as stated below, plus 25% of the increase in the leasehold value, if any, calculated in the way described as follows:

- a) Lessee's Purchase Price:* The parties agree that the Lessee's Purchase Price for the Improvements existing on the Leased Premises as of the commencement of the term of this Lease is \$_____.
- b) Initial Appraised Leasehold Value:* The parties agree that the appraised Leasehold Value of the Leased Premises and Improvements at the time of Lessee's purchase (the Initial Appraised Leasehold Value) is \$_____ as documented by the appraiser's report attached to this Lease as Exhibit H: INITIAL APPRAISAL.
- c) Increase in Leasehold Value:* The increase in the Leasehold Value equals the appraised Leasehold Value at time of resale, calculated according to Section 10.5 above, minus the Initial Appraised Leasehold Value.
- d) Lessee's Share of Increase in Leasehold Value:* Lessee's share of the increase in the Leasehold Value equals twenty-five percent (25%) of the Increase in Leasehold Value as calculated above.
- e) Summary of Formula Price:* The Formula Price equals the Lessee's Purchase Price plus Lessee's Share of Increase in Leasehold Value.

ARTICLE 11: ASSIGNMENT AND SUBLEASE

11.1 ASSIGNMENT AND SUBLEASE: Except as otherwise provided in Article 8 (including Exhibit F: PERMITTED MORTGAGES) and Article 10, Lessee shall not assign, sublease, sell or otherwise convey any of Lessee's rights under this Lease voluntarily or by operation of law, without the prior written consent of the Lessor. Lessee agrees that Lessor shall have

broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease shall be subject to the following conditions:

- a) Any such assignment or sublease shall be subject to all of the terms of this Lease; and
- b) In the case of a sublease, the rental or occupancy fee charged the sublessee shall not be more than that amount charged the Lessee by the Lessor, plus an amount approved by Lessor to cover costs to Lessee for the Improvements; and
- c) In the case of an assignment, the total consideration for such assignment and the related sale or transfer of the Improvements shall not exceed the Purchase Option Price as calculated in accordance with Article 10 above.

ARTICLE 12: DEFAULT

12.1 MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to pay the Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Lessee or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, if Lessee shall make a good faith partial payment of at least two-thirds (2/3) of the amount owed during such initial 30 day period, then such period shall be extended one additional 30 day period.

12.2 NON-MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to abide by any other material term or condition in this Lease, and such failure is not cured by Lessee or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, in the case where the Lessee or Permitted Mortgagee has commenced to cure such default within such sixty (60) day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3 DEFAULT BY LESSEE RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Lessee is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Lessee for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 TERMINATION: In the case of any of the events of default described above, Lessor may terminate this Lease and initiate summary proceedings against Lessee. Pursuant to

such proceedings, without demand or notice, Lessor may enter any part of the Leased Premises and repossess the entire Leased Premises, and expel Lessee and those claiming rights through Lessee and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by Lessor, or if Lessor re-enters the Leased Premises pursuant to an Event of Default, the Lessee agrees to pay and be liable for any unpaid Lease Fee, damages which may be due or sustained prior to or in connection with such termination or re-entry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lessor in pursuit of its remedies under this Lease.

12.4.1 If Lessor elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Lessee's interest in the Lease by foreclosure of its mortgage, or deed of trust or otherwise.

12.5 DEFAULT BY LESSOR: Lessor shall in no event be in default in the performance of any of its obligations under the Lease unless and until Lessor has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Lessee to Lessor properly specifying Lessor's failure to perform any such obligation.

ARTICLE 13: ARBITRATION

13.1 ARBITRATION PROCESS: Should any grievance or dispute arise between Lessor and Lessee concerning the terms of this Lease which cannot be resolved by normal interaction, the following arbitration procedure shall be used.

13.1.1 Lessor or Lessee shall give written notice to the other of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within fifteen days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

13.1.2 The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing Lessor and Lessee shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than fifteen days after the hearing, the arbitration panel shall make a written report to the Lessor and Lessee of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it.

The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final and may be summarily enforced as provided by law.

ARTICLE 14: GENERAL PROVISIONS

14.1 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to LESSOR: Newtown Community Development Corporation
511 West University Drive, Suite 4, Tempe, AZ 85281

If to LESSEE: _____

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.2 NO BROKERAGE: Lessee warrants that it has not dealt with any broker in connection with the consummation of this Lease, and in the event any claim is made against Lessor relative to dealings with brokers, Lessee shall defend the claim against Lessor with counsel of Lessor's selection and save harmless and indemnify Lessor on account of loss, cost or damage which may arise by reason of any such claim.

14.3 SEVERABILITY AND DURATION: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Lessee or Lessor against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and such options and other rights shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons: the children living as of the date of this Lease of any of the directors Newtown Community Development Corporation.

14.4 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, Lessor shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Lessee. Such right shall be as

specified in Exhibit C: FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.5 WAIVER: The waiver by Lessor at any given time of any term or condition of this Lease, or the failure of Lessor to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. Lessor may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by Lessor before being effective.

14.5.1 The subsequent acceptance of Lease Fee payments by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term or condition of this Lease, other than the failure of the Lessee to pay the particular Lease Fee so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such Lease Fee payment.

14.6 LESSOR'S RIGHT TO PROSECUTE OR DEFEND: Lessor shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Lessee's name, any actions or proceedings appropriate to the protection of its title to, and Lessee's perpetual interest in the Leased Premises. Whenever requested by Lessor, Lessee shall give Lessor all reasonable aid in any such action or proceeding.

14.7 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.8 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.9 PARTIES BOUND: This Lease sets forth the entire agreement between Lessor and Lessee with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by Lessor and Lessee or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.10 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of Arizona. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Lessor or Lessee.

