

APN: 001-021-008

LINCOLN COUNTY, NV

**2024-166937**

\$37.00

Rec:\$37.00

**05/28/2024 10:49 AM**

FIRST AMERICAN TITLE INSURANCE COMPANY

OFFICIAL RECORD

AMY ELMER, RECORDER

Recording Requested by:

(ADDRESS)

**SEE BELOW**

After Recording Return to:  
Nevada Housing Division  
1830 E. College Parkway, Suite 200  
Carson City, Nevada 89706

**1175839**

**2023 HOME INVESTMENT PARTNERSHIPS PROGRAM LOAN AGREEMENT  
AND  
DECLARATION OF RESTRICTIVE COVENANTS**

**SIGNED IN COUNTERPART**

**2023 HOME INVESTMENT PARTNERSHIPS PROGRAM LOAN AGREEMENT  
AND DECLARATION OF RESTRICTIVE COVENANTS**

This 2023 HOME Investment Partnerships Program Loan Agreement and Declaration of Restrictive Covenants ("Agreement"), dated as of May 23, 2024, ("Effective Date") is by and between the NEVADA HOUSING DIVISION ("Division"), a division of the Nevada Department of Business and Industry, and PIOCHE APARTMENTS LLC, a Nevada limited liability company ("Owner").

WHEREAS, the Division, has entered into a Grant Agreement with the United States Department of Housing and Urban Development ("HUD"), for participation in the HOME Investment Partnerships Program ("HOME Program") pursuant to 24 CFR Part 92 as amended, which was awarded September 7, 2023; and

WHEREAS, the Division, as the Entitlement Grantee for the HOME Program, is responsible for the planning, administration, implementation, and evaluation of the HOME Program; and

WHEREAS, the Division desires to assist the Owner's property, Pioche Apartments, a multi-family residence that is located at generally on Hollywood Way, Pioche ("Project"), by providing HOME Program Funds ("Funds") to assist with the construction of 32-unit affordable housing project ("Exhibit A"). These units will be reserved for low-income households certified eligible as State HOME Program recipients.

NOW, THEREFORE, Owner hereby declares that the Property is held and shall be held, conveyed, encumbered, leased, rented, used, occupied, improved and sold subject to the rules, regulations and requirements of the HOME Program, as amended and in force and effect from time to time, and the regulations promulgated pursuant thereto in 24 CFR Part 92, including, but not limited to, those set out herein below, and applicable to the Division's HOME program guidelines. In consideration of the foregoing, Funds will be loaned to Owner by the Division subject to the following conditions and limitations:

**I. Scope of Services.**

A. The Division will loan \$1,727,348.50 in Funds ("HOME Loan") to the Owner. Interest shall accrue on the outstanding principal amount of the HOME Loan at a simple interest rate of one percent (1.0%) per annum. Repayment of the Project Loan shall be made in yearly installments as subject to available Project cash flow, as provided in Owner's Amended and Restated Operating Agreement dated as of May 23, 2024. Payments will begin on May 1, 2026, and continue thereafter each year until May 1, 2056 ("Maturity Date").

B. The Project shall be completed on or before May 31, 2026, unless otherwise specified, in writing, by the Division. The Project's Period of Affordability is thirty (30) years from the date of Project Completion, as set forth by the Division as outlined in 24 CFR §92.2. Project Completion requires that construction be complete, all Funds to have been disbursed by the Division and drawn from the US Treasury, and

required completion data entered in HUD's Integrated Disbursement and Information System ("IDIS"). Upon entering all required information in IDIS, the Division will notify Owner of the actual date of Project Completion and the exact date of the expiration of the HOME Affordability Period, which shall be calculated based on the date of Project Completion. If necessary, Owner shall execute an amendment to this Agreement identifying the exact date of expiration of the HOME Period of Affordability. The Project must serve low-income households as set forth herein, during the entire Period of Affordability. The Funds will be used for eligible costs for acquisition and new construction of the Project as described in Exhibit "B" attached hereto and incorporated herein.

C. Notwithstanding any provision of this Agreement, the Owner hereto agrees and acknowledges that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Division of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The Owner further agrees that the provision of any Funds to the Project is conditioned on the Division's determination to proceed with, modify or cancel the Project based on the results of a subsequent environmental review. Violation of this provision may result in the denial of any funds under this Agreement. Upon receipt from HUD of authority to use the Funds, Division Administrator, or his assignee, will provide Owner with a written notice to Proceed.

