

LINCOLN COUNTY, NV

2024-166941

\$37.00

Rec:\$37.00

05/28/2024 10:49 AM

FIRST AMERICAN TITLE INSURANCE COMPANY

OFFICIAL RECORD

AMY ELMER, RECORDER

ASSESSOR'S PARCEL NO. 001-021-08

Recording Requested By
and when recorded, mail to:

Wells Fargo National Bank West
MAC A0101-069
420 Montgomery Street, 6th Floor
San Francisco, CA 94104
Attn: Patricia B. Parina

1175839.

SPACE ABOVE THIS LINE FOR RECORDERS USE

SUBORDINATED DEED OF TRUST

(Owner)

(Federal Home Loan Bank Affordable Housing Program)
Residential Income Property

NAME OF TRUSTOR(S):

PIOCHE APARTMENTS LLC, a Nevada limited liability company

NAME OF TRUSTEE(S):

FIRST AMERICAN TITLE INSURANCE COMPANY, as Trustee

NAME OF BENEFICIARY:

NEVADA RURAL HOUSING AUTHORITY

SUBORDINATED DEED OF TRUST
(Owner)
(Federal Home Loan Bank Affordable Housing Program)
Residential Income Property

NOTICE: This Subordinated Deed of Trust (the "Security Instrument") contains a subordination clause which may result in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument. The loan secured by this Security Instrument provides for one payment of principal (a "Balloon Payment"), at the end of the term of the loan.

THIS DOCUMENT DOES NOT CONTAIN ANY PERSONAL INFORMATION (AS DEFINED IN NEVADA REVISED STATUTES ("NRS") SECTION 603A.040) IN VIOLATION OF NRS SECTION 239B.030.

THIS DOCUMENT IS ALSO A FIXTURE FILING IN ACCORDANCE WITH NRS SECTION 104.9502. Trustor's Organizational Number is NV 20232719093.

THIS SUBORDINATED DEED OF TRUST (the "Security Instrument") is made as of May 23, 2024 between **Pioche Apartments LLC**, a Nevada limited liability company, as trustor (the "Trustor"), **First American Title Insurance Company**, as trustee (the "Trustee"), and **Nevada Rural Housing Authority**, a body corporate and politic, and an instrumentality, local government and political subdivision of the State of Nevada, as beneficiary (together with its successors and assigns, the "Beneficiary") The mailing address of Trustor, Trustee and Beneficiary are the addresses for those parties set forth or referred to in Section 15 below.

TRUSTOR, IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST HEREIN CREATED, IRREVOCABLY GRANTS, CONVEYS AND ASSIGNS TO TRUSTEE, in trust, with power of sale and right of entry and possession, all of Trustor's right, title and interest (including any claim or demand in law or equity) now held or hereafter acquired in and to all of that certain real property located in the County of Lincoln, State of Nevada and described in Exhibit A, attached hereto and made a part hereof.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil, and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

THE ABOVE GRANT, CONVEYANCE AND ASSIGNMENT ARE FOR THE PURPOSE OF SECURING TO BENEFICIARY:

a) Payment of the indebtedness evidenced by Trustor's nonrecourse promissory note dated of even date herewith (the "Note"), in the principal sum of \$640,000.00 or such lesser amount as shall equal the aggregate amount disbursed to or on behalf of Trustor by Beneficiary plus interest thereon, payment to be in accordance with the terms of the Note and any and all amendments, modifications, extensions or renewals thereof; the Note being evidence of a loan made by Beneficiary to Trustor pursuant to the Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP), established and governed by the Federal Home Loan Bank of San Francisco ("Bank") and further pursuant to the related AHP Regulations, Bank's AHP, Bank's AHP

Policies and Procedures and the Application, all as defined in that certain Affordable Housing Program Direct Subsidy Agreement - Rental Project, by and between the Bank, Project No. 23NI1004 and Beneficiary ("Tri-Party Agreement") (hereinafter any and all of the latter and former AHP related requirements that Trustor is bound and obligated to, including but not limited to the Tri-Party Agreement, shall be referred to as "AHP Requirements").

- b) Performance of the covenants and agreements of Trustor herein or in the Note contained; and
- c) Performance of the covenants, agreements and obligations of Trustor contained in any other agreement or evidence of indebtedness of Trustor to Beneficiary now or hereafter created, whether acquired by assignment from third parties or otherwise, where such agreement or evidence of indebtedness specifically recites that it is secured by this Security Instrument.