14.11 RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a Memorandum of Ground Lease in the form attached hereto as Exhibit I. In no event shall such document set forth the rent or other charges payable by Lessee under this Lease; and any such document shall expressly state that it is executed pursuant to the

provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

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

(signatures on next page)

Newtown Community Development Corporation
an Arizona non-profit corporation

Name
Title
"LESSOR"

Name
"LESSEE"

See attached notary acknowledgement next page

Exhibits:

Exhibit A:	LETTER OF STIPULATION AND ACKNOWLEDGEMENT
Exhibit B:	LEGAL DESCRIPTION OF THE PROPERTY
Exhibit C:	FIRST REFUSAL
Exhibit D:	RESTRICTIONS ON USE
Exhibit E:	DEED/BILL OF SALE
Exhibit F:	PERMITTED MORTGAGES
Exhibit G:	FORM FOR PROPOSED TERMS OF SALE
Exhibit H:	INITIAL APPRAISAL
Exhibit I:	MEMORANDUM OF GROUND LEASE
Exhibit J:	REQUEST FOR NOTICE
Exhibit K:	COMMUNITY LAND TRUST GROUND LEASE RIDER
Exhibit L:	DEED OF TRUST AND ASSIGNMENT OF RENTS
Exhibit M:	NOTE SECURED BY DEED OF TRUST

Exhibit A: LETTER OF STIPULATION AND ACKNOWLEDGEMENT

Date: _____

TO: Newtown Community Development Corporation
511 W University Drive, Suite 4, Tempe, AZ 85282

This letter is given to NEWTOWN to become an exhibit to a Lease between NEWTOWN and myself. I will be leasing a parcel of land from NEWTOWN and will be buying the home that sits on that parcel of land. I will therefore become what is described here as a "NEWTOWN Community Land Trust Homeowner."

I understand that I have the right to seek the advice of an attorney to explain the terms and conditions of the Lease and other legal documents that are part of this transaction. I also understand that these terms and conditions will affect my rights as a NEWTOWN Community Land Trust Homeowner, now and in the future.

In particular I understand and agree with the following points.

One of the goals of NEWTOWN is to keep NEWTOWN homes affordable for lower income households from one NEWTOWN Community Land Trust Homeowner to the next. I support this goal as a NEWTOWN Community Land Trust Homeowner.

The terms and conditions of my Lease will keep my home affordable for future "Income-Qualified Persons" (as defined in the lease). If and when I want to sell my home, the lease requires that I sell it either to NEWTOWN or to another Income-Qualified Person. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such income-qualified persons.

It is also a goal of NEWTOWN to promote resident ownership of NEWTOWN Community Land Trust homes. For this reason, my Lease requires that, if I and my family move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.

I understand that I can leave my home to my child or children or other members of my household and that, after my death, they can own the home for as long as they want to live in it and abide by the terms of the Lease, or they can sell it on the terms permitted by the Lease.

As a NEWTOWN Community Land Trust Homeowner, it is my desire to see the terms of the Lease and related documents honored. I consider these terms fair to me and all others legally bound under the Lease.

Sincerely,

Homeowner Name

Exhibit B: LEGAL DESCRIPTION OF THE PROPERTY

PARCEL NO. 1

ANY AND ALL IMPROVEMENTS ONLY LOCATED ON, BUT SPECIFICALLY
EXCLUDING:

INSERT LEGAL DESCRIPTION

Exhibit C: RIGHT OF FIRST REFUSAL

When Recorded, Return to:

Newtown Community Development Corporation
511 West University Drive, Suite 4
Tempe, AZ 85281

RIGHT OF FIRST REFUSAL

This Right of First Refusal is entered into this _____ day of _____, 20____, by Newtown Community Development Corporation, an Arizona non-profit corporation ("Lessor") and _____ ("Lessee")

RECITALS

WHEREAS, Lessor and Lessee have entered into that certain unrecorded Community Land Trust Ground Lease dated this _____ day of _____, 20____ (the "Lease"), concerning the real property described on Exhibit "A" attached hereto (the "Land").

WHEREAS, Sections 3.3 and 14.4 of the Lease contemplate that a party to the Lease shall have a right of first refusal to purchase the other party's interest in Land, the Leased Premises, and/or the Improvements, as such terms are defined in the Lease (hereinafter referred to as such party's "Property Interest"), under conditions set forth therein.

WHEREAS, the parties desire to execute and cause to be recorded this Right of First Refusal.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENTS

1 The right of first refusal of a party to purchase the other party's Property Interest as provided under Section 3.3 and 14.4 of the Lease shall be governed by the following procedures. If a party, consistent with the terms and provisions of the Lease, desires to offer its Property Interest for sale (the "Offering Party") and receives a bona fide offer from a third party to purchase such Property Interest under terms that are acceptable to the Offering Party:

- a) The Offering Party shall thereupon give written notice (the "Notice") of such offer to the other party ("Other Party") setting forth (1) the name and address of the prospective purchaser thereof, (2) the purchase price offered by the prospective purchaser, and (3) all other terms and conditions of the sale. The Other Party shall have a period of sixty (60) days after the receipt of the Notice

containing the offer (the "Election Period") within which to elect to purchase the Property Interest of the Offering Party on the same terms and conditions, including the purchase price set forth in the Notice. Such election shall be made by a written notice given to the Offering Party within the Election Period.

- b) If the Other Party elects to purchase the Property Interest of the Offering Party, such purchase shall be made within sixty (60) days after such election shall have been made by Other Party (or if the Notice shall specify a later date for closing, such date) by performing the terms and conditions set forth in the Notice, including full payment of the purchase price provided therein.
- c) Should the Other Party fail to make any election within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Lease) to complete the sale that the Offering Party desires to accept, and to sell its Property Interest within six (6) months following the expiration of the Election Period on terms and conditions that are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such six (6) month period, the right of the Offering Party to consummate such sale shall terminate, and all of the foregoing provisions of this Right of First Refusal shall be applied again to any future offer, all as aforesaid.
- d) The sale of a party's Property Interest shall subject to and governed by the terms and provisions of the Lease, including without limitation the applicable provisions of this Right of First Refusal.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Right of First Refusal as of the day and year first above written.