D. Changes in the Scope of Services as outlined herein must be in accordance with HOME Program regulations, made by written amendment to this Agreement, and approved by both Parties. Any such changes must not jeopardize HOME funding.

E. Funds provided pursuant to this Agreement may only be used to pay for eligible soft, predevelopment costs and construction costs that are incurred by Owner. Any Project costs which exceed the \$1,727,348.50 loaned pursuant to this Agreement are the responsibility of Owner. Owner hereby agrees to pay maintenance and operating costs for the Project. Funds must be expended by December 31, 2026.

F. This Agreement shall be deemed and shall constitute a covenant running with the land for the benefit of the Division and its successors and assigns and shall pass to and be binding upon all heirs, successors and assigns in title to the Property, or if the Property shall not include title to land, but shall include a leasehold interest in land, this Declaration shall bind the leasehold interest as well as the Property and shall pass to and be binding upon all heirs, successors and assigns to such interests. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof or any interest therein (excepting only leases of units in the Project) shall conclusively be held to have been executed, delivered, and accepted subject to this Declaration, regardless of whether any or all of such covenants contained herein are set forth in such contract, deed or other instrument. If a portion or portions of the Property, or interest or interests in the Property are conveyed, all such covenants contained herein shall run to each portion of or interest in the Property.

**II. Division General Conditions.** Owner agrees to abide by all conditions fully set forth below.

A. The Owner has agreed that nine (9) units will be designated as HOME assisted units. The HOME assisted units will consist of seven one-bedroom units and two two-bedroom units. Five HOME assisted units will house households at or below 60% of area median income ("AMI") (as set forth in Exhibit "C") and three HOME assisted units will house households of at or below 50% of AMI. If the HOME assisted units receive Federal or State project-based rental subsidies, the tenants' contribution towards rent may not exceed 30% of the tenants' adjusted gross income. The HOME assisted units shall be floating units. The maximum rent (tenant contribution plus the project-based rental subsidy) may not exceed the rent allowed by the Federal or State project-based rental subsidy program, 24 CFR § 92.252(b)(2). Should the subsidy be terminated, the rent (including the utility allowance) for the HOME assisted units cannot exceed HUD's Low HOME Rent Limits for Lincoln County (as set forth in Exhibit C1). Should the tenants' income increase and exceed 60% AMI or 50% AMI, respectively, but remain less than 80% AMI, a new, low-income HOME-Assisted Unit must be designated. Owner shall comply with all applicable rental requirements outlined in 24 CFR Part 92, Subpart F.

B. Owner has requested the financial support of the Division that is provided for in this Agreement to enable Owner to provide affordable housing services. The Division shall have no relationship whatsoever with the services provided, except the provision of financial support, monitoring, and the receipt of such reports as are provided for herein. To the extent, if at all, that any relationship to such services on the part of the Division may be claimed or found to exist, Owner shall be an independent contractor only.

C. Owner shall obtain any and all federal, state, and local permits and licenses required to execute the Project as described in this Agreement's Scope of Services. Owner further agrees to abide by all applicable federal, state, and local codes, regulations, statutes, ordinances, and laws per 24 CFR §§92.251 and 92.355 for the duration of the Period of Affordability.

D. Owner will provide the Division the unit numbers of each of the nine units initially designated as HOME assisted units no later than at the time of the final draw of Funds. In addition, Owner will provide the Division with client usage records on an annual basis during the period of this Agreement. Owner shall provide, additional records containing, but not limited to, the following data:

1. Total clients served;
2. Racial breakdown of clients served including Black or African American, White, American Indian or Alaskan Native, Asian, and Native Hawaiian or other Pacific Islander, and other combinations;
3. Ethnic breakdown of Hispanic or not Hispanic;
4. Number and percentage of Low and Very Low-Income clients as defined by HUD HOME Program Income Guidelines:

5. Number of disabled clients served;
6. Number of senior citizens served;
7. Number of female head-of-households served;
8. Name of each head of household served;
9. Number of persons in each household served; and
10. Annual report on rents and occupancy of HOME units.

E. Owner will not lease any portion of the HOME assisted units other than to HOME-eligible tenants, as defined in the HOME Program regulations (24 CFR Part 92), without prior written approval from the Division. Any lessee, sublessee, or assignee of the HOME assisted units must meet HOME Program requirements and serve eligible low-income residents.

