

001-021-08
WHEN RECORDED MAIL TO:

Wells Fargo Financial National Bank
Community Lending and Investment
MAC A0101-069
420 Montgomery Street, 6th Floor
San Francisco, CA 94104
Attn: Patricia B. Parina, Vice President
Project No. 23N11004

1175839

**AFFORDABLE HOUSING PROGRAM
ASSIGNMENT OF DEED OF TRUST**

LINCOLN COUNTY, NV **2024-166942**
\$37.00
Rec:\$37.00 **05/28/2024 10:49 AM**
FIRST AMERICAN TITLE INSURANCE COMPANY Pgs: 14 AK
OFFICIAL RECORD
AMY ELMER, RECORDER

NEVADA RURAL HOUSING AUTHORITY, a body corporate and politic, and an instrumentality, local government and political subdivision of the State of Nevada ("Assignor"), has received Affordable Housing Program of the Federal Home Loan Bank of San Francisco ("AHP") funds (the "AHP Award") from **WELLS FARGO NATIONAL BANK WEST** (the "AHP Lender"). Assignor has loaned the proceeds of the AHP Award to Pioche Apartments LLC, a Nevada limited liability company (the "Company"), for the development of a low-income housing project in Pioche, Nevada.

For value received, Assignor hereby grants, conveys, assigns and transfers to the AHP Lender whose address is Wells Fargo National Bank West, Community Lending and Investment, MAC A0101-069, 420 Montgomery Street, 6th Floor, San Francisco, CA 94104, Project No. 23N11004, the following (collectively the "Assignment"):

1. All beneficial interest under that certain Deed of Trust dated May 23, 2024, together with the Rider to Deed of Trust attached thereto and executed by the Company, naming Assignor as Beneficiary and First American Title Insurance Company, as Trustee, recorded concurrently herewith in the official records of Lincoln County, describing land therein as attached on Exhibit A hereto (the Deed of Trust, together with the Rider to Deed of Trust is collectively referred to hereinafter as the "Deed of Trust").

2. For collateral purposes only, all of Assignor's right, title and interest in and to that certain Promissory Note (Owner) (the "Note") of even date with the Deed of Trust executed by the Company and payable to the order of Assignor in the original principal amount of SIX HUNDRED FORTY THOUSAND and No/10ths Dollars (\$640,000.00) and secured by the Deed of Trust, and the principal and interest due and to become due thereon; provided however, for purposes of this Assignment, and as between Assignor and AHP Lender, the Note will be a nonrecourse promissory note.

3. All of Assignor's right, title and interest in and to all other documents securing or relating to the obligations secured by the Deed of Trust, as amended from time to time including any UCC-1 Financing Statement filed in connection with the AHP Award.

4. All proceeds of any kind generated by or related to any of the foregoing.

Notwithstanding any other provision herein, this Assignment is for enforcement purposes only, and so long as no default exists by Assignor under the AHP Award, Assignor shall have the right to collect payments under Note between the Assignor and the Company. This Assignment terminates upon the Maturity Date of that certain promissory note in the amount of SIX HUNDRED FORTY THOUSAND and No/10ths Dollars (\$640,000.00) executed by the Assignor and delivered to the AHP Lender, dated as of May 23, 2024. AHP Lender agrees to reassign the Deed of Trust and all other rights assigned under this Assignment upon such Maturity Date.

Assignor acknowledges that the Deed of Trust is modified to incorporate the Rider to Deed of Trust attached hereto and incorporated therein by reference. The Deed of Trust, the Note, this Assignment (including the Rider to Deed of Trust), that certain Pledge and Security Agreement (Sponsor) between Assignor and AHP Lender, and any UCC-1 Financing Statements filed in connection with the AHP Award are collectively referred to herein as "Loan Documents".