Newtown Community Development Corporation
an Arizona non-profit corporation

Name
Title
"LESSOR"

Homeowner Name
"LESSEE"

See attached notary acknowledgement next page

My Commission Expires:

RIGHT OF FIRST REFUSAL EXHIBIT "A"

PARCEL NO. 1

ANY AND ALL IMPROVEMENTS ONLY LOCATED ON, BUT SPECIFICALLY EXCLUDING:

LEGAL DESCRIPTION

Exhibit D: RESTRICTIONS ON USE

There are no restrictions on use other than those outlined in the attached Ground Lease.

Exhibit E: DEED/BILL OF SALE

Exhibit F: PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A) STANDARD PERMITTED MORTGAGE: A “Standard Permitted Mortgage,” as identified in Section 8.1 of the Lease to which this Exhibit is attached shall be a mortgage or deed of trust (“Mortgage”) that meets the following requirements.

1) Such Mortgage shall run in favor of either (a) a so-called “institutional lender” such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a “community development financial institution” as certified by the U.S. Department of the Treasury, or similar non-profit lender to housing projects for low and moderate income persons.

2) Such Mortgage shall be a first lien on all or any of the Improvements and Leasehold Estate (the “Security”).

3) Such Mortgage shall provide, among other things, that in the event of a default in any of the mortgagor’s or trustor’s obligations thereunder, the holder of such Mortgage shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor’s or trustor’s name and on mortgagor’s or trustor’s behalf, provided that current payments due the holder during such 120 day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

4) Such Mortgage shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

5) Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the Phoenix metropolitan area by institutional mortgagees/beneficiaries.

6) Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering Lessor or any subsequent holder of the Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

7) Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to Lessor or Lessor's interest in the Leased Premises, but will look solely to Lessee, the leasehold estate created hereby, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that Lessor's consent to such Mortgage shall be without any liability on the part of Lessor for any deficiency judgment).

8) Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of ARTICLE IX hereof.

9) Such Mortgage and related documentation shall contain nothing that obligates Lessor to execute an assignment of the Lease Fee or other rent payable by Lessee under the terms of this Lease.

B) RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage (Permitted Mortgagee) as referenced under Section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below.

- 1) A Permitted Mortgagee shall without requirement of consent by the Lessor have the right, but not the obligation, to:
 - a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Lessee;
 - b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and
 - c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

2) Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Lessee under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the Leased Premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3) In the event that title to the estates of both Lessor and Lessee shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Lessee under the Lease as condition to the forbearance by Lessor in the exercise of Lessor's remedies as provided in the Lease.

4) If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to Lessor's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Lessor for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Lessor, Lessee and the Permitted Mortgagee.

5) The Lessor shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6) In the event that Lessor sends a notice of default under the Lease to Lessee, Lessor shall also send a notice of Lessee's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to Lessor by a written notice to Lessor sent in the manner set forth in said Section 14.2 of the Lease.

Exhibit G: FORM FOR PROPOSED TERMS FOR SALE

Exhibit H: INITIAL APPRAISAL

Exhibit I: MEMORANDUM OF GROUND LEASE

When recorded return to:

Newtown Community Development Corporation
511 West University Drive, Suite 4
Tempe, AZ 85281

MEMORANDUM OF GROUND LEASE
Newtown Community Development Corporation, Lessor

This MEMORANDUM OF GROUND LEASE (the "Memorandum") is made and entered into this ____ day of _____, 20__ by _____, whose address is _____ ("Lessee") and Newtown Community Development Corporation ("NEWTOWN"), an Arizona non-profit corporation, the principal place of business of which is 511 West University Drive, Suite 4, Tempe, AZ, 85281 ("Lessor").

*******NOTICE *******

THIS GROUND LEASE CONTAINS RESTRICTIONS ON THE TRANSFER AND ENCUMBRANCE OF THE PROPERTY, AND THE OWNER'S CURRENT AND FUTURE EQUITY INTEREST THEREIN. THESE RESTRICTIONS LIMIT THE AMOUNT OF EQUITY AVAILABLE TO THE OWNER AND ALL FUTURE OWNERS UPON TRANSFER, MORTGAGE, REFINANCE OR OTHER TRANSACTIONS DEALING WITH THE PROPERTY.

WITNESSETH:

Lessor is the owner of certain real property located in Maricopa County, commonly known as _____ (the "Leased Premises"), and more particularly described as follows:

LEGAL DESCRIPTION

Lessee is the owner of the Improvements located on the Leased Premises, which Improvements are held subject to the terms and provisions of an unrecorded Community Land Trust Ground Lease between NEWTOWN, as Lessor of the Leased Premises, and Lessee, as owner of the Improvements, dated this ____ day, _____, 20__. A true and correct copy of the Lease is on file at the office of Lessor. Unless otherwise noted, the capitalized terms in this Memorandum are defined in the Leases.

The provisions of the Lease include, among other things, the following:

- 1) The term of the Lease is ninety-nine (99) years, commencing on this day _____, _____, 20__ and terminating on this day _____, _____, 21__. The Lease is subject to renewal for one additional period of the ninety-nine (99) years.

- 2) The Lease provides that Lessee may mortgage or otherwise encumber the Leased Premises and Improvements only with the written consent of Lessor, and that any mortgage or encumbrance of the Leased Premises or Improvements without the written consent of Lessor shall be void.
- 3) The Lease grants Lessor the right to purchase the Improvements and Lessee's interest in the Leased Premises upon foreclosure of a mortgage or other encumbrance of the Leased Premises.
- 4) The Lease requires that, in the event Lessee intends to sell the Improvements, Lessee shall notify Lessor of such intent; and that, thereupon, Lessor shall have the option to purchase the Improvements on the terms and conditions contained in the Lease. The Improvements may not be conveyed to a third party without compliance with the terms of the Lease.
- 5) The Lease stipulates that the Lessee's interest in the Leased Premises shall not be assigned or subleased without the prior written consent of the Lessor.
- 6) The Lease requires that the Leased Premises be used only for residential purposes. Any additions or alterations to the Improvements must comply with the terms of the Lease.
- 7) No liens for services, labor, or materials shall attach to the Lessor's title to the Leased Premises.
- 8) The Lease requires the Lessee to make certain monthly payments.
- 9) The Lease requires that this Memorandum of Ground Lease be recorded in the official records of Maricopa County, Arizona.