F. If the HOME assisted units, or any portion thereof, are subleased without the prior written approval of the Division, or through foreclosure, sale, or other circumstances or Owner loses legal possession of the Property, the outstanding balance of the Project Loan shall be immediately due and payable. The Division shall require reasonable assurances of security for such repayments in the form of a deed of trust for such Property pursuant to 24 CFR §92.252, and which Owner shall execute as part of this Agreement. If Owner chooses to sell, transfer or otherwise convey the subject property, the Period of Affordability will remain with the HOME assisted units pursuant this Declaration of Restrictive Covenants recorded on the Project.

G. Owner may not assign or delegate any of its rights, interests or duties under this Agreement without the prior written consent of the Division. Any such assignment or delegation made without the required consent shall be void, and may, at the option of the Division, result in the forfeiture of all financial support provided herein.

H. Owner shall carry or provide Comprehensive Fire and Hazard insurance covering the full replacement costs of the Project.

I. Owner shall allow duly authorized representatives of the Division to conduct such occasional reviews, audits and on-site monitoring of the Project as the Division deems necessary in order to determine:

1. Whether the objectives of the Project are being achieved;
2. Whether the Project is being conducted in an efficient and effective manner;
3. Whether management control systems and internal procedures have been established to meet the objectives of the Project;
4. Whether the financial operations of the Project are being conducted properly;
5. Whether the periodic reports to the Division contain accurate and reliable information; and
6. Whether all of the activities of the Project are conducted in compliance with the provisions of Federal and State laws and regulations and this Agreement.

Visits by the Division to the Project shall be announced to Owner in advance of those



visits and shall occur during normal operating hours. The representatives of the Division may request, and, if such a request is made, shall be granted, access to all of the records of Owner that relate to the Project. The representatives of the Division may, from time to time, interview recipients of the housing services of the Project who volunteer to be interviewed.

J. At any time during normal business hours Owner's records with respect to the Project shall be made available for audit, examination and review by the Division, the Attorney General's Office, contracted independent auditors, HUD, the Comptroller General of the United States, or any combination thereof.

K. Owner will protect, defend, indemnify, and save and hold harmless the Division, its employees, contractors, and agents, from and against any and all liability, damages, demands, claims, suits, liens, and judgments of whatever nature including but not limited to claims for contribution or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. Owner's obligation to protect, defend, indemnify, and save and hold harmless as set forth in this paragraph shall include any and all reasonable attorneys' fees incurred by the Division in the defense or handling of said suits, demands, judgments, liens and claims and all reasonable attorneys' fees and investigation expenses incurred by the Division in enforcing or obtaining compliance with the provisions of this Agreement.

L. Owner will not use any Funds or resources which are supplied by the Division in litigation against any person, natural or otherwise, or in its own defense in any such litigation, and agrees to notify the Division of any legal action which is filed by or against it.

M. This Agreement will commence upon the Effective Date, and the Funds allocated pursuant to it will be expended in accordance with Article I of this Agreement. The Period of Affordability shall be governed according to the terms and conditions set forth in Paragraph B of Article I of this Agreement.

N. In the event Owner and/or the Division anticipate that the total amount of Funds allocated by this Agreement will not be expended in the time and manner prescribed in this Agreement, the Division reserves the right to extract that portion for other projects/programs operated under the Division's HOME Program.

O. Owner agrees that no officer or employee of Owner may seek or accept any gifts, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in that position to depart from the faithful and impartial discharge of the duties of that position.

P. Owner agrees that no officer or employee of Owner may use his or her position to secure or grant any unwarranted or improper privilege, preference, exemption or advantage for himself or herself, any member of his or her household, any business entity in which he or she has a financial interest or any other person.

Q. Owner agrees that no officer or employee of Owner may participate as an

agent of Owner in the negotiation or execution of any contract between Owner and any private business in which he or she has a financial interest.

R. Owner agrees that no officer or employee of Owner may suppress any report or other document because it might tend to affect unfavorably his or her private financial interests.

S. Owner shall keep and maintain in effect at all times any and all licenses, permits, notices and certifications which may be required by any county ordinance or state or federal statute.

T. Owner shall be bound by all county ordinances and state and federal laws, conditions, regulations and assurances which are applicable to the entire HOME Program or are required by HUD, the Division, or any combination thereof.