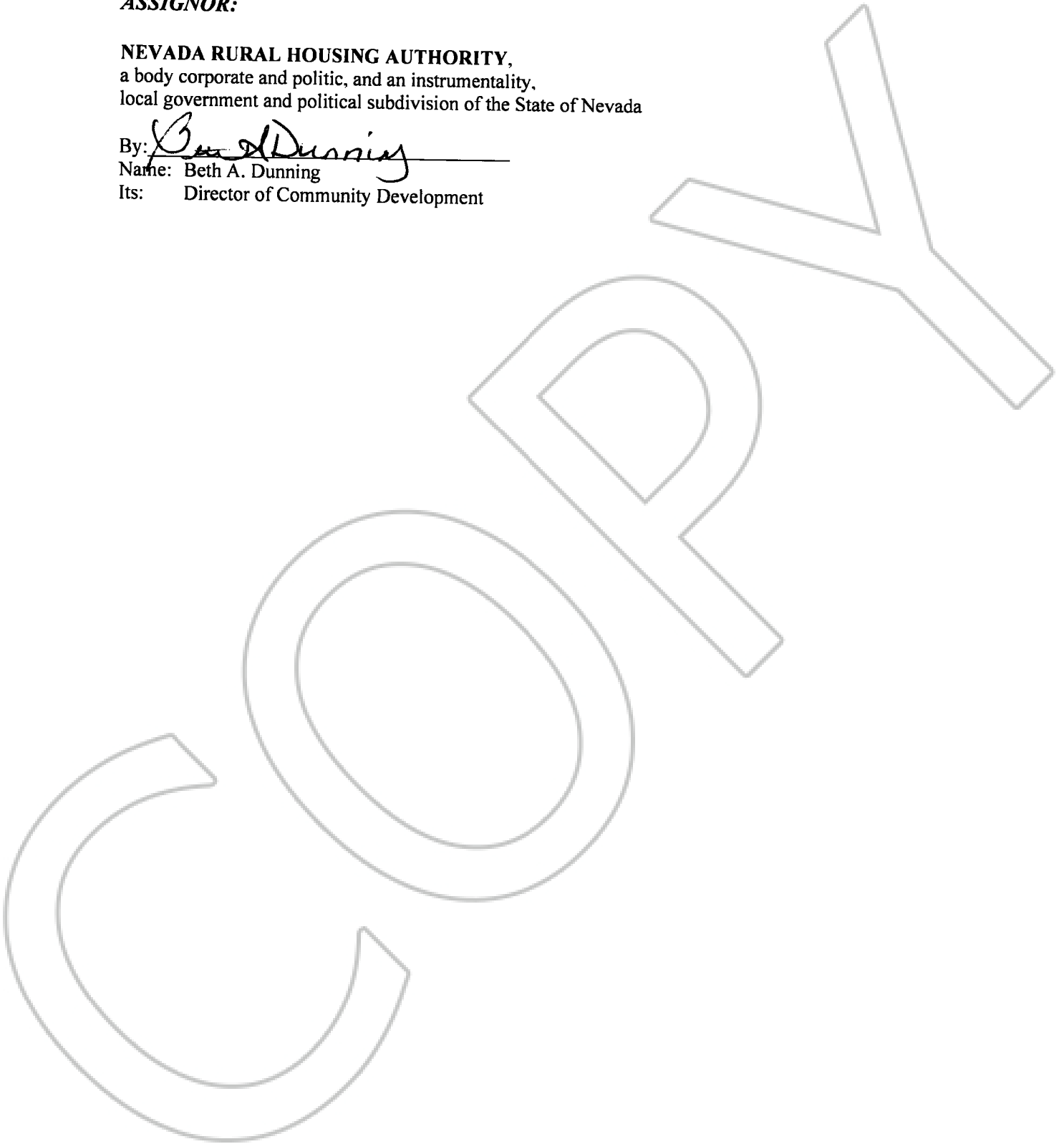
Assignee by acceptance of this Assignment acknowledges that the Loan Documents are subject to that certain Rental Assistance Demonstration Use Agreement dated as of May 23, 2024 entered into between Assignor and Company.