This Memorandum is executed pursuant to the provisions contained in the Lease and is not intended to vary the terms and conditions of the Lease, but is intended only to give notice of such Lease and the provisions thereof.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Ground Lease.

Newtown Community Development Corporation
 an Arizona non-profit corporation

 Name
 Title
 "LESSOR"

 Homeowner Name
 "LESSEE"

See attached notary acknowledgement next page

MEMORANDUM OF GROUND LEASE

STATE OF ARIZONA)
) ss
County OF MARICOPA)

On this _____ day of _____, 20____, before me the undersigned officer, personally appeared _____, known to me (or provided to me on the basis of satisfactory evidence) to be the person described in the whose name is subscribed to the foregoing document, who acknowledged before me that she/he is the _____ of Newtown Community Development Corporation, an Arizona non-profit corporation, and that he is such capacity, being authorized so to do, signed the foregoing document, for the purposes therein stated, on behalf of the corporation, and that the document is the act of the corporation for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss
County OF MARICOPA)

On this _____ day of _____, 20____, before me the undersigned officer, personally appeared _____, known to me (or provided to me on the basis of satisfactory evidence) to be the person described in whose name is subscribed to the foregoing document.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

Exhibit J: REQUEST FOR NOTICE

After recording, return to:

Newtown Community Development Corporation
511 W. University Dr. #4
Tempe, AZ 85281

REQUEST FOR NOTICE

Request is hereby made that a copy of any notice of sale under the deed of trust recorded in in the office of the County Recorder of Maricopa County, Arizona, recorded in Book _____ of Maps, Page _____ of Official Records.

Parcel No. 1:

ANY AND ALL IMPROVEMENTS ONLY LOCATED ON THE FOLLOWING DESCRIBED PROPERTY:

LEGAL DESCRIPTION

EXCEPT AND ALL IMPROVEMENTS LOCATED THEREON.

Executed by _____, as trustor, in which _____ is named as beneficiary and First American Title Insurance Company, a Nebraska corporation, PO Box 2922, Phoenix AZ 85062 as trustee, be mailed to Newtown Community Development Corporation at 511 W University Drive, #4, Tempe AZ 85281

Newtown Community Development Corporation,
an Arizona non-profit corporation

NAME
TITLE

See attached notary acknowledgement next page

REQUEST FOR NOTICE

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this _____ day of _____, 201
by _____, the _____ of Newtown Community Development
Corporation, an Arizona non-profit corporation, on behalf of the corporation

(Seal)

Notary Public

My Commission Expires: _____

Exhibit K: Community Land Trust Ground Lease Rider

Community Land Trust Ground Lease Rider

THIS COMMUNITY LAND TRUST GROUND LEASE RIDER (the "Rider") is made this _____ day of _____, 20____, and amends and supplements a certain ground lease (referred to herein as "the CLT Ground Lease") dated _____, 20____ that is by and between Newtown Community Development Corporation, as lessor (herein referred to as "the "Lessor" but may otherwise be referred to in the CLT Ground Lease as the "CLT") and _____ as lessee (herein referred to as "the "Lessee" but may otherwise be referred to in the CLT Ground Lease as "Homeowner"). This Rider shall be deemed incorporated into the CLT Ground Lease, and the CLT Ground Lease as amended by this Rider, shall hereafter be referred to as the "Lease," unless otherwise indicated.

The CLT Ground Lease is a long-term lease of the Lessor's fee interest in the land located at _____, referred to herein as the "Leased Land," as improved by a residential structure or unit, referred to herein as the "Improvements." The Leased Land and the Improvements are collectively referred to herein as the "Leased Premises."

This Rider amends the CLT Ground Lease for the purpose of enabling the Lessee to obtain Fannie Mae financing in the form of a mortgage or deed of trust given this _____ day of _____, 201____, by Lessee to _____. (the "Specified Mortgage"), and the interest of the Specified Mortgagee in the Leased Premises as secured by such mortgage or deed of trust may be referred to herein as the "Leasehold Estate." The Specified Mortgage is recognized by Lessor as a "Permitted Mortgage" (or as such concept is otherwise defined) under the CLT Ground Lease, and the holder of the Specified Mortgage (the "Specified Mortgagee") is recognized as a "Permitted Mortgagee" (or as such concept is otherwise defined) under the CLT Ground Lease.

ADDITIONAL COVENANTS. Notwithstanding anything to the contrary contained in the CLT Ground Lease, and in addition to the covenants and agreements made in the CLT Ground Lease, the Lessor and the Lessee further covenant and agree, so long (but only so long) as the Specified Mortgagee, its successors and assigns shall have an interest in the Leased Premises, as a holder of the Specified Mortgage or as an owner of the Lessee's interest pursuant to any sale after or in lieu of foreclosure, the following provisions shall apply to the CLT Ground Lease as modifications thereof:

A. No Assignment or Transfer. The making of the Specified Mortgage shall not be deemed to constitute an assignment or transfer of the Lease or Leasehold Estate so as to require the Specified Mortgagee to assume the performance of any of the Lessee's obligations under the Lease.

B. Status of the Fee Estate. The Lessor represents and warrants that there is no existing mortgage on the fee estate, and so long as the Specified Mortgage shall remain on the Leased Premises, the Lessor and the Lessee shall not subordinate the Lease to any

mortgage or lien that may hereafter be placed on the fee estate. Notwithstanding the foregoing, a state- or local-government entity ("Government Entity") may hold a prior recorded interest (represented by recorded covenants, a mortgage or deed of trust, other lien) on the fee estate **if** the Government Entity has agreed that in the event it (including its successors and assigns) succeeds to the interest of the Lessor under the Lease by any remedy available to the Government Entity by law or pursuant to its lien, the Government Entity shall recognize all the terms of the Lease and this Rider as though the Government Entity were acting as the Lessor. Such recognition must include, but is not limited to, the provisions of this Rider whereby all provisions of the Lease regarding (a) occupancy of the Leased Premises as a primary residence by the Lessee, (b) limitation on assignment of, or sublease under, the Lease, (c) the price at which the Leasehold Estate may be transferred, and (d) the income of successive transferees, assignees or successors, shall, in the event of foreclosure or assignment in lieu of foreclosure of the Specified Mortgage, be of no further force or effect with respect to such Specified Mortgagee or its successive transferees, assignees or successors. Further, in such event of the Government Entity succeeding to the interests of the Lessor, the Lessee hereby agrees to recognize the Government Entity as exercising all rights and privileges of the Government Entity as lessor under the Lease and this Rider.