TRUSTOR HEREBY COVENANTS that Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that Trustor will warrant and defend generally the title of the Property against all claims and demands, subject to any liens, encumbrances, declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy accepted by Beneficiary insuring Beneficiary's interest in the Property.

Trustor and Beneficiary covenant and agree as follows:

1. Payment of Principal and Interest: Prepayment and Late Charges. Trustor shall promptly pay when due the principal of the debt evidenced by the Note, and any prepayment and late charges due under the Note.
2. Promissory Note. Trustor will observe and perform all of the covenants and agreements of the Note.
3. Application of Payments. Unless applicable law provides otherwise, all payments received by Beneficiary under Paragraph 1 shall be applied first to accrued but unpaid interest and then to principal then due.
4. Payment of Taxes, Charges and Liens. Trustor shall pay, satisfy and discharge all general and special taxes, and assessments and other charges, fines and impositions levied upon or assessed against any part of the Property or upon Trustor's or the Beneficiary's interest in the Property; all leasehold payments or ground rents, if any; each obligation and claim of every kind and nature which might or could become a lien on the Property or any part thereof; all encumbrances, charges and liens on the Property or any portion thereof; and all payments on notes or other obligations secured by an interest in the Property or any portion thereof, with interest in accordance with the terms thereof, by making payment, when due, directly to the payee thereof. Trustor shall promptly furnish to Beneficiary all notices of amounts due under this paragraph, and in the event Trustor shall make payment directly, Trustor shall promptly furnish to Beneficiary receipts evidencing such payments. Trustor shall have the right to contest in good faith any claim or lien, or payment due thereunder, provided that Trustor does so diligently, by appropriate legal proceedings, and without prejudice to Beneficiary.
5. Hazard Insurance. Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss from fire, hazards included within the term "extended coverage" and any other hazards for which Beneficiary requires insurance, including without limitation, any other insurance required by law. This insurance shall be maintained in the amounts and for the periods that Beneficiary requires, provided that Beneficiary shall not require that the amount of such coverage exceed the amount of coverage required to pay the sums secured by this Security Instrument and all deeds of trust or security instruments prior to or superior to this Security Instrument.

The insurance carrier providing the insurance shall be chosen by Trustor subject to Beneficiary's approval which shall not be unreasonably withheld. Trustor agrees to pay all premiums on all insurance policies required from time to time.

All insurance policies and renewals thereof shall be acceptable to Beneficiary and shall include a certificate of a standard mortgage clause. Trustor shall promptly furnish or cause to be furnished to Beneficiary all renewal notices and all receipts of paid premiums. In the event of loss, Trustor shall give prompt notice, or shall cause prompt notice to be given, to the insurance carrier and Beneficiary. Beneficiary may make proof of loss if not made promptly by Trustor.

Unless Beneficiary and Trustor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Beneficiary's security is not lessened. If the restoration or repair is not economically feasible or Beneficiary's security would be lessened, the insurance proceeds shall be applied, subject to any rights of senior liens, to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Trustor. If Trustor abandons the Property, or does not answer within 30 days a notice from Beneficiary that the insurance carrier has offered to settle a claim, then Beneficiary may collect the insurance proceeds. Beneficiary may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds shall not extend or postpone the due date of the obligations specified in the Note or this Security Instrument or change the amount of the payments. If the Property is acquired by Beneficiary by foreclosure or otherwise, all right, title and interest of Trustor in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Beneficiary to the extent of the sums secured by this Security Instrument immediately prior to such sale or acquisition.

6. Preservation and Maintenance of the Property; Condominiums; Planned Unit Developments. Trustor shall not destroy, damage or substantially change the Property, except for the construction contemplated by Trustor in which Note proceeds will be used, allow the Property to deteriorate or commit waste.

7. Protection of Beneficiary's Rights in the Property. Trustor shall appear and defend any action or proceeding purporting to affect the security hereof or the rights of the Beneficiary. If Trustor fails to perform the covenants and agreements contained in this Security Instrument, or if any action or proceeding is commenced which materially affects Beneficiary's interest in the Property, including, but not limited to, foreclosure, involuntary sale, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Beneficiary at Beneficiary's option, upon notice to Trustor, may do and pay for whatever is necessary to protect the value of the Property and Beneficiary's rights in the Property. Beneficiary's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Beneficiary may take action under this paragraph 7, Beneficiary does not have to do so.

Any amounts disbursed by Beneficiary pursuant to this paragraph 7 or paragraph 9 below, with interest thereon, shall become indebtedness of Trustor secured by this Security Instrument. Unless Trustor and Beneficiary agree to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof, and shall bear interest from the date of disbursement at the legal rate of interest. Nothing contained in this paragraph 7 shall require Beneficiary to incur any expense or take any action hereunder.

This Security Instrument is governed by Nevada Revised Statutes ("NRS") Sections 106.300 to 106.400 and secures future advances as provided in such Sections. The parties hereto hereby acknowledge that all Secured Obligations shall be deemed fully advanced for purposes of NRS 106.300 through 106.400, inclusive. This Security Instrument shall be valid and have priority to the extent of the maximum amount secured hereby over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Property given priority by law.

8. Inspection. Beneficiary or its agent may make or cause to be made reasonable entries upon and inspections of the Property. Beneficiary shall give Trustor notice at the time of or prior to any such inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation, exercise of eminent domain, or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary subject to the rights of senior lienholders.

The proceeds of any award or claim for damages, direct or consequential, in connection with a total condemnation or taking of the Property, shall be applied to the sums secured by this Security Instrument, with the excess, if any, paid to Trustor. In the event of a partial condemnation or taking, the proceeds shall be applied to the restoration or repair of the Property, provided Trustor reasonably determines that such restoration or repair is economically feasible and there is no default continuing after the expiration of all applicable cure periods. If Trustor reasonably determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the condemnation proceeds shall be applied to the sums secured by this Security Instrument, with the excess, if any, paid to Trustor. In the event funds for such work are insufficient, Beneficiary may, at its sole option and in its sole discretion, advance such additional funds as may be necessary to allow the Property to be repaired or restored, and may add the amount thereof to the principal balance of the Note hereby secured.

If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemnor offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date such notice is mailed, Beneficiary is authorized to collect and apply the proceeds of any award to the sums secured by this Security Instrument.

Unless Beneficiary and Trustor otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of payment or payments specified in the Note or change the amount of such payment or payments.

10. Trustor Not Released; Forbearance by Beneficiary Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by the Security Instrument granted by Beneficiary to any successor in interest of Trustor shall not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Trustor to Trustor's successor in interest.

Any forbearance by Beneficiary in exercising any right or remedy hereunder, or otherwise affordable by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Beneficiary shall not be a waiver of Beneficiary's right to accelerate the maturity of the indebtedness secured by this Security Instrument. Any extension of time for performance of obligations, or for payments of amounts due, granted by Beneficiary to Trustor, shall not operate as a waiver or release of Trustor's duties and obligations hereunder or under the Note.

11. Remedies Cumulative. All remedies provided in this Security Instrument are distinct and cumulative to any other right or remedy under this Security Instrument or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Beneficiary and Trustor, subject to the provisions of paragraph 18 hereof. All covenants and agreements of Trustor shall be joint and several.

Any Trustor who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Trustor's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by the Security Instrument; and (c) agrees that Beneficiary and any other Trustor may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Trustor's consent.

13. Captions. The captions and headings of the paragraphs of this Security Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Legislation Affecting Beneficiary's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Beneficiary, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Beneficiary exercises this option, Beneficiary shall take the steps specified in the second paragraph of paragraph 18.

15. Notice. Except for any notice required under applicable law to be given in another manner any notice provided for in this Security Instrument shall be given by mailing such notice by certified mail directed to the Trustor at 3695 Desatoya Drive, Carson City, Nevada 89701, or any other address Trustor designates by written notice to Beneficiary as provided herein; (b) any notice to Beneficiary shall be given by certified mail, return receipt requested, to the Beneficiary at 3695 Desatoya Drive, Carson City, Nevada 89701 or to such other address as Beneficiary may designate by written notice to Trustor as provided herein; and (c) any notice to Trustee shall be given by mailing such notice by certified mail directed to the Trustee at 8311 W. Sunset Road, Suite 100, Las Vegas, NV 89113. Any notice provided for in this Security Instrument shall be deemed to have been given to Trustor or Beneficiary when given in the manner designated herein. A copy of any notice given to Trustor shall be provided to (a) Trustor's legal counsel at Chapman and Cutler LLP, 320 South Canal Street, 27th Floor, Chicago, Illinois 60606, Attn: Ryan J. Bowen; (b) to Trustor's investment member ("Investment Member") at PNC Bank, National Association, 121 S.W. Morrison, Suite 1300, Portland, Oregon 97204, attention: Fund Management; and (c) Wells Fargo National Bank West, MAC A0101-069, 420 Montgomery Street, 6th Floor, San Francisco, CA 94104, attention: Patricia B. Parina.

16. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the State of Nevada. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Security Instrument and the Note are declared to be severable.

17. Trustor's Copy. Trustor shall be given a conformed copy of the Note and this Security Instrument.

18. Transfer of the Property; Assumption. Except as provided in the Note, if all or any part of the Property is sold or transferred by Trustor without Beneficiary's prior written consent, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Security Instrument to be immediately due and

payable. Beneficiary shall have waived such option to accelerate for a particular sale or transfer if, prior to the sale or transfer, Beneficiary and the person or entity to whom the Property is to be sold or transferred reach an agreement in writing, subject to the reasonable discretion of Beneficiary, that the obligations of the Trustor secured hereunder, including any provisions governing continued affordability of the Property contained in this Security Instrument, the Note, and in the AHP Requirements, may be assumed by such person or entity. Provided Trustor or an affiliate thereof, has complied with the requirements of this paragraph, Beneficiary shall approve transfer. Any sale or transfer of the Property by Trustor shall be subject to and in conformance with any and all AHP Requirements, including but not limited to, the specific requirements of the Application relative to low or moderate-income household income requirements. If Beneficiary has waived the option to accelerate provided in this paragraph and if Trustor's successor in interest has executed a written assumption agreement accepted in writing by Beneficiary, Beneficiary shall release Trustor from all obligations under this Security Instrument.

If Beneficiary exercises such option to accelerate, Beneficiary shall mail Trustor notice of acceleration in accordance with paragraph 15 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Trustor may pay the sums declared due. If Trustor fails to pay such sums prior to the expiration of such period, Beneficiary may, without further notice or demand on Trustor, invoke any remedies permitted by paragraph 19 hereof.

19. Acceleration; Remedies. Except as provided in paragraph 18 hereof, upon (a) Trustor's breach of any covenant or agreement of Trustor in this Security Instrument, including the covenants to pay when due any sums secured by this Security Instrument, or (b) upon Trustor's failure to make any payment or to perform any of its obligations, covenants and agreements pursuant to the Note or the Application, or (c) in the event Trustor or any other "borrower" (as that term is defined in NRS 106.310, as amended or recodified from time to time) who may send a notice pursuant to NRS 106.380(1), as amended or recodified from time to time, with respect to this Security Instrument, (i) delivers, sends by mail or otherwise gives, or purports to deliver, send by mail or otherwise give to Beneficiary: (A) any notice of an election to terminate the operation of this Security Instrument as security for any Secured Obligation, including, without limitation, any obligation to repay any "future advance" (as defined in NRS 106.320, as amended or recodified from time to time) of "principal" (as defined in NRS 106.345, as amended or recodified from time to time), or (B) any other notice pursuant to NRS 106.380(3), as amended or recodified from time to time, (ii) records a statement pursuant to NRS 106.380(3), as amended or recodified from time to time, or (iii) causes this Security Instrument, any Secured Obligation, or Beneficiary to be subject to NRS 106.380(2), 106.380(3) or 106.400, as amended or recodified from time to time then Beneficiary shall mail notice to Trustor as provided in paragraph 15 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, no less than 30 days from the date the notice is mailed to Trustor, by which such breach must be cured; or, if the cure is non-monetary and cannot be completed within 30 days, then Trustor shall have such additional time to cure provided it has immediately commenced the cure and is diligently pursuing the cure to completion, and such cure is consummated within 90 days from the date of notice, and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Trustor to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Beneficiary at Beneficiary's option may declare all of the sums secured by this Security Instrument to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect from the Trustor, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorneys' fees.

If Beneficiary invokes the power of sale, Beneficiary shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Beneficiary's election to cause the Property to be sold and

shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Beneficiary or Trustee shall mail copies of such notice in the manner described by applicable law to Trustor and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Trustor, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Beneficiary or Beneficiary's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser a Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees and costs of title evidence; (b) to all sums secured by this Security Instrument and (c) the excess, if any, to the person or persons legally entitled thereto.