[Signature/Notary Pages Follow]

ASSIGNOR:

NEVADA RURAL HOUSING AUTHORITY,
a body corporate and politic, and an instrumentality,
local government and political subdivision of the State of Nevada

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

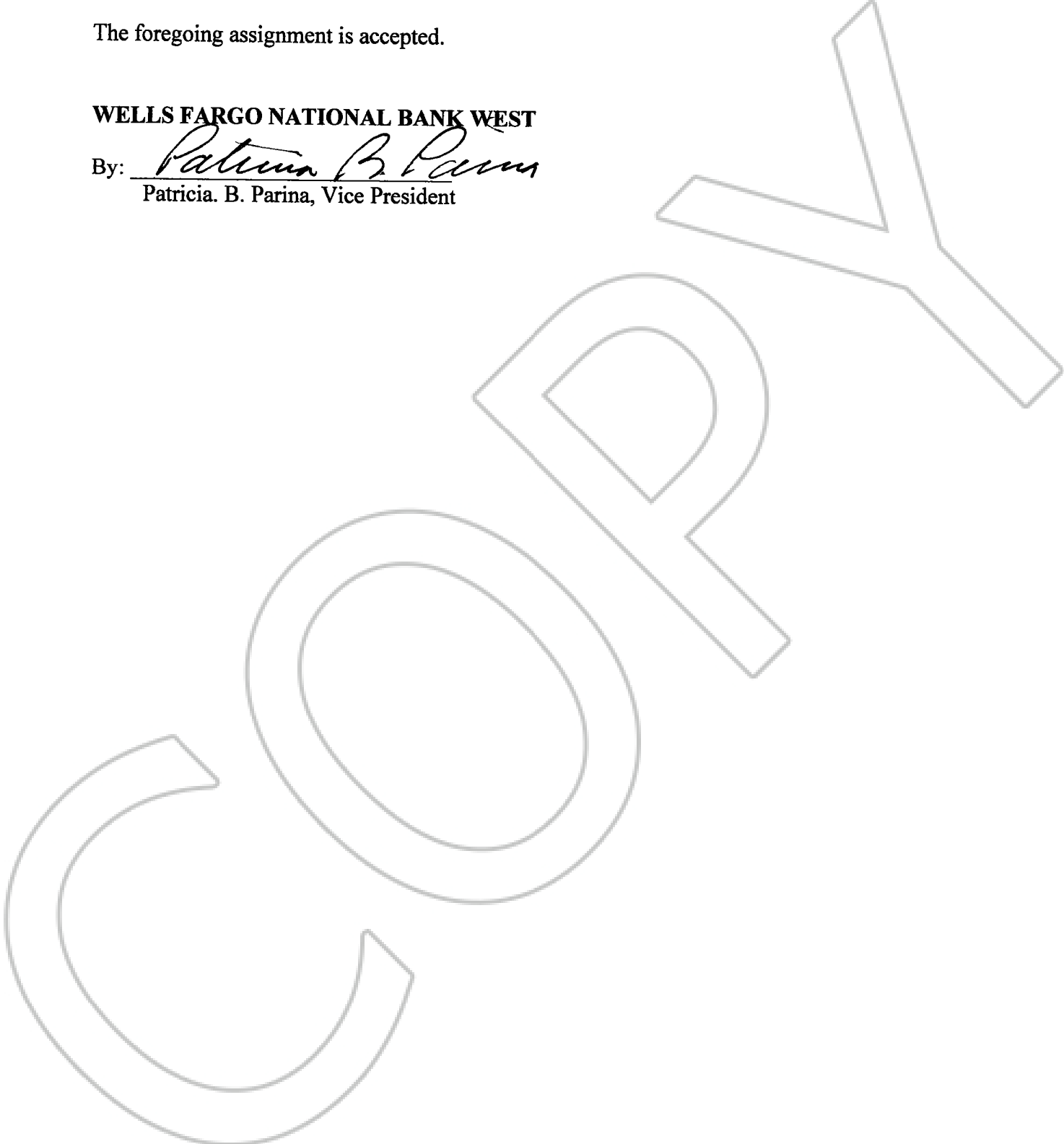


AHP Lender's Signature Page for Assignment of Deed of Trust

The foregoing assignment is accepted.