Such agreement by the Government Entity may be evidenced by the agreement between the Government Entity and the Lessor under which the Government Entity's prior recorded interest is derived, or by use of a recognition agreement derived from a sample the Specified Mortgagee may obtain from Fannie Mae. Irrespective of any interest by a Government Entity, the Specified Mortgage shall constitute a first leasehold lien on the Leased Premises, and shall have priority over the Lessor's reversionary interest. If the Lessor conveys title to the Leased Land while the Specified Mortgage remains on the Leased Premises, the Lease shall remain in effect with the same priority thereto.

C. Termination, Forfeiture and Modification of Lease. There shall be no termination, forfeiture, or modification of the Lease, except as provided in this Rider, without the prior written consent of the Specified Mortgagee. The Lessor and Lessee shall amend the Lease from time to time as reasonably requested by the Specified Mortgagee, as long as the requested changes do not change the periodic fee, charge or payment due the Lessor for the rights accorded the Lessee under the Lease (the "Ground Lease Fee"), and do not materially or adversely affect the rights of Lessor or Lessee or their respective interests in the Leased Premises. An adjustment of the Ground Lease Fee may be made by the Lessor as provided in the Lease, without prior approval of the Specified Mortgagee, so long as written notice has been delivered to the Specified Mortgagee at least 60 days prior to the effective date of such adjustment with respect to adjustments other than those (i) that were scheduled at the time the Specified Mortgage was given, and (ii) reflecting routine, periodic updates to variable expenses such as property taxes and liability insurance premiums; provided, however, that the Specified Mortgagee shall have the right to arbitrate (as provided herein) any dispute as to an adjustment of the Ground Lease Fee.

D. New Lease. In the event the Lessee's interest in the Lease has been terminated, forfeited, or surrendered as provided in the Lease, and the Specified Mortgage remains outstanding, a new Lease shall automatically be created between the Lessor and the Specified Mortgagee, which Lease shall be for the remainder of the term of the Lease, with the same priority thereto, and shall be subject to the same terms of the Lease as would be applicable pursuant to Section E.1. below where the Specified Mortgagee had accelerated its note, foreclosed on the Specified Mortgage, taken an assignment in lieu of foreclosure, or exercised its other remedies for default.

E. Mortgage Default or Foreclosure. Subject to the following, upon the occurrence of an event of default under the Specified Mortgage (as determined by the Specified Mortgagee—an "Event of Default"), and without the consent of the Lessor, the Specified Mortgagee shall be permitted to accelerate its note, foreclose on the Specified Mortgage, take an assignment in lieu of foreclosure, or exercise its other remedies for default.

Further:

1. Upon the occurrence of an Event of Default under the Specified Mortgage, the Lessee shall immediately notify the Lessor of such Event of Default and shall submit to Lessor copies of all notices the Lessee received from the Specified Mortgagee relating thereto. The Specified Mortgagee and the Lessor shall endeavor to communicate and cooperate in efforts to deal with the circumstances of the Event of Default and the actions the parties may take relating thereto; provided, however, the Specified Mortgagee shall have no obligation to give formal legal notice of the Event of Default to the Lessor.
2. The Lessee and the Specified Mortgagee agree that the Lessor shall have the right, but not the obligation, to cure an Event of Default in the Lessee's name and on the Lessee's behalf. If such cure is not effective and continuing, nothing herein shall be construed to prevent or delay the Specified Mortgagee from its pursuit of foreclosure and any other available remedies. The Lessee shall be responsible to the Lessor for all payments made, and expenses incurred, by the Lessor in curing such default.
3. Should the Lessor not choose to cure an Event of Default as specified above, the Lessor shall nevertheless have the option to purchase from the Specified Mortgagee its interest in the -Leasehold Estate on the Leased Premises for the full amount owing to the Specified Mortgagee under the Specified Mortgage as of the date of closing of the purchase, upon written notice given by the Specified Mortgagee (the "Mortgagee Option Notice") not later than 60 days following acquisition of title to the Leasehold Estate by the Specified Mortgagee by foreclosure or by an assignment in lieu of foreclosure; provided, however, the Specified Mortgagee may give such written notice following the occurrence of an Event of Default under the Specified Mortgage and prior to the completion of foreclosure proceedings. If the Lessor elects to

exercise such option to purchase, the Lessor shall give written notice to the Specified Mortgagee of the Lessor's intent to purchase the Leasehold Estate (the "Lessor Option Notice") within 45 days following the Specified Mortgagee's giving of the Mortgagee Option Notice; provided, however, at the option of the Lessor, in the event the Mortgagee Option Notice is given prior to the completion of foreclosure proceedings by the Specified Mortgagee, the Lessor shall, within such 45-day period, be able to give a written notice to the Specified Mortgagee that it will delay giving the Lessor Option Notice until a date that is not later than 30 days following written notice from the Specified Mortgagee of its acquisition of title to its interest in the Leasehold Estate on the Leased Premises.

The Lessor shall complete the purchase of the Specified Mortgagee's interest in the Leasehold Estate within 60 days of giving the Lessor Option Notice. If the Lessor does not complete the purchase within the allotted 60 days, the Specified Mortgagee shall be free to sell its interest to another person or entity. Further, if the Lessor does not complete the purchase within the allotted 60 days, the Lessor agrees to pay to the Specified Mortgagee its costs of holding its interest in the Leasehold Estate from the date of the Lessor Option Notice until the expiration of such 60-day period. If the Lessor does not purchase the Specified Mortgagee's interest in the Leasehold Estate as described herein, the Leasehold Estate may be transferred, mortgaged and sublet an unlimited number of times, and the Lessor shall not require a credit review or impose other qualifying criteria on any such transferee, mortgagee or sublessee.