U. Any uncorrected material breach of this section may, at the discretion of the Division, result in forfeiture of all HOME Program funds received by Owner. In addition, the Division may take any of the actions set forth in 2 CFR §200.339 or terminate the award of Funds as set forth in 2 CFR §200.340 upon a material breach of this Agreement which is not cured within 30 days of written notice of such material breach.

V. Owner acknowledges that the Property will be encumbered by one or more deeds of trust that will be recorded in the Official Records of Lincoln County, Nevada. The Division acknowledges and agrees that its Deed of Trust will be subject and subordinate to any such liens required for the construction and permanent financing of the Project. Other than the recorded deed(s) of trust described above, and regulatory agreements relating thereto and the Declaration of Restrictive Covenants for Low Income Housing Tax Credits, Owner shall not allow Property to be attached in any manner, including any liens or other encumbrances during the Period of Affordability, without the prior written consent of the Division. Notwithstanding anything contained herein to the contrary, soft unsecured partner loans which are payable from excess cash flow only and permissible pursuant to the Partnership Agreement shall not require the prior written consent of the Division.

W. Owner shall conduct all contracting and purchases with Funds to ensure that materials and services are obtained in a cost-effective manner. When procuring for services to be provided under this Agreement, the Owner shall adhere to the following requirements:

1. Costs are eligible, reasonable, and necessary.
2. The contractor is not federally debarred.
3. The contractor has the needed capacity and expertise.
4. All records pertinent to these procurements be maintained by the Owner and be available to the Division for review at all times.

### **III. Federal General Conditions.**

A. Owner shall comply with the following laws and directives, as applicable:

1. The Hatch Act as set forth in Title 5, Chapter 15, of the United States Code.
2. The National Environmental Policy Act of 1969 as set forth in Public Law 91-190 and the implementing regulations set forth in 24 CFR Parts 51 and 58.
3. Title VIII of the Civil Rights Act of 1968, Public Law 90-284.
4. Section 109 of the Housing and Community Development Act of 1974.
5. Title VI of the Civil Rights Act of 1964, Public Law 88-352, as amended and the regulations of HUD with respect thereto, including, without limitation, 24 CFR Parts 1 and 2.
6. The Fair Housing Act, as amended.
7. Section 3 of the Housing and Urban Development Act of 1968, as amended, and the regulations with respect thereto, including, without limitations 24 CFR Part 135.
8. Executive Order 11063, as amended.
9. The Age Discrimination Act of 1975.
10. Section 504 of the Rehabilitation Act of 1973.
11. Executive Order 11246, as amended, and the regulations issued pursuant thereto.
12. The Fair Labor Standards Act.
13. Section 202(a) of the Flood Disaster Protection Act of 1973.
14. Sections 302 and 401(b) of the Lead-Based Paint Poisoning Prevention Act and implementing regulations in 24 CFR, Part 35.
15. If 12 or more units are assisted hereunder, the Davis-Bacon Act, as amended, if in effect, which requires that all laborers and mechanics who are employed to perform work on the Project, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974, shall be paid wages at rates which are not less than those that prevail in the locality for similar construction, and said workers shall receive overtime compensation in accordance with the Contract Work Hours and Safety Standards Act. The contractor and its subcontractors shall also comply with all applicable Federal laws and regulations, which pertain to labor standards, including the minimum wage law.
16. Labor requirements prescribed in 24 CFR §92.354.
17. 45 CFR, Part 76, Subpart F of the Drug-Free Workplace Act of 1988.
18. Section 319 of Public Law 101-121 of the Department of the Interior Appropriations Act, which prohibits Owner from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of Project, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
19. Title I of the Housing and Community Development Act of 1974, as amended,



which requires that Owner:

- a. not discriminate against any employee or applicant for employment on the basis of religion, and not limit employment or give preference in employment to persons on the basis of religion;
- b. not discriminate against any person applying for such public services on the basis of religion, and not limit such services or give preference to persons on the basis of religion; and
- c. not provide religious instruction or counseling, conduct religious worship or services, engage in religious proselytizing, or exert any religious influence in the provision of the public services set forth in this Agreement.

20. Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225).

B. No officer, employee or agent of the Division shall have any interest, direct or indirect, financial or otherwise, in any contract or subcontract or the proceeds thereof, for any of the work to be performed pursuant to the Project during the period of service of such officer, employee or agent, for one year thereafter

C. None of the personnel employed in the administration of the Project shall be in any way or to any extent engaged in the conduct of political activities in contravention of Chapter 15 Title 5, U.S. Code.