WELLS FARGO NATIONAL BANK WEST

By: *Patricia B. Parina*
Patricia. B. Parina, Vice President



STATE OF NEVADA

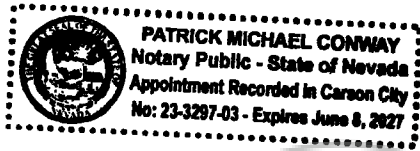
COUNTY OF Carson City

SS.

This instrument was acknowledged before me on May 17, 2024, by Beth A. Dunning, Director of Community Development of Nevada Rural Housing Authority.

Signature Patrick Michael Conway
Notary Public for Nevada

My commission expires June 8, 2027



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


State of California
County of Alameda

On May 15, 2024 before me, Meliza Bibiano, Notary Public
(insert name and title of the officer)

personally appeared Patricia B. Parina,
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 California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

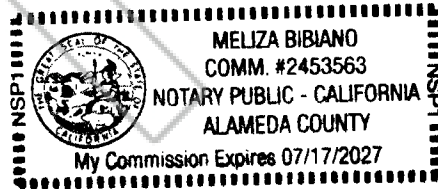


EXHIBIT A

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.

RIDER TO ASSIGNMENT OF DEED OF TRUST

AFFORDABLE HOUSING PROGRAM RETENTION AGREEMENT AND RESTRICTIVE COVENANTS

(AHP Rental Project: General Fund and Nevada Targeted Fund)

This Rider to **Assignment of Deed of Trust - Affordable Housing Program Retention Agreement and Restrictive Covenants** (AHP Rental Project) (this "Rider") is attached to and made part of the foregoing **assignment of deed of trust and is incorporated by reference in to the Deed of Trust** or similar security instrument (the "Deed of Trust"). In this Rider, the beneficiary of the Deed of Trust is referred to as the "Lender" and the trustor or grantor under the Deed of Trust is referred to as the "Owner" or "Borrower" (the Borrower together with the Lender and Owner, the "Parties"). This Rider is a form of "retention agreement" referred to below.

RECITALS:

- A** **Whereas**, pursuant to Section 721 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), the Federal Housing Finance Agency ("FHFA") is required to cause each Federal Home Loan Bank to establish an affordable housing program ("AHP") to assist members of each Federal Home Loan Bank to finance affordable housing for very low-, low-, or moderate-income households.
- B** **Whereas**, The Federal Home Loan Bank of San Francisco (the "Bank") also has established an Affordable Housing Program Implementation Plan (as amended from time to time, the "Implementation Plan") and policies, procedures, guidelines and instructions covering, among other things, feasibility, disbursement, monitoring and modifying affordable housing projects participating in the AHP (as amended from time to time, the "AHP Policies and Procedures");
- C** **Whereas**, Lender, a member of the Bank, and the Project Sponsor submitted an application to the Bank (the "AHP Application") for an AHP Subsidy (defined below) in connection with the real property identified in the AHP Application and the improvements and tangible and intangible personal property associated or connected therewith, all of which is encumbered by the Deed of Trust (the "Project").
- D** **Whereas**, pursuant to regulations (including, without limitation, those contained in 12 CFR Part 1291) promulgated by the FHFA pursuant to FIRREA (the "AHP Regulations"), members of each Federal Home Loan Bank are required to provide for the repayment of any AHP Subsidy should said AHP Subsidy or the Project or a portion of the Project be unused or improperly used.
- E** **Whereas**, in connection with the Project, Project Sponsor entered into an Affordable Housing Program Direct Subsidy Agreement Rental Project (the "Subsidy Agreement") with the Bank and Lender, pursuant to which Project Sponsor and Lender agreed to be bound by the AHP Regulations and perform certain monitoring functions with respect to the Project and related AHP Subsidies.
- F** **Whereas**, Lender has advanced or agreed to advance the AHP Subsidy (defined below) to Borrower in connection with Borrower's purchase, construction and/or rehabilitation of real property described in the Deed of Trust, and in connection with the AHP Subsidy, Borrower has executed the Deed of Trust, which includes this Rider.
- G** **Whereas**, the Parties desire to cause the Income-Eligibility and Affordability Restrictions and related covenants and restrictions required by the Subsidy Agreement to become recorded restrictions burdening the Project as defined below.