4. In the event of foreclosure or assignment in lieu of foreclosure, which results in the conveyance of the Leasehold Estate on the Leased Premises from the Lessee, any adjustment of the Ground Lease Fee to reflect then current fair market rental value as provided in the Lease, shall be subject to the approval of the Specified Mortgagee. The Specified Mortgagee and the Lessor shall attempt to resolve any dispute concerning such adjustment of the Ground Lease Fee, through the normal interaction of the parties, or through formal mediation as the case may warrant. If the dispute remains unresolved, the Specified Mortgagee and the Lessor shall submit the dispute as to the fair market rental value to binding arbitration.
5. In the event the Specified Mortgagee acquires title to the Leasehold Estate on the Leased Premises through foreclosure or assignment in lieu of foreclosure of the Specified Mortgage, all provisions of the Lease regarding (a) occupancy of the Leased Premises as a primary residence by the Lessee, (b) any limitations on the assignment of, or sublease under, the Lease, (c) any obligation to target certain populations in marketing the Leasehold Estate to potential transferees, (d) the price at which the Leasehold Estate on the Leased Premises may be transferred, and (e) the income of successive transferees, and their successors and assigns, shall be of no further force or effect with respect to such Specified Mortgagee or its successive transferees, assignees or successors. The foregoing sentence shall not be construed to invalidate other Lease provisions regarding permitted use of the Leased Premises.

Any transfer or assignment of the Leasehold Estate encumbered by the Specified Mortgage as provided for in this paragraph shall be deemed a permitted sale, transfer or assignment of the Lease and the Leasehold Estate. Further, in such event, the Leasehold Estate may be transferred, mortgaged and sublet an unlimited number of times, and the Lessor shall not require a credit review or impose other qualifying criteria on any such transferee, mortgagee or sublessee.

F. Lease Default. There shall be no forfeiture or termination of the Lease except for (i) the nonpayment of amounts due under the Lease, and (ii) violation of one or more provisions of the Lease addressing the following: (a) prohibition or restrictions on the sale or transfer of the Lessee's interest (however, non-sale transfers resulting from marriage, divorce, death of a spouse, or a transfer otherwise permitted by applicable federal law, may not constitute a basis for default under the Lease, though the Lessor may require such transferee to agree to assume the transferor's obligations under the Lease), and (b) requirement that the Lessee occupy the Leased Premises as primary residence. Provided, however, such forfeiture or termination shall be subject to the Specified Mortgagee's right to cure a monetary default, or otherwise foreclose or take an assignment of the Leasehold Estate in lieu of foreclosure with respect to the Lessee's monetary or non-monetary default. Notwithstanding the foregoing, nothing herein shall be construed to require the Specified Mortgagee to cure any non-monetary default. Further, the Specified Mortgagee shall become subrogated to any and all rights of the Lessee with respect to such curing of a default. If the Lessee's default shall be cured as provided in the Lease, and the Specified Mortgagee shall discontinue its foreclosure or assignment in lieu of foreclosure proceedings, the Lease shall continue in full force and effect as if the Lessee had not defaulted. A default by the Lessee under the Lease shall constitute a default under the Specified Mortgage.

G. Lease Default Notice. Notwithstanding the notice requirements provided in the Lease, no default notice by the Lessor shall be deemed to have been given unless and until a copy thereof shall have been so given to the Specified Mortgagee.

H. Insurance. All insurance policies covering the Improvements shall by endorsement name the Specified Mortgagee as an additional insured and loss payee, and provide the Specified Mortgagee with 30 days' cancellation notice.

I. Casualty and Condemnation. If the Leased Premises are destroyed or taken to such an extent that the Lease is to be terminated, the insurance proceeds or condemnation award, as the case may be, shall be applied first in an amount sufficient to satisfy the Specified Mortgage. Upon the termination of the Lease as a result of a partial destruction or a condemnation of less than the entire Leased Premises, the total insurance proceeds or condemnation award, as the case may be, shall be paid to an appointed trustee, who shall first apply such insurance proceeds or condemnation award in accordance with the Specified Mortgage for restoration of the Improvements (if such

trustee determines that the Improvements may reasonably be restored to a residential use consistent with the Lease), with the balance of such insurance proceeds or condemnation award to be allocated between the Lessor and Lessee as otherwise provided in the Lease. The Specified Mortgagee shall be entitled to participate in (i) the adjustment of all casualty losses and (ii) all condemnation proceedings and settlement discussions. Any insurance proceeds or condemnation award shall be applied in accordance with the Specified Mortgage. The Specified Mortgagee shall also be entitled to participate in the adjustment of the Ground Lease Fee as a result of a partial destruction or taking.

J. **Force Majeure.** The Lessee shall not be in default where performance is delayed or prevented by "Acts of God," war, civil commotion, strikes, labor disputes or the like.

K. **Easements and Alterations.** Additions to and alternations in the Improvements may be made as provided in the Lease, as long as the value of the Leased Premises is not diminished. The Lessor, as owner of the fee interest in the Leased Land, shall join in all easements, permits and applications necessary for such development of the Leased Premises as is permitted under the Lease, provided that the Lessor shall have no liability or obligation under such easement, permit or application.

L. **Arbitration.** The Specified Mortgagee shall have the right to participate in any arbitration or legal proceedings between the Lessor and the Lessee. Any arbitration proceedings shall be conducted in accordance with arbitration statutes applicable in the state where the Leased Premises are located.

M. **Merger.** If the estates of the Lessor and Lessee are at any time owned by the same person, so long as the Specified Mortgagee has any interest in the security or in the Specified Mortgage, such person shall take all necessary steps to ensure that the Specified Mortgage constitutes a first lien on the combined estate.