D. None of the Funds to be paid under this Agreement shall be used for any partisan political activity, or to support or defeat legislation pending before Congress.

E. Owner shall carry out its activities in compliance with all Federal laws and regulations described in 24 CFR Part 92, which are applicable to HOME Program Grants, except that Owner will not assume the Division's environmental responsibilities described in 24 CFR §92.352, nor the intergovernmental review process described in 24 CFR §92.359.

F. Owner shall comply with applicable uniform administrative requirements, as described in 24 CFR §92.505.

G. Owner shall maintain records in accordance with 24 CFR §92.508.

H. Owner shall comply with the requirements of Executive Order 11625, 12432, and 12138, which provide for the utilization of minority businesses and women business enterprises in all federally assisted contracts. Owner shall provide the Division, on an annual basis, records and data on Minority Business Enterprise, Women's Business Enterprise, and affirmative marketing efforts. These records shall contain, but are not limited to, the following data:

1. Data on the attempts to reach minority-owned and female-owned businesses when announcing business opportunities;
2. Data on racial/ethnic or gender character of business to whom a contract was

- awarded and the contract amount; and
3. Data on attempts to affirmatively further fair housing.

The Division, in its discretion, may request such other and further information as from time to time required to ensure compliance with the mandates of the above listed Executive Orders.

I. Program income, not including rents receivable, shall be returned to the Division.

J. Owner agrees that the Project will comply with all State and local codes, ordinances and zoning requirements. Owner agrees to comply with 24 CFR §92.251 as it relates to property standards and Uniform Physical Conditions Standards (UPCS) established by HUD pursuant to 24 CFR §5.705, and, if applicable, the cost effective energy conservation and effectiveness standards in 24 CFR Part 39, and local housing code requirements for the duration of this Agreement; and furthermore, Owner agrees to have the Property inspected annually by a qualified housing inspector to ensure such compliance with Uniform Physical Condition Standards.

K. Owner agrees to undertake an affirmative marketing program in conformance with 24 CFR §92.351(b) and Chapter 3 of the HUD Handbook 7360.01 (Rental Rehabilitation Program) and as described in the State of Nevada Program Description.

L. Owner agrees that, for the duration of this Agreement, the Project will be operated in compliance with HOME Program requirements, specifically those contained in 24 CFR §§92.250 through 92.258, inclusive, which includes §92.257 regarding use of Funds by religious organizations.

M. All leases with tenants living in HOME assisted units shall be made for not less than one year, unless a shorter term is mutually agreed upon between Owner and tenant. All such leases must comply with the requirements set forth in 24 CFR §92.253. A sample lease must be provided to the Division to ensure compliance with 24 CFR §92.253, prior to any HOME unit being leased to an eligible household.

N. Owner agrees to allow the Division to inspect the property to ensure that the HOME assisted units meet HUD's Housing Quality Standards, or the standards that are in effect at the time of funding.

O. Owner agrees to recertify tenant HOME Program eligibility at least annually as required by HUD regulations.

P. Owner agrees that maximum rents charged shall not exceed those calculated by the Division per HOME Program regulations, and that Owner will supply tenants with written notice at least 45 days before implementing any rent increase. Any such rent increase applicable to a HOME assisted unit pursuant to this Agreement must be approved in writing by the Division prior to notification and implementation.

Q. Owner shall operate the project in compliance with all federal laws and regulations described in 24 CFR §92.350, including specifically, equal opportunity and fair housing, affirmatively marketing procedures and requirements pursuant to 24 CFR §92.351, displacement relocation and acquisition, labor, lead-based paint, and conflict of interest provision prescribed in 24 CFR §92.356 (f).

R. Owner certifies by signing this Agreement that Owner nor any of its principals and/or designees are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 1259, Debarment and Suspension, 28 C.F.R. §67.510, as published at Part VII of the May 26, 1988 Federal Register of every subcontractor receiving any payment in whole or in part from federal funds.

S. No owner or developer, of a project assisted with Funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee agent, elected or appointed official, or consultant of the owner, developer or sponsor) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner or developer) may occupy a HOME assisted unit in a project during the required period of affordability specified in §92.252(e) or 92.254(a)(4). This provision does not apply to an employee or agent of the owner or developer of rental housing project who occupies a housing unit as the project manager or maintenance worker.

T. In the event that the Owner, Developer or Sponsor is a CHDO and is using set-aside funds under 24 CFR §92.300, the project must comply with applicable provisions prescribed in 24 CFR §92.300 and 24 CFR §92.301, in addition the CHDO associated with the project must remain CHDO certified throughout the period of affordability.

#### **IV. Financial Management.**

A. Owner agrees to comply with the applicable requirements of the United States Office of Management and Budget (OMB) "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" codified at 2 CFR Part 200, Subparts A – F.

B. Annually, during the Period of Affordability, Owner shall deliver to the Division a copy of their completed audit report. To the extent applicable, this audit has to comply with the Single Audit Act and 2 CFR Part 200, Subpart F. The Office of Management and Budget requires that grant recipients who expend \$750,000 or more in federal funds during a one year period, complete a Single Audit.

C. Annually, during the Period of Affordability, Owner or its designee will provide to the Division a CPA audited financial report (including copies of financial statements) of the Project to enable the Division to determine the financial condition (and

continued financial viability) of the rental project.

D. Annually during the Period of Affordability, Owner will provide the Division with information on rents and occupancy of HOME assisted units to demonstrate compliance with §92.252. Since the HOME units are designated as floating the Owner must provide the Division with information regarding unit substitution and filling vacancies so that the project remains in compliance with HOME rental occupancy requirements.

E. Owner agrees that all costs of the Project shall be recorded by budget line items and be supported by checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges, and that all checks, payrolls, time records, invoices, contracts, vouchers, orders or other accounting documents which pertain, in whole or in part, to the Project shall be thoroughly identified and readily accessible to the Division.

F. Owner agrees that excerpts or transcripts of all checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents related to or arguably related to the Project will be provided upon request to the Division.

G. Owner agrees that it may not request disbursement of funds under this Agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.

H. At the discretion of the Division, an amount not to exceed the lesser of ten percent (10%) or \$10,000 of the Funds allocated under this Agreement will be retained until the Project is completed and the Owner provides the following:

1. Documentation showing that the assisted units meet the UPCS, or, if new construction, that the Project has received an occupancy certificate;
2. A certified statement of Final Development Costs which, at a minimum, reports all development costs and expenditures for all federal funds, and the disposition of all of the Funds (from any source);
3. For projects involving new construction or rehabilitation, a completed form HUD-2516 "Contract and Subcontract Activity";
4. A completed form HUD-40097 "Rental Housing Completion Project Report" or, for owner-occupied projects, form HUD-4096 "Homeownership Project Completion Report";
5. Evidence of recording of the fully executed Deed of Trust and Assignment of Deed of Trust securing the Division's interest in the Property;
6. Evidence that Owner has provided the "Management Agent" with a copy of the HOME Program regulations and the specific HOME/LIHTF compliance requirements for the Project; and
7. Evidence that all contractors and subcontractors have current and valid registration on the System for Award Management (SAM) website.

## **V. Modification or Revocation of Agreement.**

A. The Division will amend or otherwise revise this Agreement, without Owner approval, should such modification be required by HUD or any applicable Federal statutes or regulations.

B. In the event that any of the Funds for any reason are terminated or withheld from the Division or otherwise not forthcoming, the Division may revoke this Agreement.

C. In accordance with 24 CFR §85.43, the Division may suspend or terminate this Agreement if Owner fails to comply with any of its terms. Owner must comply with this Agreement throughout the entire period of affordability. In the event that the Project does not meet the affordability requirements throughout the period of affordability, Funds may be recaptured.

D. This Agreement may be terminated at the convenience of the Division in accordance with 24 CFR §85.44.

E. This Agreement constitutes the entire Agreement between the Parties and may only be modified by a written amendment signed by the Parties, or as otherwise set forth in the terms of the Agreement.

F. Any uncorrected material breach of this Agreement may, at the discretion of the Division, result in forfeiture of all HOME Program funds received by Owner.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed and intend to be legally bound thereby on the Effective Date. The undersigned certifies that it will not contract services of any debarred, suspended or ineligible contractors or allow any of its partners to contract services of any debarred, suspended or ineligible contractors.

Pioche Apartments LLC,  
a Nevada limited liability company

By: Pioche Apartments Manager LLC,  
a Nevada limited liability company,  
its Managing Member

By: Nevada Rural Housing Authority,  
its sole member

By: Beth A. Dunning  
Name: Beth A. Dunning  
Title: Director of Community Development

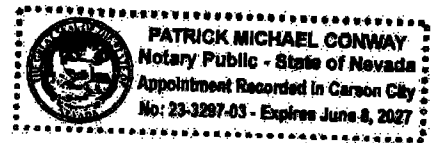
STATE OF NEVADA )  
 ) ss.  
COUNTY OF LINCOLN Carson City )

On May 9th, 2024 before me, Patrick Michael Conway, Notary Public, personally appeared Beth Dunning, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Patrick Michael Conway (Seal)  
Notary Public





**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

**REAL PROPERTY**

**THAT PARCEL OF LAND SITUATED WITHIN THE  
SOUTHEAST QUARTER (SE ¼ ) OF SECTION 15,  
TOWNSHIP 01 NORTH, RANGE 67 EAST, M.D.B. & M.,  
LINCOLN COUNTY, NEVADA, AND FURTHER DESCRIBED  
AS FOLLOWS:**

**PARCEL 4A OF DIVISION OF LAND SUBSEQUENT PARCEL  
MAP FOR LINCOLN COUNTY HOUSING AUTHORITY A  
POLITICAL SUBDIVISION OF NEVADA RECORDED AS  
DOCUMENT 2022-162914 AT LINCOLN COUNTY  
RECORDER'S OFFICE ON AUGUST 16, 2022.**

**A.P.N. 001-021-08**

**EXHIBIT B**  
**STATEMENT OF WORK**  
**PROJECT DESCRIPTION**

**Pioche Apartments**

Pioche Apartments is a planned 32-unit, new construction, affordable family rental development to be located along Hollywood Way in the central area of Pioche, Lincoln County, Nevada. The site currently contains four buildings with 14 occupied units, and one building with 4 units burned in a fire, which will all be abated and demolished through the redevelopment. The 32-unit development will provide units for small families, seniors, and persons with disabilities with incomes at or below 60% AMI. Of the 32 units, four (4) will be unrestricted, including one manager's unit. Construction will include a mix of one and two-bedroom units, as well as two fully accessible units and one hearing/visual impairment unit.

Pioche Apartments will be owned by a new, sole purpose Nevada limited liability company, Pioche Apartments LLC. The 0.01% Managing Member of the LLC will be a new, sole purpose Nevada limited liability company, Pioche Apartments Manager LLC. Nevada Rural Housing Authority (NRHA) will be the sole member of the Manager LLC. Nevada Rural Housing Authority will also act as developer to the ownership LLC. The HOME funds provided by the Division will be loaned to the Owner and secured by a Promissory Note and Deed of Trust. The HOME funds provided to the Owner shall be used solely to pay for eligible project costs as allowed in 24 CFR Part 93 and as further enumerated in the project budget attached as Exhibit B-1. Exhibit B-2 provides a schedule for project development and completion.

The Project, which is estimated to have development costs of \$15,705,844, will be financed principally through FHLBSF Nevada Targeted Funds, tax credit equity from PNC Bank and USDA-538 permanent loan through Bonneville Multifamily Capital. The Nevada Housing Division will provide additional gap financing for the Project.

Of the income restricted units, nine (9) units will be reserved as HOME-assisted. The HOME assisted units will consist of seven one-bedroom units and two two-bedroom units. Five HOME assisted units will house households at or below 60% of area median income ("AMI") (as set forth in Exhibit "C") and three HOME assisted units will house households of at or below 50% of AMI. If the HOME assisted units receive Federal or State project-based rental subsidies, the tenants' contribution towards rent may not exceed 30% of the tenants' adjusted gross income. The HOME assisted units shall be floating units. The maximum rent (tenant contribution plus the project-based rental subsidy) may not exceed the rent allowed by the Federal or State project-based rental subsidy program, 24 CFR § 92.252(b)(2). Should the subsidy be terminated, the rent (including the utility allowance) for the HOME assisted units cannot exceed HUD's Low HOME Rent Limits for Lincoln County (as set forth in Exhibit C1). Should the tenants' income increase and exceed 60% AMI or 50%

AMI, respectively, but remain less than 80% AMI, a new, low-income HOME-Assisted Unit must be designated. Owner shall comply with all applicable rental requirements outlined in 24 CFR Part 92, Subpart F.