By signing the Deed of Trust, Borrower hereby agrees as follows:

- 1. AHP Subsidy.** The secured obligation described in and secured by the Deed of Trust represents the "AHP Subsidy" used or to be used in connection with the purchase, construction or rehabilitation of the Project.
- 2. Definitions.** As used in this Rider, the following capitalized terms have the following meanings:

"Income-Eligibility and Affordability Restrictions" means income limitations as amended or modified or adjusted annually according to the current applicable median income data from time to time with the approval of the Bank

and rent limitations such that the Project units are affordable for households with incomes at or below the levels committed to be served in the AHP Application.

"**Loan**" means the advance of funds evidenced by the Note.

"**Loan Documents**" means the Note, the Deed of Trust, and all other documents relating to or securing the Note, each as renewed, amended, modified, restated and extended from time to time.

"**Note**" means the promissory note secured by the Deed of Trust.

"**Retention Period**" means the period commencing on the date of the completion of the Project as determined by the Bank in its discretion and ending fifteen (15) years after the same date.

All other capitalized terms not otherwise defined herein or in the Deed of Trust shall be as defined in the Subsidy Agreement among the Project Sponsor, Lender and Bank.

3. **Covenants.**

- (a) **Compliance.** Borrower shall comply with the AHP Regulations, the AHP Policies and Procedures, and the commitments made by the Project Sponsor in the AHP Application and the Subsidy Agreement.
- (b) **Income-Eligibility and Affordability Restrictions.** Borrower shall cause the Project's rental units, or the applicable portion thereof, to remain occupied by and affordable for households with incomes that are consistent with the Income-Eligibility and Affordability Restrictions for the duration of the Retention Period. The Income-Eligibility and Affordability Restrictions shall terminate upon transfer of title to the Project following foreclosure or deed in lieu of foreclosure of the Deed of Trust or a senior deed of trust.
- (c) **Notice of Proposed Sale, Transfer, Assignment, Refinancing, or Foreclosure.** Borrower shall give the Bank, and in its discretion any designee of the Bank, notice of a sale, transfer, assignment of title or deed, refinancing, foreclosure or transfer in lieu of foreclosure of the Project occurring prior to the end of the Retention Period at least fifteen (15) calendar days prior to the anticipated happening of such an event. Notwithstanding any other provision contained in the Deed of Trust, in case of any sale, assignment, or transfer of the Project, Borrower shall ensure that the documentation of such sale, assignment, or transfer includes a provision acceptable to Lender in its sole discretion that the Project will continue to be used for affordable housing consistent with the AHP Regulations and AHP Application.
- (d) **Repayment.** In case of a sale, transfer, assignment, or refinancing of the Project prior to the end of the Retention Period, subject to the nonrecourse provisions of the Note and this Rider, Borrower shall on demand repay all principal and accrued interest on the Note in full, unless:
 - (i) the Project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the Income-Eligibility and Affordability Restrictions committed to in the approved AHP Application for the duration of the Retention Period; or
 - (ii) if authorized by the Bank, in its discretion, the households are relocated, due to the exercise of eminent domain, or for expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the Income-Eligibility and Affordability Restrictions committed to in the approved AHP Application for the remainder of the Retention Period.
- (e) **No Discrimination.** Borrower shall not discriminate in the rental of affordable housing units based on race, religion, sex, national origin, handicap or familial status, and shall obey all applicable fair housing laws.
- (f) **Monitoring Information.** Borrower shall provide to Lender and the Bank, promptly following Lender's or the Bank's request, any and all information the Bank or Lender requires to meet its obligation to monitor projects which have received AHP subsidies, under the AHP Regulations, AHP Application and any applicable law, in a format as required by or acceptable to the Bank and Lender.
- (g) **Notice of Violation; Additional Information.** Borrower shall promptly give written notice to the Bank and Lender of an occurrence of noncompliance with the requirements of the AHP Regulations, the AHP Policies and Procedures or the Subsidy Agreement at the earliest possible date after discovery of such noncompliance, and after Borrower has had reasonable time to investigate and evaluate the occurrence