N. **Sublease.** There shall be no modification, cancellation, or surrender of any subleases, or prepayment of rent thereunder without the consent of the Specified Mortgagee. If the Specified Mortgagee forecloses on the Leased Premises, or takes an assignment in lieu of foreclosure, all subtenants shall attorn to such Specified Mortgagee or its assignee.

O. **Estoppel Certificate.** The Lessor shall, from time to time, with 10 days written notice from the Specified Mortgagee, certify by written instrument, duly executed and acknowledged, to such Specified Mortgagee that the Lease has not been amended, the Lease is in full force and effect, that neither party is in default thereunder, and shall certify as to the existence of any offsets, counterclaims or defenses on the part of the Lessee.

P. Conflict. In the event of a conflict between the terms and provisions of this Rider and the terms and provisions of the Lease, the terms and provisions of this Rider shall control.

BY SIGNING BELOW, the Lessor and the Lessee accept and agree to the terms and conditions of this Rider.

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

NAME
TITLE
"LESSOR"

HOMEOWNER NAME
"LESSEE"

See attached notary acknowledgement next page

EXHIBIT L: DEED OF TRUST AND ASSIGNMENT OF RENTS

When recorded, mail to: Newtown CDC
511 W. University Dr. #4
Tempe, AZ 85281
NO TITLE LIABILITY

DEED OF TRUST AND ASSIGNMENT OF RENTS

This Deed of Trust, made on this _____ day, _____, 20__ between _____
_____, _____, as Trustor, whose address is _____
_____.

And First American Title Insurance Company, a Nebraska corporation, whose mailing address is: PO Box 2922, Phoenix AZ 85062, herein called TRUSTEE; and

NEWTOWN COMMUNITY DEVELOPMENT CORPORTION, an Arizona non-profit Corporation herein called BENEFICIARY, whose address is: 511 W. University Dr. #4, Tempe, Arizona 85281.

The property located in Maricopa County, State of Arizona, described as follows:

LEGAL DESCRIPTION

THIS DEED OF TRUST, made on the above date between the Trustor, Trustee and Beneficiary named above. WITNESSETH: That Trustor irrevocably grants, conveys, transfers and assigns to Trustee in Trust, with Power of Sale, the above described real property, together with 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 an extension or renewal thereof, in the principal sum of \$ 10.00 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.

D. THIS DEED OF TRUST IS AND WILL ALWAYS BE INFERIOR IN LIEN AND SUBORDINATE TO THE FOLLOWING:

1. **FIRST DEED OF TRUST IN THE AMOUNT OF \$_____ , IN FAVOR OF _____**;
_____;
2. **SECOND DEED OF TRUST IN THE AMOUNT OF \$_____ , IN FAVOR OF _____**;
_____;
3. **THIRD DEED OF TRUST IN THE AMOUNT OF \$_____ , IN FAVOR OF _____**;
_____.

E. This Deed of Trust is given as security for the performance of the Community Land Trust Ground Lease and other related documents by and between the Trustor and the Beneficiary herein named.

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

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

(2) Trustor shall keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards in an amount not less than the total obligation secured hereby. All policies shall be held by the Beneficiary and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary as his interest may appear and then to the Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as the Beneficiary may determine or at option of the 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 hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default.

(3) Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or Trustee; and shall pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorney's fees in a reasonable sum in such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this DEED OF TRUST.

(4) Trustor shall pay: at least ten days before delinquency all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on

property or any part thereof, which appear to be prior or superior hereto; when due, 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 DEED OF TRUST or the obligations secured hereby.

(5) Should Trustor fail to make any payment or to do any act as provided in this DEED OF TRUST, then the Beneficiary or Trustee, but without obligation so to do and without notice to 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 hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees. Trustor shall pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expending at the rates provided in the promissory note(s) secured by this DEED OF TRUST. IT IS MUTUALLY AGREED:

(6) That any award of damages in connection with any 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 therefor and the 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 in 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 that 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) At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this DEED OF TRUST and said note(s) for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and upon payment of its fees, Trustee may (A) by DEED OF PARTIAL RELEASE AND PARTIAL RECONVEYANCE release and reconvey, without covenant or warranty, express or implied, any portion(s) of the property then held hereunder; the recitals in such DEED OF PARTIAL RELEASE and PARTIAL RECONVEYANCE of any matters shall be conclusive proof of the truthfulness thereof; the grantee in such DEED OF PARTIAL RELEASE and PARTIAL RECONVEYANCE may be described as "The Person or Persons Legally Entitled Thereto", (B) consent to the making of any map or plat thereof; (C) join in granting any easement thereon; or (D) join in any extension agreement

or any agreement subordinating the lien or change hereof. Beneficiary shall execute his release upon such DEED if so requested by Trustee.

(9) 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 retention and upon payment of its fees, Trustee shall by DEED OF RELEASE and FULL RECONVEYANCE release and reconvey, without covenants 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) 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 unto 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 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, or the solvency of the Trustor, 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 that past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorney's fees, upon taking possession of said property. The collection of such Property Income and the application thereof as foresaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in the payment of any indebtedness secured 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 the 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 fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, 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 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.33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgement for any balance due hereunder. The purchaser at the Trustee's sale shall be entitled to immediate possession of the property against the Trustor and shall have a right to the summary proceedings to obtain a possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorney's fees.

In the alternative to foreclosure by Trustee's Sale, the Beneficiary may foreclose by Judicial proceedings, and in such event, the election to declare the unpaid balance immediately due and payable may be made in the complaint. In such Judicial proceedings Beneficiary shall be entitled to reasonable attorney's fees, costs of foreclosure report and all sums advanced with interest, as provided under paragraphs four (4) and five (5) herein.

(12) That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all predecessors' 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) Trustee accepts this trust when this DEED OF TRUST, duly executed and acknowledged, is made 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 the 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 being the non-prevailing party.

(15) Time is of the essence of this DEED OF TRUST and each and every provision hereof.

(16) Trustor and Beneficiary agree that the trust relationship created by this instrument is strictly limited to the creation and enforcement of a security interest in real property. Thus, all Trustee's duties, fiduciary or otherwise, are strictly limited to those imposed by this document and A.R.S. 33-801 through 33-821, inclusive, and no additional duties, burdens or responsibilities shall be placed on the Trustee.