The Nevada Housing Division will provide \$1,727,651.50 from the following sources:

Program Year	Amount	Source of Funds
2023	\$1,727,651.50	HOME Funds

The funds will be loaned at a rate of one percent (1.0%) simple interest. Repayment of the Project Loan shall be made subject to available Project cash flow as set forth in Owner's Amended and Restated Operating Agreement dated as of May 23, 2024. The project will be operated as affordable housing for a minimum period of fifty (50) years.

In addition to the affordability requirements related to the HOME funds that are intended as real covenants running with the land and binding on all successors, heirs and assigns which shall be recorded in the real property records of Lincoln County, Nevada, long-term affordability will be governed by a Declaration of Restrictive Covenants with the Nevada's Low-Income Housing Tax Credit Program.



**EXHIBIT B-1  
PROJECT BUDGET**

<b>USES</b>	<b>TOTAL COST</b>	<b>NHD HOME</b>	<b>OTHER</b>
Land	\$1		\$1
Building	\$0		\$0
Demolition and Abatement	\$119,000		\$119,000
Hard Cost--Off-Site Sitework	\$0		\$0
Hard Costs--On-Site Sitework	\$1,189,330		\$1,189,330
Hard Costs-Building	\$8,896,390	\$860,911.50	\$8,035,478.5
Hard Costs - Abatement	\$0		\$0
Hard Cost - Temporary Services	\$0		\$0
General Requirements	\$501,477		\$501,477
Contractor Ovh. & Profit	\$501,477		\$501,477
Payment/Performance Bond	\$132,300		\$132,300
FF&E	\$64,000		\$64,000
Hard Cost Contingency	\$566,999		\$566,999
Architectural & Engineering	\$665,000	\$664,082	\$918
CNA/Envir/Geotech/Survey	\$75,555	\$75,555	\$0
Testing and Inspection	\$25,000	\$25,000	\$0
Market Study/Appraisal	\$17,000	\$17,000	\$0
Planning Appl. and Impact Fees	\$84,800	\$84,800	\$0
Relocation	\$20,000		\$20,000
Insurance during construct.	\$232,161		\$232,161
Title & Recording	\$35,000		\$35,000
Developer Legal	\$75,000		\$75,000
Marketing/Lease-Up	\$50,000		\$50,000
Accounting & Audit	\$35,000		\$35,000
Construction Loan Fees	\$112,316		\$112,316
Construction Loan Interest	\$470,022		\$470,022
Permanent Loan Fees	\$67,230		\$67,230
Development Consultant	\$65,500		\$65,500
NHD Fee	\$137,646		\$137,646
Soft Cost Contingency	\$109,962		\$109,962
Operating Reserve	\$175,678		\$175,678
USDA 538 Reserve	\$32,000		\$32,000
Developer Fee	\$1,250,000		\$1,250,000
<b>Total</b>	<b>\$15,705,844</b>	<b>\$1,727,348.50</b>	<b>\$13,978,495.50</b>

**EXHIBIT B-2**  
**DEVELOPMENT AND COMPLETION SCHEDULE**

May 2024	Environmental Review process completed. Final HOME Agreements
May 2024	Close tax credit partnership, close loan, and commence construction
May 2024	Start pre-leasing
October 2025	Construction Complete
January 2026	100% Occupied
October 2026	Final Cost Certification
October 2026	Final Close Out from Nevada Housing Division



**EXHIBIT C**  
**LINCOLN COUNTY**  
**INCOME LIMITS FOR THE HOME PROGRAM**

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30% Limits	\$18,200	\$20,800	\$23,400	\$26,000	\$28,100	\$30,200	\$32,250	\$34,350
Very Low Income	\$30,350	\$34,650	\$39,000	\$43,300	\$46,800	\$50,250	\$53,700	\$57,200
60% Limits	\$36,420	\$41,580	\$46,800	\$51,960	\$56,160	\$60,300	\$64,440	\$68,640
Low Income	\$48,550	\$55,450	\$62,400	\$69,300	\$74,850	\$80,400	\$85,950	\$91,500

**EXHIBIT C-1**  
U.S. DEPARTMENT OF HUD  
LINCOLN COUNTY, NEVADA  
RENT LIMITS

	1 BR	2 BR
Low HOME Rent Limit	\$701	\$923
High HOME Rent Limit	\$701	\$923

COOPER