which may constitute noncompliance, but in any event, notice shall be given no later than fifteen (15) calendar days following discovery of an occurrence that constitutes noncompliance. In addition, Borrower shall provide to Lender or the Bank, or both, within fifteen (15) calendar days following the request of Lender or the Bank, or both, as the case may be, information and requested documentation concerning the Project and the Loan.

4. Cure Rights. Notwithstanding anything to the contrary in the Note or Deed of Trust:

- (a) Borrower shall have the right to cure any defaults and Lender agrees to accept cures tendered by Borrower within thirty (30) days of written notice to Borrower of such default, plus such additional time as is reasonably necessary to cure the default provided Borrower has commenced the cure within such thirty (30) day period and is diligently prosecuting the cure.
- (b) if a default is eliminated by an approved modification of the AHP Application consistent with Paragraph 11 of the Subsidy Agreement (or any successor provision) and the AHP Regulations, the default shall be deemed cured.
- (c) Lender shall give Borrower's tax credit investor, if any ("Investor"), the same written notice of default given to the Borrower as required herein; provided, that Lender's failure to give separate written notice to Investor shall not impair or invalidate any notice of default given to Borrower or give rise to any liability on the part of Lender to Investor or any other third party. Investor shall have the right to cure defaults within the time periods provided to Borrower herein, and performance of a cure by Investor or an affiliate of Investor shall have the same effect as would like performance by Borrower. Investor's address for notice purposes is:

PNC Bank, National Association

121 S.W. Morrison Street, Suite 1300

Portland, Oregon 97204

Attention: Fund Manager

or such other address provided Lender by Investor from time to time.

5. Expenses of the Bank. Borrower hereby agrees that if Borrower brings any action or proceeding against the Bank seeking to obtain any legal or equitable relief under or arising out of the Note, the Subsidy Agreement between the Project Sponsor, Lender and the Bank pertaining to the Note, the AHP Subsidy represented by the Note or any transaction contemplated in connection therewith, and such relief is not granted by a final decision, after any and all appeals of court of competent jurisdiction, Borrower will pay the attorneys' fees and other costs incurred by the Bank in connection therewith. The Bank shall be a third-party beneficiary of the terms and provisions of this paragraph and shall be entitled to take any and all remedies available under applicable law to enforce this provision against Borrower.

6. Inconsistent Provisions. The provisions of this Rider shall supersede any conflicting provision contained in the Deed of Trust, but only to the extent of such inconsistency. No provision herein shall impair any obligation of the Project Sponsor under the Subsidy Agreement.

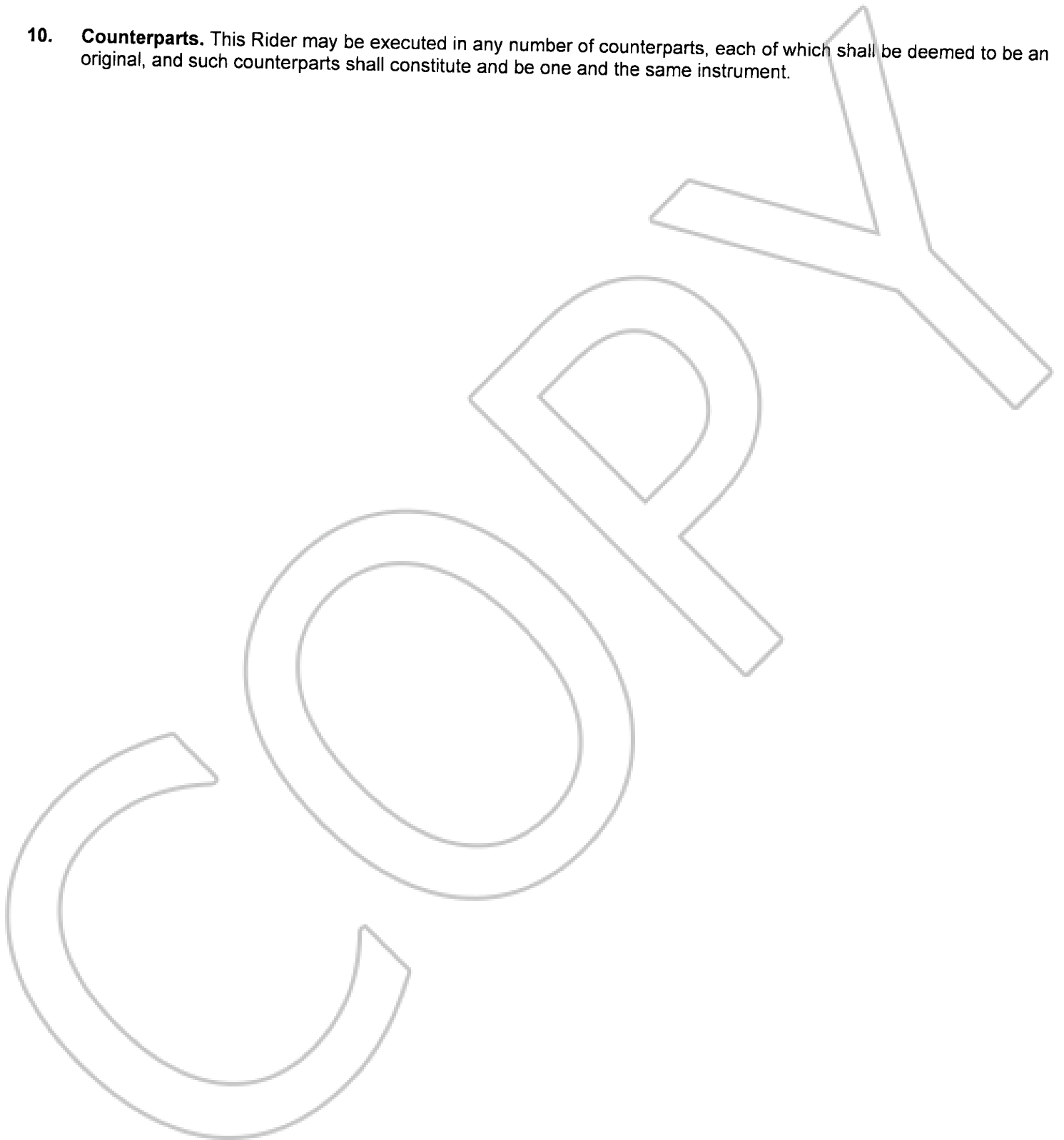
7. Nonrecourse Provisions and Exceptions. Subject to the exceptions set forth below, repayment of amounts due under the Note or the Deed of Trust, including this Rider, shall be nonrecourse to Borrower and its partners, and Lender shall look solely to the security described in the Deed of Trust and any other security agreement for repayment in the event of default hereunder. The foregoing provision shall not relieve Project Sponsor, Borrower and, if Borrower is a partnership, any general partner of Borrower of liability, subject to applicable antideficiency laws, for:

- (a) repayment of amounts due from Borrower under the Note in case of misuse of Loan proceeds as described in Section 5 of the Note or as otherwise repayable by the Project Sponsor in accordance with Section 15 of the Subsidy Agreement;
- (b) repayment of amounts due under the Note if the Project is sold, transferred or refinanced prior to the end of the Retention Period and the Project is no longer subject to the Income-Eligibility and Affordability Restrictions;
- (c) fraud or willful misrepresentation;

- (d) failure to pay taxes, assessments or similar charges that are, or are secured by, a prior lien on the Project, except to the extent this provision would result in all or any portion of the indebtedness evidenced by the Note being treated as a recourse liability under applicable Treasury Regulations;
 - (e) the retention of any rental income or other income arising with respect to the Project collected by Project Sponsor or Borrower after the holder of the Note has given any notice that Borrower is in default and not applied such income to indebtedness secured by a prior lien on the Project or to expenses of ordinary operation or maintenance of the Project, to the full extent of the rental income or other income so collected and retained by Project Sponsor or Borrower;
 - (f) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Project;
 - (g) commission of waste with respect to the Project; and
 - (h) breach of any environmental covenant or representation made by the Project Sponsor or Borrower relating to the Project.
8. **Three-Year Tax Credit Period.** If the Project was assisted by federal tax credits, and in the event that it is determined that Section 42(h)(6)(E)(ii) of the Internal Revenue Code is applicable to the Lender, and in the event that Lender were to take over ownership of the Project as a result of a foreclosure, Lender by accepting the Deed of Trust agrees that it will comply with the three-year extended use requirement as specified therein.
9. **Permitted Transfers.**
- (a) **Purchase Option.** Notwithstanding anything to the contrary contained in the Deed of Trust, this Rider or any other Loan Document, as long as the following actions are in accordance with the specific representations made by the Member and Project Sponsor in the approved AHP Application, the execution, delivery and exercise of the option and right of first refusal set forth in Borrower's operating agreement or other agreement reviewed and approved by Lender and disclosed in the approved AHP Application (collectively, the "Option") shall not constitute a breach or default under the Loan Documents; provided that the Option is subject, subordinate and inferior to the liens and security interests of the Loan Documents, and that the exercise of any rights thereunder are subject to the AHP Regulations and the terms of the Loan Documents.
 - (b) **Replacement of Managing Member** anything to the contrary in this Security Instrument, in the event Borrower's investment member exercises its rights under the Borrower's operating agreement to replace the managing member or manager of Borrower, then Lender shall consent to such replacement subject to the Loan Documents if (1) the replacement is approved by the Bank; (2) the new managing member or manager (the "Replacement MM") is (A) Investor or one Investor Affiliate (hereinafter defined), or (B) a nonprofit entity (but not an Investor Affiliate) approved by the Investor (hereinafter defined) and such nonprofit entity and the Project meet Lender's underwriting criteria for a similar type of property in effect at the time of the replacement; (3) if the Replacement MM is not the Investor, one Investor Affiliate or a nonprofit corporation approved by the Investor, then the Replacement MM pays Lender an Assumption Fee equal to one percent of the remaining principal balance of the Note; (4) the Loan is current and there exists no event of default under the Deed of Trust or any other Loan Document, and, there exists no other event, which, with the giving of notice or the passage of time or both, would constitute an event of default under the Deed of Trust or any other Loan Document; (5) Lender receives a new lender's policy of title insurance or endorsement insuring the continued existing lien status of the Loan; and (6) the Replacement MM pays all costs relating to the transaction (credit report fees, notary fees, recording fees, escrow fees, title fees, title insurance premium, legal fees, and any other costs incurred by Lender, if any). In the event the above conditions are met, all existing terms of the Loan Documents will remain in effect. The obligations of Lender stated herein are expressly conditioned upon the assumption transaction being in compliance with the applicable law and regulations of all government agencies having jurisdiction over Lender at the time of the transfer. The provisions of this Section shall apply to the one-time replacement of the entity that is the managing member or manager of Borrower on the date of the Deed of Trust, and it shall not apply to any other or subsequent replacement of the Replacement MM.
 - (c) **Definitions.** In this section, "Investor" means the investment member with the largest percentage beneficial interest in Borrower as of the date of the Deed of Trust. "Investor Affiliate" means an entity (a) in which the

Investor has a material ownership interest, directly or indirectly, and (b) whose management and business decisions the Investor manages and controls, directly or indirectly.

- 10. Counterparts.** This Rider may be executed in any number of counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute and be one and the same instrument.




Signature for Rider to Deed of Trust (AHP Rental Program)

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
Title: Director of Community
Development**

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

ACKNOWLEDGMENTS

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