Notwithstanding anything to the contrary herein any cure of any violation of or default under this Security Instrument made or tendered by any member of Trustor shall be deemed to be a cure tendered by Trustor and shall be accepted or rejected on the same basis as if made or tendered by the Trustor.

20. Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by the Security Instrument, Trustor will have the right to have any proceedings begun by Beneficiary to enforce this Security Instrument discontinued at any time prior to five (5) days before sale of the Property pursuant to the power of sale contained in this Security Instrument or at any time prior to entry of the judgment enforcing this Security Instrument if: (a) Trustor pays Beneficiary all sums which would be then due under this Security Instrument, and the Note, had no acceleration occurred; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Security Instrument; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Trustor contained in the Security Instrument, and in enforcing Beneficiary's and Trustee's remedies including, but not limited to, reasonable attorneys' fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Security Instrument, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Security Instrument shall continue unimpaired. Upon such payment and cure by Trustor, this Security Instrument and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

21. Assignment of Rents; Appointment of Receiver; Beneficiary in Possession. Upon acceleration under paragraph 19 hereof or abandonment of the Property, Beneficiary (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Beneficiary or the Receiver shall be applied first to payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Beneficiary and the receiver shall be liable to account only for those rents actually received. The provisions of this paragraph and paragraph 19 shall operate subject to the claims of senior lienholders.

22. Reconveyance. Upon payment of all sums secured by this Security Instrument, Beneficiary shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing indebtedness secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons

shall pay all costs of recordation, if any. The recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

23. Substitute Trustee. Beneficiary, at Beneficiary's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

24. Request for Notice. Trustor requests that copies of the notice of default and notice of sale be sent to Trustor's and Investment Member's addresses listed in Section 15 above.

25. Use of Property. Trustor shall not permit or suffer the use of any of the Property for any purpose other than as a multi-family residential dwelling.

26. Tax Credit Requirement. Notwithstanding anything to the contrary contained in the Note or Security Instrument, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Project, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended ("Code"), shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the regulatory agreement with the Nevada Housing Division, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

27. Subordination. Beneficiary, by acceptance of the Note and Security Instrument, acknowledges that the indebtedness evidenced by the Note and secured by this Security Instrument shall be subordinate to:

- i. \$9,957,000 construction mortgage loan from Rural Community Assistance Corporation, which loan is secured by, among other things, a Deed of Trust and Assignment of Rents;
- ii. \$1,400,000 term mortgage loan from Bonneville Mortgage Company, which loan will be secured by, among other things, a Deed of Trust with Assignment of Rents;
- iii. \$1,727,348.50 subordinate mortgage 2023 HOME Investment Partnerships Program loan from the Nevada Housing Division, which loan is secured by, among other things, a Deed of Trust and Assignment of Rents; and
- iv. \$272,651.50 subordinate mortgage Housing Trust Fund loan from the Nevada Housing Division which loan is secured by, among other things, a Deed of Trust and Assignment of Rents.

28. Promissory Note. Sections 9, 16, and 17 of the Note are hereby incorporated by this reference and shall control and supersede any conflicting provisions in this Security Instrument.

29. Rider to Security Instrument. This Security Instrument is hereby modified to incorporate the Rider to Deed of Trust, attached to that certain Affordable Housing Assignment of Deed of Trust of even date herewith and incorporated herein by this reference.


BY SIGNING BELOW, Trustor accepts and agrees to the terms and covenants contained in this Security Instrument.

"TRUSTOR"

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,
a body corporate and politic, and an instrumentality, local
government and political subdivision of the State of Nevada,
its Sole Member

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

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

STATE OF NEVADA

COUNTY OF Carson City

ss.

This instrument was acknowledged before me on May 17th, 2024, by Beth A. Dunning, Director of Community Development of Nevada Rural Housing Authority, the Sole Member of Pioche Apartments Manager LLC, a Nevada limited liability company, Managing Member of Pioche Apartments LLC, a Nevada limited liability company.

Signature Patrick Michael Conway
Notary Public for Nevada

My commission expires June 8, 2027



EXHIBIT "A"

LEGAL DESCRIPTION

The Property referred to herein is situated in the State of Nevada, County of Lincoln, described as follows:

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.