(17) The Trustor requests that a copy of any Notice of Trustee's Sale hereunder be mailed to him at his 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. 33-809A in the county recorder's office of the county where the property encumbered hereby is located, indicating a different address.

(18) This Deed of Trust, when recorded shall operate as a declaration of abandonment of any homestead previously recorded concerning the property described herein.

(19) Trustor agrees to comply with the conditions set forth in the promissory note executed by Trustor in favor of Beneficiary or order.

Non-Uniform Covenants. Trustor (Borrower) and Beneficiary (Newtown) further covenant and agree as follows:

Trustor (Borrower) acknowledges that the Property was purchased through the Beneficiary's (Newtown) Community Land Trust Program. Trustor (Borrower) further acknowledges that the program is designed to establish and preserve affordable housing and includes restrictions on the transfer and encumbrance of the property, and the Trustor's (Borrower's) current and future equity interest in the property. These restrictions limit the amount of equity available to the Trustor (Borrower) and all future owners upon transfer, mortgage, refinance or other transactions dealing with the property. The Trustor (Borrower) may transfer his interest in the Leased Premises and the Improvements only to an Income-Qualified Person or as otherwise explicitly permitted by the Community Land Trust Ground Lease. These restrictions are set forth in the Community Land Trust Ground Lease signed concurrently herewith, between Borrower and Newtown and a Memorandum of Ground Lease is recorded herewith.

Signatures of Trustor(s):

HOMEOWNER NAME

Signature of Beneficiary:

NEWTOWN COMMUNITY DEVELOPMENT CORPORATION
An Arizona non-profit corporation

NAME
TITLE

See attached notary acknowledgement next page

DEED OF TRUST AND ASSIGNMENT OF RENTS

STATE OF ARIZONA)
) ss
County OF MARICOPA)

On this _____ day of _____, 20____, before me the undersigned officer, personally appeared _____, know to me (or provided to me on the basis of satisfactory evidence) to be the person described in the whose name is subscribed to the foregoing document, who acknowledged before me that he is the _____ of Newtown Community Development Corporation, an Arizona non-profit corporation, and that he is such capacity, being authorized so to do, signed the foregoing document, for the purposes therein stated, on behalf of the corporation, and that the document is the act of the corporation for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss
County OF MARICOPA)

On this _____ day of _____, 20____, before me the undersigned officer, personally appeared _____, know to me (or provided to me on the basis of satisfactory evidence) to be the person described in whose name is subscribed to the foregoing document.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

DEED OF TRUST AND ASSIGNMENT OF RENTS EXHIBIT "A"

PARCEL NO. 1

ANY AND ALL IMPROVEMENTS ONLY LOCATED ON, BUT SPECIFICALLY EXCLUDING:

LEGAL DESCRIPTION

EXCEPT ANY AND ALL IMPROVEMENTS LOCATED ON THE ABOVE DESCRIBED PROPERTY

Exhibit M: NOTE SECURED BY DEED OF TRUST (INDIVIDUAL)

AMOUNT: \$10.00

DATE: _____, 20

For value received, the undersigned jointly and severally, promise to pay to Newtown Community Development Corporation, an Arizona Non-Profit Corporation (the "Holder"), or order, at the offices of the Holder in Tempe, Arizona, the principal amount of Ten Dollars (**\$10.00**), without interest payable as follows:

all due and payable upon the sale or transfer of the real property described in the Deed of Trust securing this Note by the Note Maker or the termination of the Community Land Trust Ground Lease on said real property, whichever is first to occur

Principal and interest payable in lawful money of the United States of America together with the performance of all of the terms and conditions contained in the Community Land Trust Ground Lease and other related documents, between the undersigned and the Holder, of even date herewith.

If default occurs in the payment of any installment of principal under this Note when due, or in the performance of any agreements contained in the Deed of Trust securing this Note, or in the performance of the Community Land Trust Ground Lease and other related documents, the entire principal sum and accrued interest shall at once become due and payable, without notice, at the option of the holder of this Note. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent default.

The undersigned jointly and severally agree to pay the following costs, expenses and attorney's fees paid or incurred by the holder of this Note, or adjudged by a court; (1) reasonable costs of collection, costs and expenses and attorney's fees paid or incurred in connection with the collection of this Note, whether or not suit is filed, and (2) costs of suit and such sum as the court may adjudge as attorney's fees in any action to enforce payment of this Note or any part of it.

This Note is secured by a Deed of Trust to Newtown Community Development Corporation as Beneficiary, of even date herewith, executed in favor of the named payee as beneficiary.

HOMEOWNER NAME

Recording Requested by:
First American Title Insurance Company

When recorded mail to:

WARRANTY DEED

File No. _____

For the consideration of TEN AND NO/100 DOLLARS, and other valuable considerations,
I or we,

Newtown Community Development Corporation, an Arizona non-profit corporation, the GRANTOR does hereby convey to

_____, _____, the GRANTEE
the following described real property situate in Maricopa County,
Arizona: PARCEL 1:

LEGAL DESCRIPTION

Subject To: Existing taxes, assessments, covenants, conditions, restrictions, rights of way, easements and all other matters of record.

And the GRANTOR does warrant the title against all persons whomsoever, subject to the matters set forth above.

DATED: _____, 20__

Newtown Community Development
Corp, an Arizona non-profit corporation

By: _____
NAME
TITLE

See attached notary acknowledgement next page

WARRANTY DEED

STATE OF ARIZONA)
) ss

County OF MARICOPA)

On this _____ day of _____, 20____, before me the undersigned officer, personally appeared _____, know to me (or provided to me on the basis of satisfactory evidence) to be the person described in the whose name is subscribed to the foregoing document, who acknowledged before me that she/he is the _____ of Newtown Community Development Corporation, an Arizona non-profit corporation, and that he is such capacity, being authorized so to do, signed the foregoing document, for the purposes therein stated, on behalf of the corporation, and that the document is the act of the corporation for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:
