

REGULAR MEETING OF THE
HOUSING AUTHORITY OF THE CITY OF RENO
BOARD OF COMMISSIONERS

November 19, 2024

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 1

November 19, 2024

SUBJECT: Approval of the Agenda. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

The Agenda is attached on the following page.

**NOTICE OF REGULAR MEETING OF THE
HOUSING AUTHORITY OF THE CITY OF RENO
BOARD OF COMMISSIONERS**

The Housing Authority of the City of Reno (Agency) will conduct a public meeting:

MEETING DATE: Tuesday, November 19, 2024
TIME: 12:00 p.m. (Approximately)
PLACE: Reno Housing Authority Boardroom
1525 East Ninth Street, Reno, Nevada

Persons wishing to provide public comment may participate during the scheduled meeting by commenting in person during the course of the meeting, or address their comments, data, views, arguments in written form to Hilary Lopez, Ph.D., Executive Director, Housing Authority of the City of Reno, 1525 East 9th Street, Reno, NV 89512-3012, Fax: 775.786.1712; e-mail address: HLopez@renoha.org. Written submission should be received by the Board on or before, November 15, 2024, by 5:00 p.m., in order to make copies available to members of the Board and the public.

Below is an agenda of all items scheduled to be considered. At the discretion of the chairperson or the Board, items on the agenda may be taken out of order; the Board may combine two or more agenda items for consideration, and the Board may remove an item from the agenda or delay discussion relating to an item on the agenda at any time. The public is advised that one or more members of the Board may participate in the meeting via electronic means.

A G E N D A

- Call to order and roll call.
- Introduction of guests.
- First Period of Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comments from the public are limited to three minutes per person.
 1. Approval of agenda. (For Possible Action)
 2. Approval of the minutes of the Regular Board Meeting held October 22, 2024. (For Possible Action)
 3. Consent Agenda. (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually. Items will be removed and considered separately at the request of the public or Board member.) (For Possible Action)
 - A. No Items
 4. Commissioner Reports. (Discussion)

5. Executive Director/Secretary's Report. (Discussion)

- A. Update on Agency activities
- B. Update on Rental Assistance Voucher Programs / Asset Management
- C. Update on Workforce Development, Elderly Services, and Youth activities
- D. Update on Public Affairs activities
- E. Update on Development activities
- F. Update on Information Technology activities
- G. Update on MTW activities
- H. Update on Legal Inquiries
- I. Financials
(Discussion)

Closed Session:

6. The Board may give direction to staff in closed session regarding the position or positions to be taken or the strategy to be employed, and staff may provide the Board with an update, regarding:
- Discussion and possible direction to staff regarding the potential acquisition of 2026 I Street in Sparks, Nevada, for future development of affordable housing. (Discussion Only)
 - Discussion and update on legal analysis of Right of First Refusal, potential sales options, potential lobby lease options, and or other options for the property located at Parcel 4-B of Paradise Retail I, LLC, Sparks, Nevada (also known as Paradise Plaza) and estimated budgets associated with various potential scopes of work to renovate the site and address needed pest mitigation. No Open Session action will be taken on this item. (Discussion Only)

Reconvene Open Session:

7. Discussion and possible direction to staff regarding the potential acquisition of 2026 I Street in Sparks, Nevada, for future development of affordable housing. (For Possible Action)
8. Discussion and possible approval of Resolution 24-11-01 RH approving the closing of financing on approximately \$90 million in federal, state, and private sources for the redevelopment of Hawk View Apartments. (For Possible Action)
9. Discussion and possible approval of the loan agreement between the Washoe County HOME Consortium and RHA for \$1,000,000 in HOME funds to support the rehabilitation of Silver Sage Court. (For Possible Action)
10. Discussion and possible approval of a 5-Year Capital Improvement Plan for RHA's Community Benefit Properties managed by CloudTen which includes Ala Moana Apartments, Prater Way, Colonial Court, Sarrazin Arms, and Idlewild Townhomes. (For Possible Action)
11. Discussion and possible direction to staff on proposed new MTW FY26 activities. (For Discussion Only)

12. Discussion and possible direction to staff on agenda items for the December 17, 2024, annual meeting. (For Discussion Only)
 13. Additional Items:
 - a) General matters of concern to Board Members regarding matters not appearing on the agenda. (Discussion)
 - b) Reports on conferences and trainings. (Discussion)
 - c) Old and New Business. (Discussion)
 - d) Request for Future Agenda Topics (Discussion)
 - e) Schedule of next meeting. The following dates have been scheduled in advance but are subject to change at any time:
Tuesday, December 17, 2024, (Regular and Annual Meetings) and
Tuesday, January 28, 2024.
(For Possible Action)
 14. Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comments from the public are limited to three minutes per person.
 15. Adjournment.
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This meeting is accessible to the hearing impaired through the RHA TTY/TDD/voice phone line (385) 770-7166. Anyone with a disability, as defined by the Americans with Disabilities Act, requiring special assistance to participate in the meeting, may contact the Board of Commissioners at the following address, at least five days in advance of the meeting in order to make arrangements, if possible, for reasonable accommodations that would enable participation in the meeting by contacting JD Klippenstein, or by calling (775) 329-3630.

This agenda has been posted at the Housing Authority of the City of Reno Administrative Office, 1525 East Ninth Street; and further in compliance with NRS 241.020, this agenda has been posted on the official website for the Housing Authority of the City of Reno www.renoha.org and the State of Nevada Public Notification website <http://notice.nv.gov/>.

According to the provisions of NRS 241.020(5), a copy of supporting (not privileged and confidential) material provided to Board members may be obtained upon request made to: Hilary Lopez, Ph.D., Executive Director, Housing Authority of the City of Reno, 1525 East Ninth Street, Reno, Nevada, 89512, or by calling (775) 329-3630. Copies of supporting (not privileged and confidential) material provided to Board members by staff may be obtained at the aforementioned address.

Dated November 14, 2024

Colleen Montgomery-Beltran

By: Colleen Montgomery-Beltran
Executive Administrative Assistant

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 2

November 19, 2024

SUBJECT: Approval of the minutes of the regular Board Meeting held on October 22, 2024.
(For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

The minutes of the regular Board Meeting held on October 22, 2024, are attached on the following page.

**MINUTES OF THE REGULAR MEETING
HOUSING AUTHORITY OF THE CITY OF RENO
BOARD OF COMMISSIONERS
October 22, 2024**

The meeting of the Board of Commissioners of the Housing Authority of the City of Reno (Agency) was called to order by Chairman Aiazzi at 12:05pm on Tuesday, October 22, 2024, in the Agency's Boardroom.

Commissioners Present

Dave Aiazzi, Chairman
Mark Sullivan, Vice Chairman
Kathleen Taylor, Commissioner

Commissioners Absent

Dejanae Solley, Commissioner
Mayor Hillary Schieve

Staff Present

Dr. Hilary Lopez, Ph.D., Executive Director
Heidi McKendree, Deputy Executive Director
Darren Squillante, Director of HR
JD Klippenstein, Director of Development
Kristin Scott, Director of Asset Management
Jeremy Stocking, Director of Resident Services
Jerri W. Conrad, Government & Public Affairs Manager

Staff Present (continued)

Josh Stice, Director of IT
Brenda Freestone, WAHC
Jamie Newfelt, Director of Rental Assistance
Jeff Tenenbaum, Director of Finance
Kim Anhalt, Director of MTW

Ryan Russell, Legal Counsel (via Zoom)

Others Present

There being a quorum present, the order of business was as follows:

- **Call to order and roll call.**
- **Introduction of guests.**

None

- **First Period of Public Comment.** The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comments from the public is limited to three minutes per person, under these items.

There were no public comments.

- **Approval of agenda. (For Possible Action)**

Commissioner Taylor motioned to approve the agenda. Vice Chairman Sullivan seconded the motion. Hearing no further discussion, Chairman Aiazzi called for the vote. All were in favor with 3 ayes, no nays.

1. **Approval of the minutes of the regular Board Meeting held October 22, 2024. (For Possible Action)**

Commissioner Taylor motioned to approve the minutes. Vice Chairman Sullivan seconded the motion. Hearing no further discussion, Chairman Aiazzi called for the vote. All were in favor with 3 ayes, no nays. Chairman Aiazzi declared the motion carried.

2. **Consent Agenda. (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually. Items will be removed and considered separately at the request of the public or Board member.) (For Possible Action)**

- A. **Possible adoption of Resolution 24-10-05 RH approving the updated Utility Allowance schedules for the Public Housing, Housing Choice Voucher, and Project Based Voucher programs with an effective date of January 1, 2025. (For Possible Action)**

After a brief discussion, Chairman Aiazzi called for a motion on Consent Agenda Item A. Commissioner Taylor motioned to approve. Vice Chairman Sullivan seconded the motion. With no further questions, Chairman Aiazzi called for the vote. With 3 ayes and no nays, Chairman Aiazzi declared the motion carried unanimously.

- B. **Analysis of Exception Payment Standards and possible adoption of Resolution 24-10-06 RH approving the updated Basic and Exception Payment Standard schedules for the Housing Choice Voucher and Project Based Voucher programs with an effective date of January 1, 2025. (For Possible Action)**

Once questions were answered, Chairman Aiazzi called for a motion on Consent Agenda Item B. Commissioner Taylor motioned to approve. Vice Chairman Sullivan seconded the motion. With no further questions, Chairman Aiazzi called

for the vote. With 3 ayes and no nays, Chairman Aiazzi declared the motion carried unanimously.

- C. Possible adoption of Resolution 24-10-07 RH approving a revision to the Housing Authority of the City of Reno's Administrative (ADMIN) Plan for Section 8 Housing Choice Voucher and Project Based Voucher programs to update policies as they relate to the annual required HUD update of Payment Standards and Utility Allowances, MTW Plan approved changes related to Interim Recertifications and Medical Deductions, and updates related to the implementation of Housing Opportunities Through Modernization Act (HOTMA) regulations. (For Possible Action)**
- D. Possible adoption of Resolution 24-10-08 RH approving a revision to the Housing Authority of the City of Reno's Admissions and Continued Occupancy Plan (ACOP) to update the policies as they relate to the annual required HUD update of Flat Rents, MTW Plan approved changes related to Interim Recertifications and Medical Deductions, general updates regarding changes in position titles and updates related to the implementation of Housing Opportunities Through Modernization Act (HOTMA) regulations. (For Possible Action)**
- E. Possible adoption of Resolution 24-10-09 RH approving the assignment of sixteen (16) Project Based Vouchers to Silver Sage Court. (For Possible Action)**
- F. Possible adoption of Resolution 24-10-10 RH approving the assignment of up to thirteen (13) new Project Based Vouchers to Scattered Site units for use in RHA's approved MTW Mobility Demonstration activity (2014-02). (For Possible Action)**
- G. Discussion and possible approval of the HUD Capital Funds breakdown for the previously approved John McGraw Court Rehabilitation Project including \$843,197 in HUD Capital Funds from Capital Fund Years 2021, 2022, 2023, and 2024 and previously approved Stead Manor Rehabilitation Project including \$1,485,478 in HUD Capital Funds from Capital Fund Years 2021, 2023 and 2024. (For Possible Action)**

After some discussion, Chairman Aiazzi called for a motion on the balance of the Consent Agenda items C through G. Vice Chairman Sullivan motioned to approve. Commissioner Taylor seconded the motion. With no further questions, Chairman Aiazzi called for the vote. With 3 ayes and no nays, Chairman Aiazzi declared the motion carried.

3. Commissioner Reports. (Discussion)

None

4. Executive Director/Secretary's Report. (Discussion)

RHA Executive Director, Dr. Hilary Lopez, referencing the full report of agency activities in the packet, highlighted items of interest regarding RHA's activities and programs.

5. Discussion and possible approval to reclassify the Maintenance Groundskeeper position at Grade 18 to a Maintenance I position at Grade 16 based on the repositioning of Silverada Manor and the additional units added to RHA's portfolio from Dick Scott, Railyard Flats, and Reno Ave. The fiscal impact of this change is \$4,097 annually. (For Possible Action)

Legal counsel, Ryan Russell, explained that this reclassification of the Maintenance Groundskeeper position was specifically agendized as a reclassification because it's necessary based on the requirements for the Silverada project, and reclassification is very specifically a management decision that doesn't spark reopening of the agreement with the union.

After discussion, Chairman Aiazzi called for a motion. Vice Chairman Sullivan motioned to approve. Commissioner Taylor seconded the motion. With no further questions, Chairman Aiazzi called for the vote. With 3 ayes and no nays, Chairman Aiazzi declared the motion carried unanimously.

6. Discussion and possible acceptance of \$100,000 in Federal Home Loan Bank of San Francisco AHEAD grant funds to support youth and adults in achieving greater economic self-sufficiency. (For Possible Action)

Hearing no questions, Chairman Aiazzi called for a motion. Vice Chairman Sullivan motioned to approve the acceptance of \$100,000 in grant funds. Commissioner Taylor seconded the motion. Chairman Aiazzi called for the vote. With 3 ayes and no nays, Chairman Aiazzi declared the motion carried.

7. Discussion to determine desire for a 2024 Board retreat and potential selection of date and location. (Discussion Only)

After much discussion, it was decided that the annual meeting to elect the officers for the 4 entities, each with a separate agenda, will occur on December 17 at 10am and the regular December Board of Commissioners meeting, with its own separate agenda, will follow at approximately 11am on the same day.

8. Additional Items:

- a) **General matters of concern to Board Members regarding matters not appearing on the agenda. (Discussion)**
- b) **Reports on conferences and trainings. (Discussion)**
- c) **Old and New Business. (Discussion)**
- d) **Request for Future Agenda Topics (Discussion)**
- e) **Schedule of next meeting. The following dates have been scheduled in advance but are subject to change at any time:
Tuesday, November 19, 2024, and Tuesday, December 17, 2024.
(For Possible Action)**

No additional items were discussed.

- 9. Public Comment. The opportunity for public comment is reserved for any matter within the jurisdiction of the Board. No action on such an item may be taken by the Board unless and until the matter has been noticed as an action item. Comments from the public are limited to three minutes per person.**

None

10. Adjournment.

Chairman Aiazzi declared the meeting adjourned at 12:50pm.

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 3

November 19, 2024

SUBJECT: Consent Agenda. (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually. Items will be removed and considered separately at the request of the public or Board members.)
(For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

A. No Items

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 4

November 19, 2024

SUBJECT: Commissioner Reports

FROM: Commissioners

RECOMMENDATION: Discussion

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 5

November 19, 2024

SUBJECT: Executive Director/Secretary's Report.

FROM: Executive Director

RECOMMENDATION: Discussion

A. Update on Agency Activities

- The grand opening of Railyard Flats will be on November 22, 2024, at 10 am. RHA is currently accepting applications for leasing the 15 new apartments and those interested can call the office or visit RHA's website for more information.
- The Nevada Housing Division (NHD) awarded \$1,000,000 in additional Home Means Nevada Initiative (HMNI) funding to Hawk View, LLC. As the master developer, Brinshore will accept these monies for the project, and they will become part of the HMNI loan financing. These funds will provide part of the gap financing needed for the development.
- RHA was awarded \$155,000 from NHD for its Homeless Prevention Program (HPP). Staff have requested a debrief with NHD to understand how funding amounts were determined and if there are ways to strengthen the application going forward. RHA had applied for \$500,000. Based on the funding received, staff will revise the previously approved Program Plan to conform with funding available for next year.
- The majority of Resident Services staff and programming will move to the Early Childhood Center at the Reno Avenue site (Reno Ave) on December 2, 2024. This temporary move is necessary because Pavilion, the General Contractor for the Silverada Manor rehabilitation project, will start work at Silverada Manor on December 3rd and the community building is part of the redevelopment and staging area. Senior services staff have been relocated to Tom Sawyer and Willie J. Wynn. Residents and clients have been/will be notified of these changes via Nixle (RHA's resident services software), flyers, and RHA's website. Necessary upgrades are underway at Reno Avenue to accommodate this move.
- Staff met with Angela Fuss at the City of Reno to discuss upzoning RHA's properties and is following up with the requested information. Ms. Fuss indicated that each property would need to be analyzed individually based on zoning and other requirements in each property's area. RHA already applied to upzone its current Carville Court and D&K Horizons properties in order to accommodate a higher density of units at its proposed new Carville Court project. The required public meeting was held on November 13, 2024. Staff attended the meeting which was hosted at Willie J Wynn. No neighbors attended. The application will now proceed to the Planning Commission in December and Reno City Council in January.
- UNR provided notification that they did not receive expansion funding and cannot maintain the Sage Street facility at the new lease terms. Staff has contacted them to determine if they can maintain the facility at other terms and are awaiting their response.

- Jamie Newfelt, RHA's Director of Rental Assistance, was asked to present, along with Veterans Affairs staff, to VISN, our region's veterans care system, on our adoption of Special Housing Types and how this works to help house more veterans. She will also participate in a panel on the new NSPIRE-V inspections for the Housing Choice Voucher program at PHADA's upcoming conference in January.
- RHA's Executive Director was elected Vice-Chair of the Federal Home Loan Bank of San Francisco's Affordable Housing Advisory Council.
- RHA's Executive Team met with EDAWN staff to discuss affordable housing issues in the region and to provide more information on our services.

B. Rental Assistance Voucher Programs/Asset Management

Rental Assistance

Voucher Type	Total Voucher Baseline	Vouchers Leased as of 11/1/24	Percent Leased	Vouchers Issued Not Yet Leased
Housing Choice Voucher	2,638	2,362	90%	72
VASH	441	373	85%	40
VASH – pending PBV awards	100	0	0%	0
EHV	119	107	90%	7
FYI	15	9	60%	4

Number HQS Inspections Conducted	Oct 2024	202
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City of Sparks Eviction Prevention Program

Total Funding Awarded	Total Assistance Approved as of 11/7/24	Number of Households Approved as of 11/7/24	Percent Funding Spent
\$1,455,000	\$553,340	116	40%

Homeless Prevention Program

Total Funding Available	Total Assistance Approved as of 11/7/24	Number of Households Approved as of 11/7/24	Percent Funding Spent
\$316,051.87	\$76,366.35	22	24%

Housing Choice Vouchers (HCV)

Description: Vouchers used by clients to lease a unit in Washoe County of their choosing. Applicants are pulled from the RHA HCV Waitlist. These vouchers also include Project Based Vouchers. The RHA has chosen to project-base 121 of our HCV's to assist special populations obtain housing. Of the total 121 PBV units, 60 are assigned to RHA-owned properties.

Lease-Up Expectations: Although our total voucher allocation is 2703 (increased from 2554 due to the Silverada RAD conversion), HUD has set the agency's leasing expectation at 2638 (a.k.a. RHA's MTW Baseline), which is the maximum leasing expectation set by HUD when RHA signed its MTW Contract. Funds provided by HUD to support the HCV program are also used to support the agency's MTW activities and therefore full lease up of all 2703 vouchers is not expected or suggested by HUD.

Veteran's Affairs Supporting Housing Vouchers (VASH)

Description: Vouchers allocated by HUD with an ongoing partnership with the VA to serve homeless veterans. The VA provides case management services to participants. The VA makes direct referrals to RHA of eligible clients and the RHA provides a VASH voucher. Currently, RHA has project-based 143 of these vouchers.

Emergency Housing Vouchers (EHV)

Description: Vouchers allocated by HUD for the specific purpose of assisting homeless individuals or families or those at risk of homelessness in obtaining housing. RHA is partnering with five local agencies (Catholic Charities, Health Plan of Nevada, Washoe County Human Services-Our Place, Washoe County Housing and Homeless Services-Cares Campus, and Volunteers of America) that have experience providing services to this population. Direct referrals for the program must come from the regional Continuum of Care (CoC) coordinated entry system through the partner agency.

Lease-Up Expectations: Although 137 vouchers were originally allocated, 18 vouchers are unable to be re-issued after 9/30/23 and have been removed from the baseline, leaving 119 vouchers.

Foster Youth to Independence Vouchers (FYI)

Description: Voucher allocated by HUD for the specific purpose of assisting foster youth aging out of the foster care system. RHA is partnering with Washoe County Human Services and Eddy House to provide direct referrals and case management to clients.

Asset Management

- Maintenance staff finished shutting down irrigation and swamp coolers at all properties during the month of October. They also worked on moving the Property Manager and the Elderly Services Administrator from the Silverada Manor office to Tom Sawyer Village in preparation of the Silverada Manor community room rehabilitation. Maintenance also attended a Personal Protective Equipment training during the month of October.

- On the management side, we continue working on setting up the Public Housing Rent Café portal and we are making good progress. Staff have also been working with the residents who are located in the 1st phase of construction at Silverada Manor to complete temporary transfers to new units while their units are rehabilitated, we anticipate the 1st phase residents will be completely moved no later than the first week of November.
- During the month of October, we completed interviews for the Maintenance II position, and the selected candidate is expected to start by the middle of November. We completed interviews and selected an internal candidate for the Senior Property Manager position and our new Property Manager started in October. We plan on posting and interviewing candidates during the month of November for the open Maintenance I position.
- Public Housing ended the month of October with 173 vacancies for an overall occupancy rate of 71.50% across all sites. 100 of those are from Hawk View Apartments which has completed permanent relocation of all residents in preparation for demolition. The vacancy percentage decrease was due to Silverada Manor dropping off the public housing portfolio. Out of the 173 vacancies, 13 of the vacancies are being used by residents of McGraw Court and Silver Sage Court who have been temporarily relocated. Once we have closed on the Hawk View Apartments project, those units will be pulled from the public housing portfolio and will no longer be counted in the vacancy rate. Without Hawk View Apartments' vacancies, public housing has a occupancy rate of 88.20%. While that is still an unusually high vacancy rate for our agency, we have been holding vacancies at all our complexes for temporary relocation. RHA is working on completing substantial rehabilitation or demolition on 4 of the 8 public housing complexes which will start before the end of 2024.

C. Update on Resident Services

Senior Services

- **Golden Groceries Food Pantry at Tom Sawyer:** Held on October 5th and 19th, serving 42 and 39 participants, respectively.
- **Produce on Wheels at Silverada:** This ongoing program served 20 and 15 participants across two sessions this month. Residents were informed that Produce on Wheels will be moving to Notable in November due to the construction at Silverada, which is projected to start in December.
- **Senior Dance Class at Willie J. Wynn:** Continued weekly, increasing participation to 6 attendees per session.
- **Workshops and Wellness Programs:**
 - **Picklin' Workshop at Willie J. Wynn:** Hosted by Reno Food Systems on October 9 with 15 participants.
 - **Access to Health Care State Health Insurance Assistance Program (SHIP) Program:** Held on October 17 with 17 attendees.

- **Community Health and Wellness Program:** Hosted at Silverada Manor on October 15 and Willie J. Wynn on October 31, with 11 and 5 participants, respectively.
- **Hi-Fiber Workshop:** Conducted by UNR Extension on October 18 with 10 participants.

Workforce Development

- **Family Self-Sufficiency (FSS) Program:**
 - **Workshops:** Budgeting and Planning Workshop on October 2 attracted 7 attendees.
 - **Community Outreach:** A presentation at Jan Evans Juvenile Center on October 17 with 39 case managers, probation officers, and staff.
 - **Success Story:** Assisted a participant with English comprehension tutoring, enabling her to pass her administrative certification and earn a \$150 rent credit.

Resident Engagement

- **Resident Council Activities:**
 - **Silverada Manor:** Hosted Day of the Dead discussions on October 10 with 6 participants and cultural recognition events during October 28-November 1.
 - **Tom Sawyer Village:** Organized a Nevada Day Informative Luncheon on October 7th, with 12 attendees, and a Halloween-themed event on October 31st, with 27 participants.
 - **Mineral Manor:** Planned a Halloween Trunk or Treat with 20 attendees on October 31st.
 - **Essex Manor:** Conducted a Baking Demonstration on October 26 with 18 attendees and reviewed the final garden harvest for 2024.
 - **Stead Manor:** Hosted a sensory-friendly haunted house and mental health session, elected a new tenant representative, and began planning for the 2025 garden in collaboration with Urban Roots.

Youth Programs

- **Start Smart Program:**
 - **Workshops:** Time Management Workshop on October 11th, 2024, with 16 attendees.
 - **Outreach:** Presentation at Jan Evans Juvenile Center on October 17th reached 39 case managers, probation officers, and staff.
 - **Halloween Event:** The Halloween event was a tremendous success, thanks to the collaborative efforts of our staff. The event continues to be a highlight for residents and the community. While each site worked hard to showcase its creativity, the true success lies in the joy it brought to the children and its meaningful impact on our families. Events

like these exemplify the sense of community and connection we strive to foster.

- The RHA team that won this year's Halloween event was Stead Manor Legoland



Upcoming Projects & Events

- **Community Health and Wellness Program:**
 - Scheduled for November 2024, at Willie J. Wynn with free health assessments and consultations.
- **Thanksgiving Luncheons:** Luncheons will be held at Willie J. Wynn and Silverada Manor and sponsored by Reno Gospel Mission and Holy Cross Church.
- **Garlic Growing Workshop:** An interactive gardening event scheduled for November 19, 2024, at Willie J. Wynn.

D. Update on Public Affairs Activities

- Greater Nevada Credit Union presented RHA with a \$100,000 check for the Federal Home Loan Bank of San Francisco AHEAD Grant on 11/18. The funds will support current Workforce Development programs including participant workshops, training sessions, incentives, and scholarships.
- RHA will host the Railyard Flats ribbon cutting on 11/22 and commemorate the project with remarks on behalf of Nevada's federal and state delegations, and elected officials from the cities of Reno and Sparks.

- Completed Elderly Services outreach regarding staff's relocation due to Silverada construction.
- Finalizing communication needs for Silverada staff during the relocation to ensure a smooth transition.
- Developing 2025 calendar for residents and clients.

E. Update on Development Department Activities

Silverada Manor

- The project closed on October 24th!
- Phase 1 resident relocation was completed by November 6th. Residents were temporarily relocated on-site at Silverada Manor as well as off-site at Tom Sawyer Village and Essex Manor.
- Residential demolition in Phase 1 units began on November 19th, 2024.

Hawk View

- RHA and Brinshore secured an additional \$1M in HMNI funds from the Nevada Housing Division for a total of \$12M.
- RHA worked out a solution with the Washoe County HOME Consortium to address the BABA challenges while still receiving some HOME funding. The project will receive approximately \$400k-500k in program income, which does not trigger BABA requirements.
- Delays in receiving permits due to easement issues, complications with demolition permit process, and minor conditional use permit. Aiming to receive permits by early December.
- Bids came in on November 5th, 2024, and they were higher than what was originally budgeted. Project is currently undergoing value engineering with primary focus on finishes and structural steel.
- Permit delays and pricing exercise has moved closing target date to December 15th.

Railyard Flats

- All major exterior and interior work has been completed. The project is waiting for switchgears to be delivered in order to be completed.
- Switch gear delivery was slightly delayed due to impact of natural disasters in southeast on supply chain. Project general contractor received notice that the equipment had been shipped and is set to be received in late November.

- Aiming for project completion in early December, certificate of occupancy by mid-December and lease-up starting in early January 2025.
- The project's ribbon cutting ceremony is set for November 22, 2024.

Stead Manor

- Temporary relocation of residents in Phase 1 began on November 11, 2024, and will be completed before Thanksgiving. All residents in this phase will be moved into vacant units on-site.
- Construction set to begin on December 3rd, 2024.

McGraw Court/Silver Sage Court

- Site work and interior renovations are underway for Phase 1 of the project and are expected to be completed early next year.
- Phase 1 completion is projected to be delayed by approximately a month due to material deliveries. The overall project will experience minimal delays though because subsequent phases will be likely to be completed more quickly than Phase 1.

Carville Court

- RHA submitted a master plan amendment application to upzone the three parcels that comprise Carville Court as well as D&K Horizons' parcel. RHA requested to upzone the parcels from MF-14 to MF-30 in October.
- Application was presented to Ward 3 Neighborhood Advisory Board on November 5 and no major concerns were raised. RHA staff will be holding the required community meeting for application on the evening of November 13, 2024. The meeting will be hosted at Willie J. Wynn.
- RHA's pre-application to the Nevada Housing Division's Supportive Housing Development Fund was approved. The full application will be submitted by the end of November. The funds requested would be for operating and supportive services costs at the redeveloped Carville Court.
- At the end of November, RHA will also be applying for the HUD CoC BUILDS for \$5M to go towards capital costs of the project.

Paradise Plaza

- This project remains on hold while RHA leadership discusses changes to the requirements of the purchase sale agreement and post-closing agreement with CIRE Equity.

Essex Manor

- Development staff aims to finalize scope of work for this minor rehabilitation project by the end of year and move into design/permitting in the first quarter of 2025.

Capital Fund

- RHA has executed a contract with Capital Glass to complete the Mineral Manor ADA Lobby door project.
- Based on material delivery schedule, we are anticipating the project being completed by February 2025.

Reno Avenue

- Now that Silverada has closed, the Resident Service Department needs to relocate from Silverada Manor by the end of November 2024.
- Nevada Housing Division agreed to having RHA use the Early Childhood Center located at Reno Avenue as a temporary location for the Resident Services Department.
- The Development Department has moved quickly to get the property ready for Resident Services to move into by the end of November 2024.

F. Update on Information Technology Activities

Yardi Implementation

- IT, Rental Assistance, and Asset Management continue to hold weekly meetings with Juan Esleta, RHA's technical account manager, to complete checklist items for the implementation of the Rent Café PHA module.
- IT completed the switch to Rent Caffeine for our Affordable properties with the assistance of Justin Kaplan, our Affordable Rent Café manager. Rent Caffeine is a version of Rent Café that puts increased emphasis on the mobile version of our resident portal. There are few a minor adjustment that need to be made: site wording and text layout.

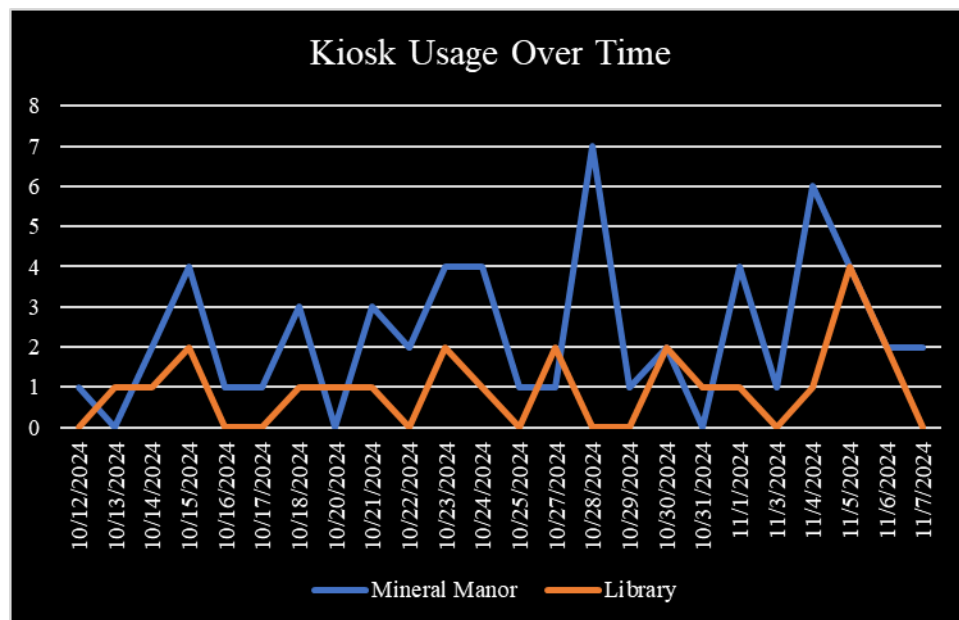
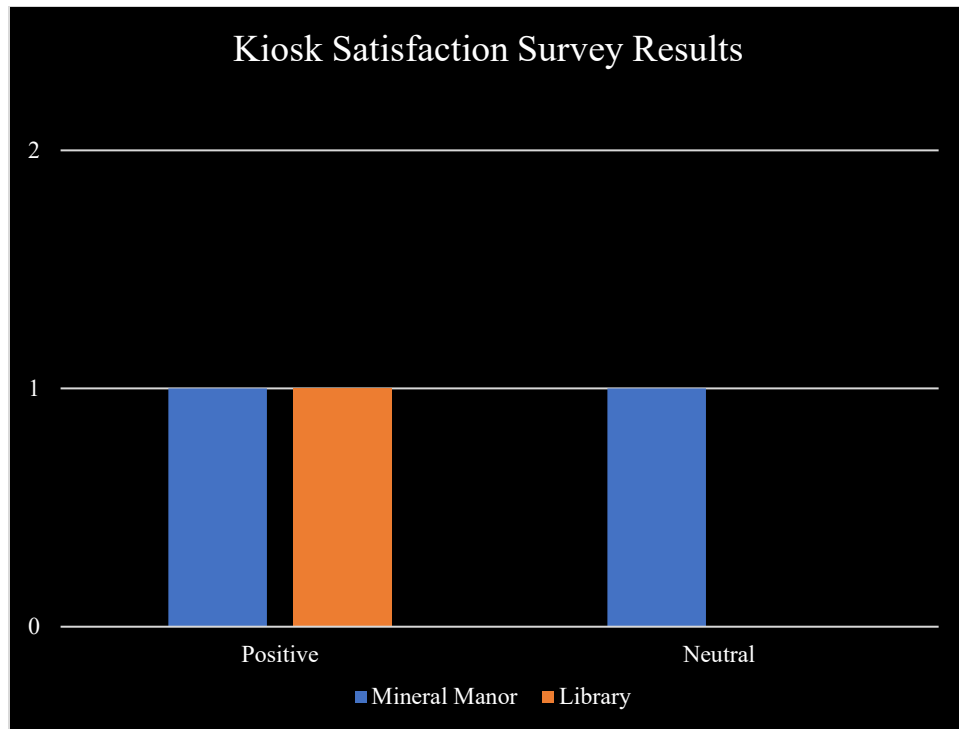
Laserfiche Implementation

- IT added an additional folder for the Admissions department and assigned the appropriate access rights for the Admissions team.
- Worked with Global Solutions Group to renew our license for another year.

Other Projects and Tasks

- Working with Sierra Computer Group and Development to get the Reno Avenue network up and running before we shut down the Silverada Manor network.
- Relocated the Elderly Services Administrator and Silverada Manor Property Manager to Tom Sawyer.
- Recycled our end of life and damaged IT equipment using Lifecycle Solutions: 1 laptop, 26 monitors, and 4 printers.

- There were only 3 satisfaction surveys, combined, for the kiosks at Mineral Manor and Downtown Reno Library. Usage on the Mineral Manor kiosk was down this month from 94 sessions to 56 sessions The usage of the library kiosk declined as well from 39 sessions to 23 sessions.



G. Update on MTW Activities

FY 2026 Annual MTW Plan

- Staff began brainstorming new MTW activities for the FY 2026 MTW Plan. New activities under consideration are currently before the Board for discussion and feedback. Activities that have already been implemented by RHA have also been reviewed to note any changes/amendments that require HUD approval. Once new activities have been identified and confirmed, staff will begin to gather data to identify possible impacts on the agency and its clients.

Direct Rental Assistance (DRA)

- Staff continue to work with HUD's MTW office and NYU on a possible DRA pilot program for the FY 2026 Annual MTW Plan. On October 28, 2024, RHA's MTW Initiatives and Housing Policy Manager presented the agency's design elements during the national DRA meeting hosted by the University of Pennsylvania and Enterprise. This meeting was attended by HUD staff, housing authorities and universities from across the country. Following the presentation, questions surrounding monitoring strategies and timeframes were discussed. These discussions have become instrumental as we continue to work through a possible design for a DRA pilot study at RHA.

H. Update on Legal Inquiries

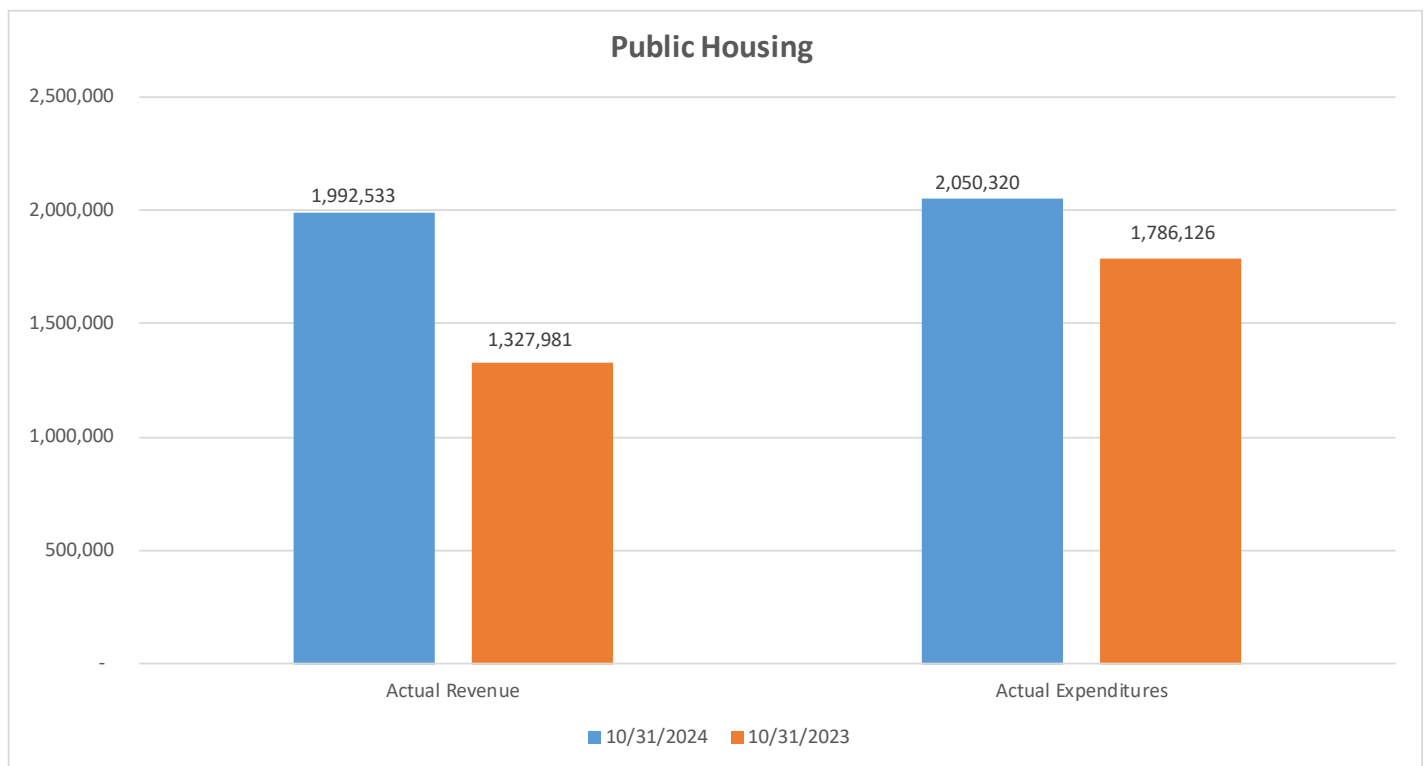
No legal updates.

I. Financials

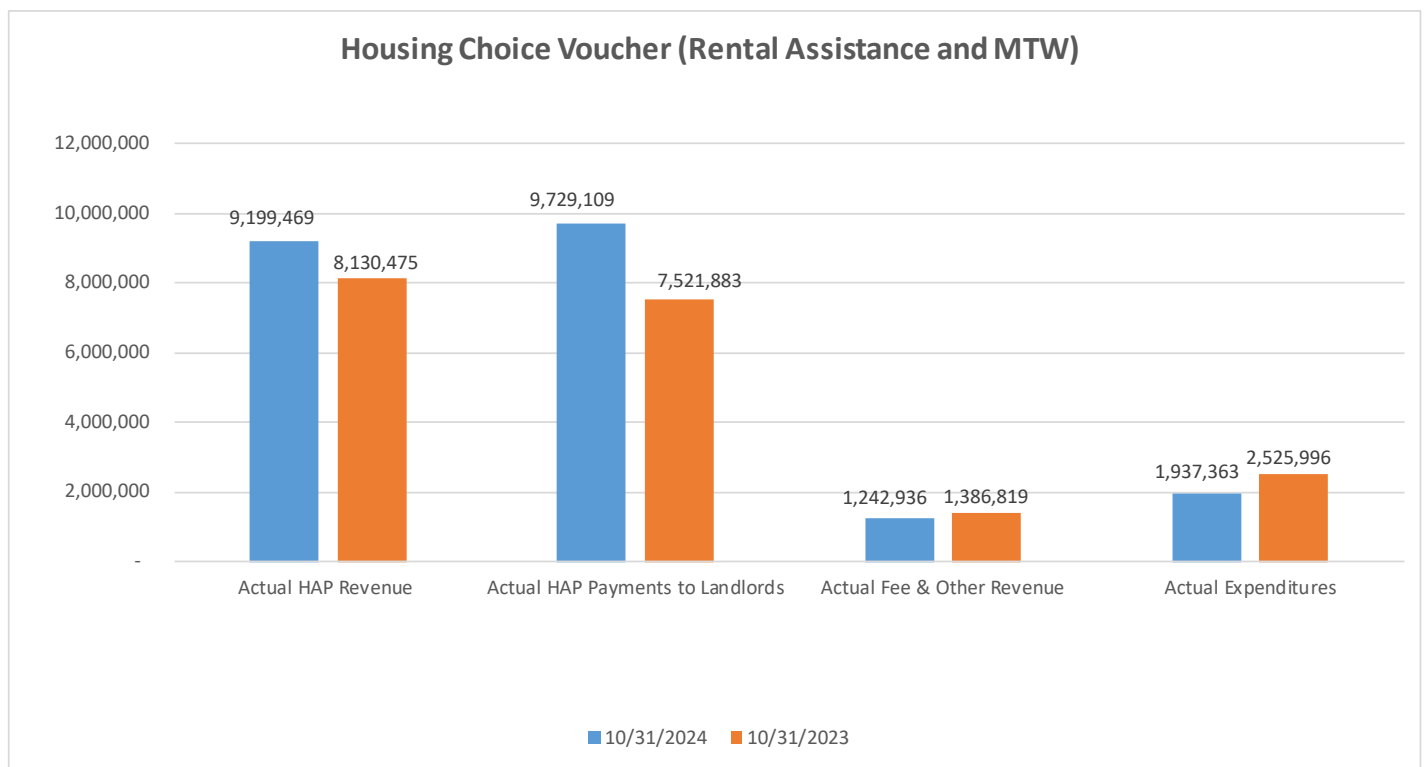
See attached graphics on following pages.

**ENTITY-WIDE FINANCIAL REPORT
FOR THE 4 MONTHS ENDED OCTOBER 31, 2024**

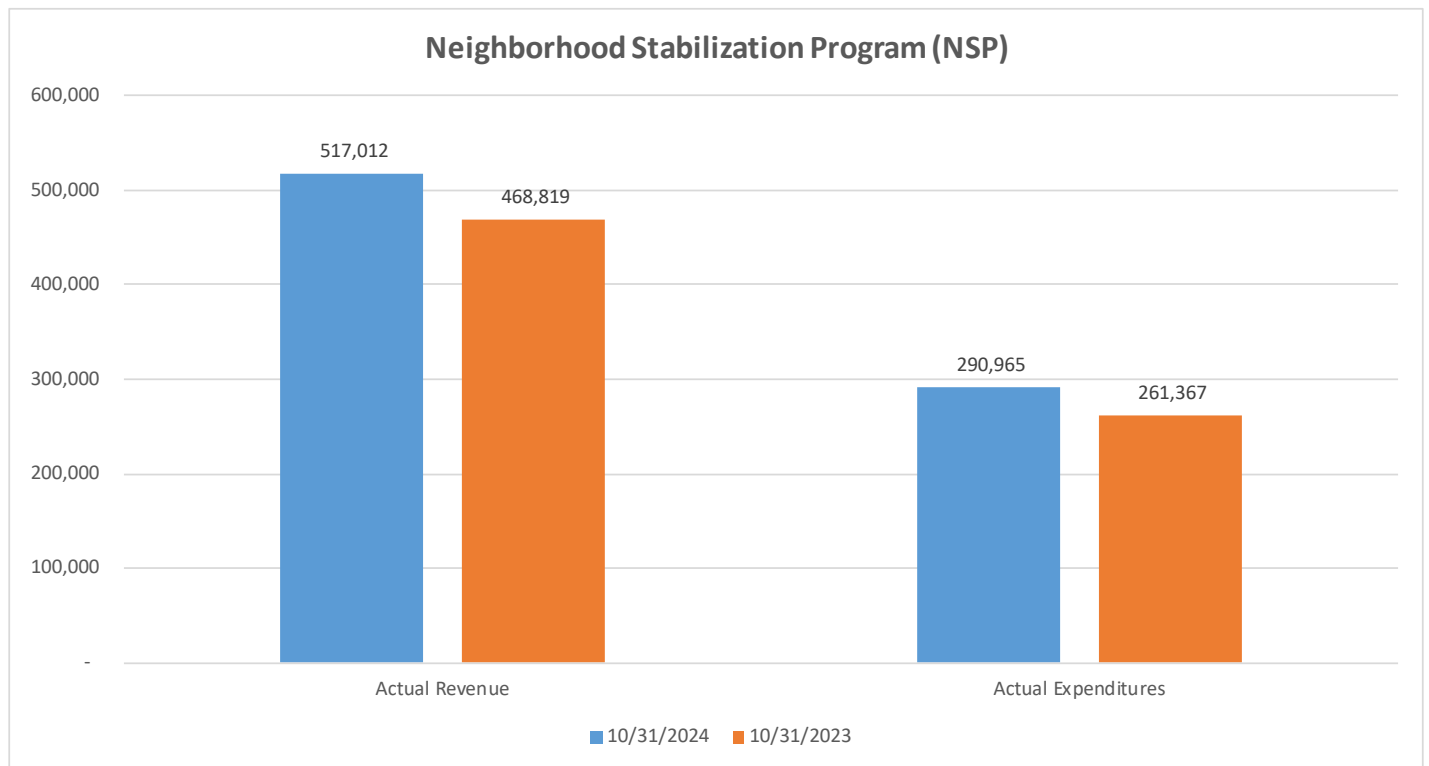
Public Housing	10/31/2024	10/31/2023	Variance	Variance Percentage
Actual Revenue	1,992,533	1,327,981	664,552	50.04%
Budgeted Revenue	1,587,706	1,761,460	(173,754)	-9.86%
Actual Expenditures	2,050,320	1,786,126	264,194	14.79%
Budgeted Expenditures	1,724,869	2,204,198	(479,329)	-21.75%
Actual Surplus (deficit)	(57,787)	(458,145)	400,359	-87.39%



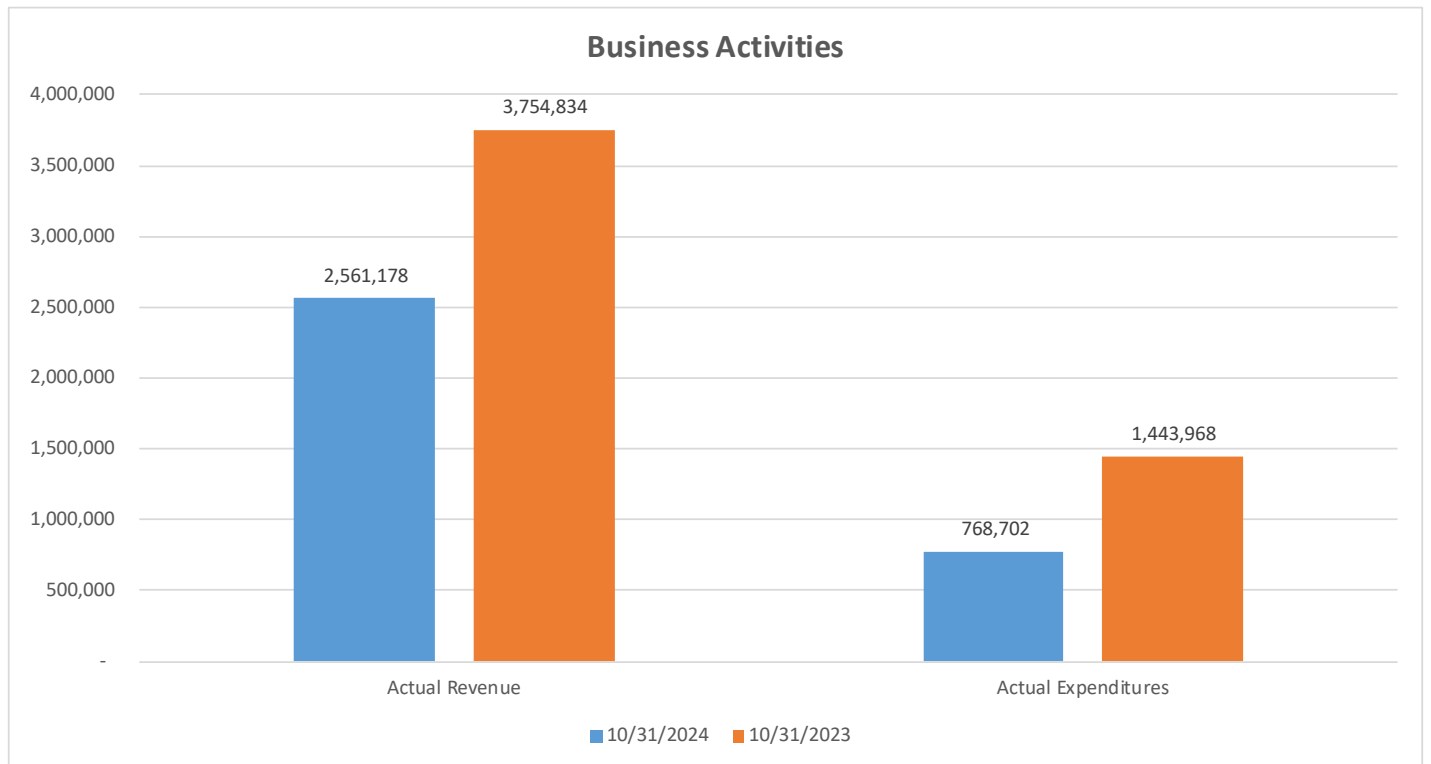
Housing Choice Voucher (Rental Assistance and MTW)	10/31/2024	10/31/2023	Variance	Variance Percentage
Actual HAP Revenue	9,199,469	8,130,475	1,068,994	13.15%
Budgeted HAP Revenue	9,477,720	9,316,722	160,998	1.73%
Actual HAP Payments to Landlords	9,729,109	7,521,883	2,207,226	29.34%
Budgeted HAP Payments to Landlords	8,585,876	8,231,983	353,893	4.30%
<i>HAP Surplus (Deficit)</i>	<i>(529,640)</i>	<i>608,592</i>	(1,138,232)	0.00%
Actual Fee & Other Revenue	1,242,936	1,386,819	(143,882)	-10.37%
Budgeted Fee & Other Revenue	1,286,656	1,000,594	286,062	28.59%
Actual Expenditures	1,937,363	2,525,996	(588,632)	-23.30%
Budgeted Expenditures	2,180,436	1,742,888	437,548	25.10%
<i>Unrestricted Profit (Loss)</i>	<i>(694,427)</i>	<i>(1,139,177)</i>	444,750	-39.04%
Actual Surplus (deficit)	(1,224,067)	(530,585)	(693,481)	130.70%



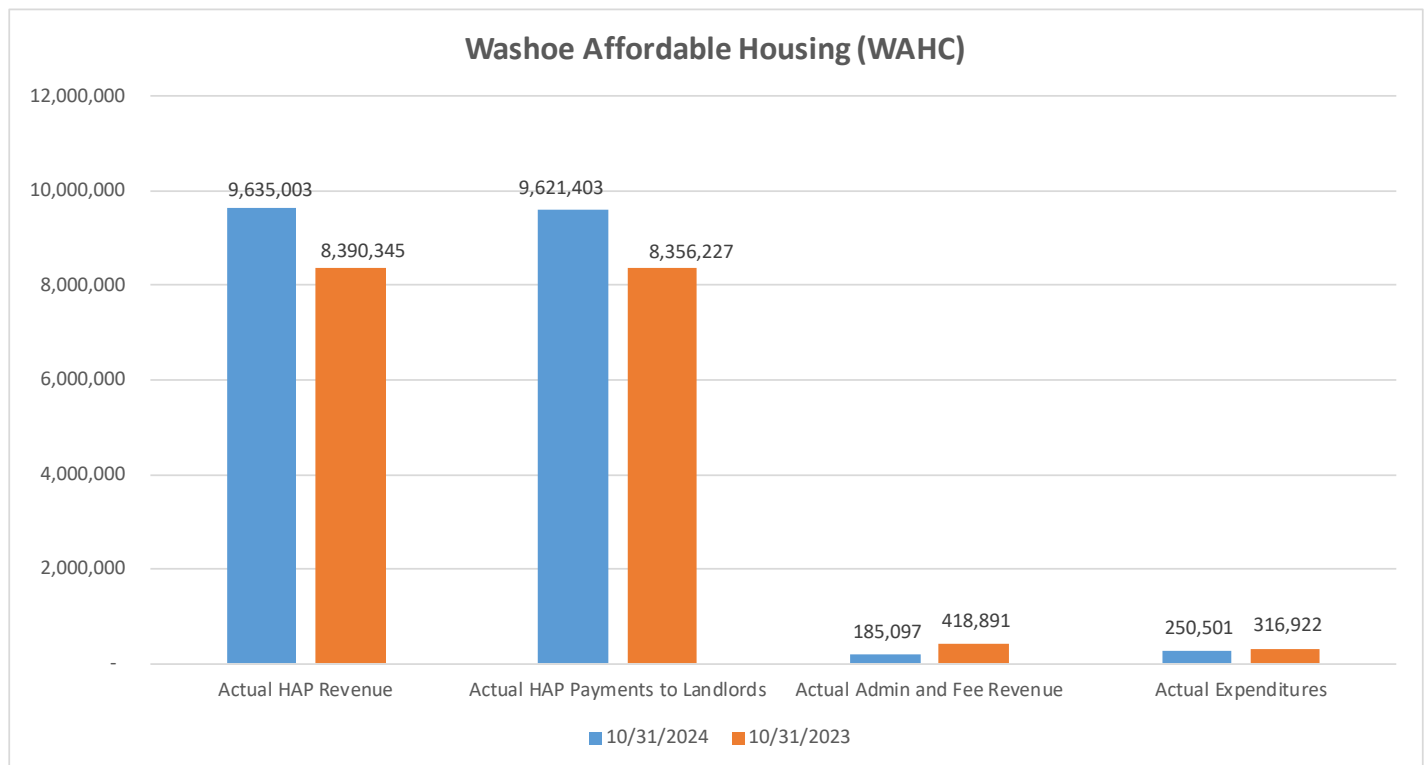
Neighborhood Stabilization Program (NSP)	10/31/2024	10/31/2023	Variance	Variance Percentage
Actual Revenue	517,012	468,819	48,193	10.28%
Budgeted Revenue	485,492	470,696	14,796	3.14%
Actual Expenditures	290,965	261,367	29,598	11.32%
Budgeted Expenditures	327,036	279,995	47,041	16.80%
Actual Restricted Surplus (deficit)	226,047	207,452	18,595	8.96%



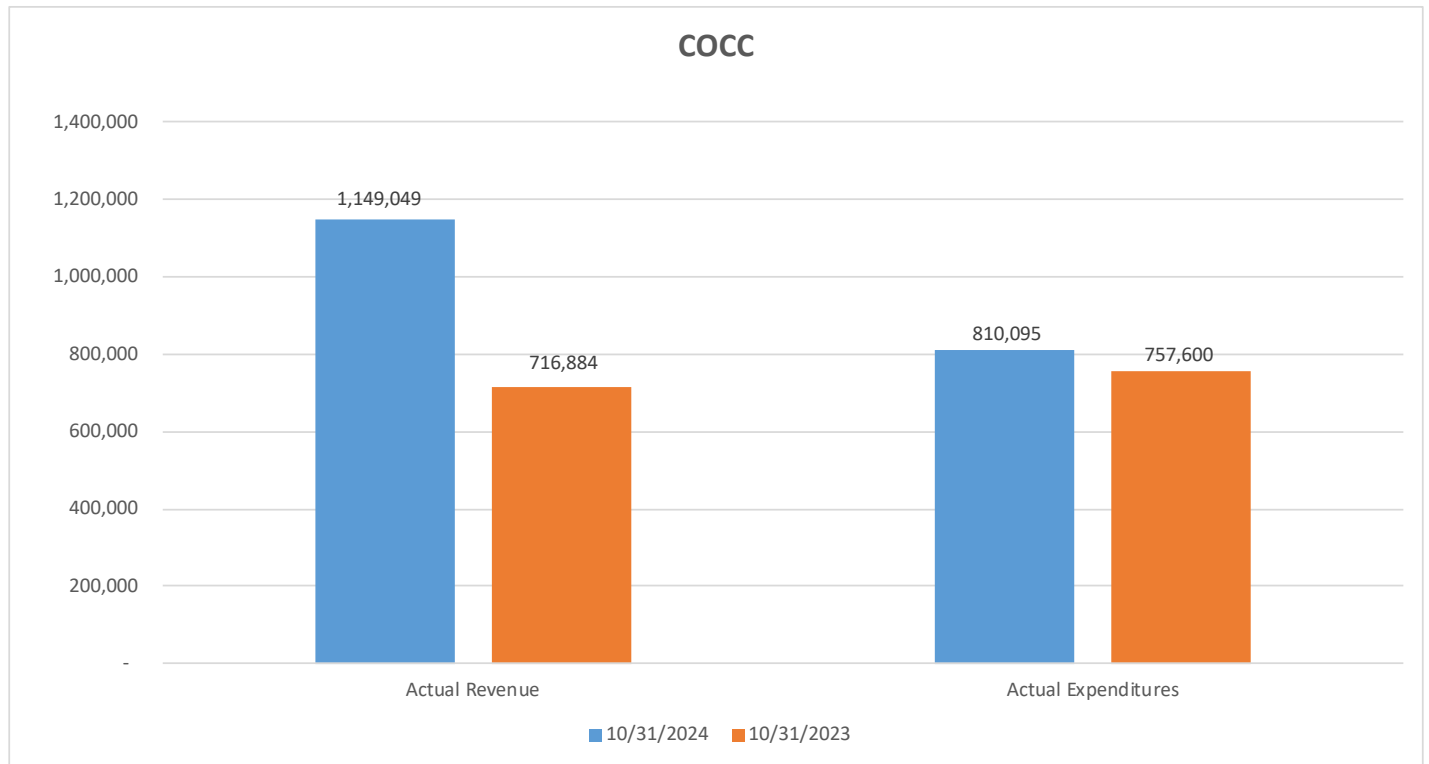
Business Activities	10/31/2024	10/31/2023	Variance	Variance Percentage
Actual Revenue	2,561,178	3,754,834	(1,193,656)	-31.79%
Budgeted Revenue	1,375,060	1,321,976	53,084	4.02%
Actual Expenditures	768,702	1,443,968	(675,267)	-46.76%
Budgeted Expenditures	738,512	564,360	174,152	30.86%
Actual Unrestricted Surplus (deficit)	1,792,476	2,310,866	(518,390)	-22.43%



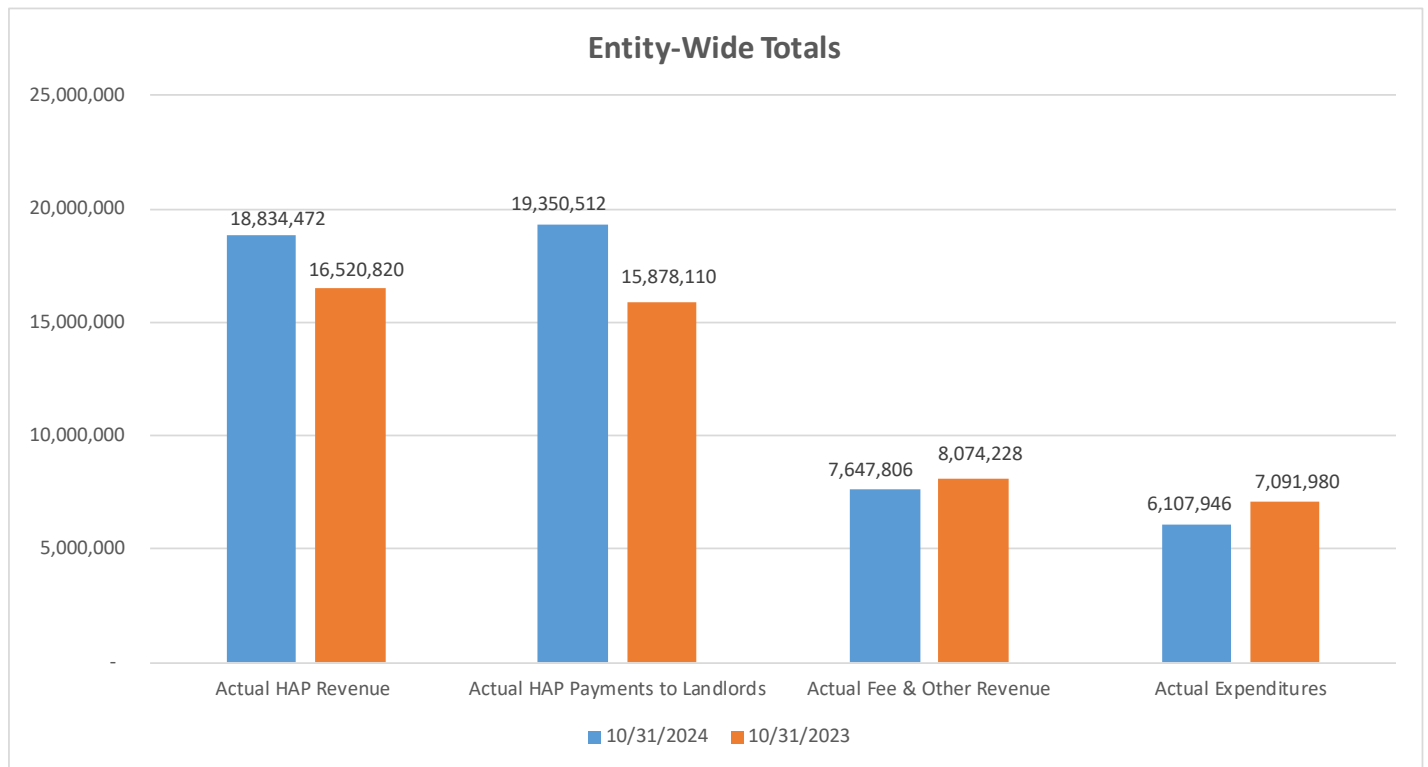
Washoe Affordable Housing (WAHC)	10/31/2024	10/31/2023	Variance	Variance Percentage
Actual HAP Revenue	9,635,003	8,390,345	1,244,658	14.83%
Budgeted HAP Revenue	8,779,536	8,938,629	(159,094)	-1.78%
Actual HAP Payments to Landlords	9,621,403	8,356,227	1,265,176	15.14%
Budgeted HAP Payments to Landlords	8,779,536	8,938,629	(159,094)	-1.78%
<i>HAP Surplus (Deficit)</i>	<i>13,600</i>	<i>34,118</i>	(20,518)	0.00%
Actual Admin and Fee Revenue	185,097	418,891	(233,794)	-55.81%
Budgeted Admin and Fee Revenue	405,156	343,737	61,419	17.87%
Actual Expenditures	250,501	316,922	(66,422)	-20.96%
Budgeted Expenditures	309,215	264,129	45,086	17.07%
<i>Unrestricted Profit (Loss)</i>	<i>(65,404)</i>	<i>101,969</i>	(167,373)	-164.14%
Actual Surplus (deficit)	(51,804)	136,087	(187,891)	-138.07%



COCC	10/31/2024	10/31/2023	Variance	Variance Percentage
Actual Revenue	1,149,049	716,884	432,166	60.28%
Budgeted Revenue	928,564	729,300	199,264	27.32%
Actual Expenditures	810,095	757,600	52,495	6.93%
Budgeted Expenditures	1,192,392	1,035,778	156,614	15.12%
Actual Unrestricted Surplus (deficit)	338,954	(40,717)	379,671	-932.47%



Entity-Wide Totals	10/31/2024	10/31/2023	Variance	Variance Percentage
Actual HAP Revenue	18,834,472	16,520,820	2,313,652	14.00%
Budgeted HAP Revenue	18,257,256	18,255,352	1,904	0.01%
Actual HAP Payments to Landlords	19,350,512	15,878,110	3,472,402	21.87%
Budgeted HAP Payments to Landlords	17,365,412	17,170,613	194,799	1.13%
<i>HAP Surplus (Deficit)</i>	<i>(516,040)</i>	<i>642,710</i>	<i>(1,158,750)</i>	<i>-180.29%</i>
Actual Fee & Other Revenue	7,647,806	8,074,228	(426,421)	-5.28%
Budgeted Fee & Other Revenue	6,068,634	5,627,763	440,871	7.83%
Actual Expenditures	6,107,946	7,091,980	(984,034)	-13.88%
Budgeted Expenditures	6,472,460	6,091,348	381,112	6.26%
<i>Unrestricted Profit (Loss)</i>	<i>1,539,860</i>	<i>982,248</i>	<i>557,612</i>	<i>56.77%</i>
Actual Surplus (deficit)	1,023,821	1,624,958	(601,137)	-36.99%



RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 6

November 19, 2024

SUBJECT: Closed Session: The Board may give direction to staff in closed session regarding the position or positions to be taken or the strategy to be employed, and staff may provide the Board with an update, regarding:

- Discussion and possible direction to staff regarding the potential acquisition of 2026 I Street in Sparks, Nevada, for future development of affordable housing. (Discussion Only)
- Discussion and update on legal analysis of Right of First Refusal, potential sales options, potential lobby lease options, and or other options for the property located at Parcel 4-B of Paradise Retail I, LLC, Sparks, Nevada (also known as Paradise Plaza) and estimated budgets associated with various potential scopes of work to renovate the site and address needed pest mitigation. No Open Session action will be taken on this item. (Discussion Only)

FROM: Executive Director

RECOMMENDATION: For Possible Action

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 7

October 22, 2024

SUBJECT: Reconvene Open Session:

Discussion and possible direction to staff regarding the potential acquisition of 2026 I Street in Sparks, Nevada, for future development of affordable housing. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: (For Possible Action)

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 8

November 19, 2024

SUBJECT: Discussion and possible approval of **Resolution 24-11-01 RH** approving the closing of financing on approximately \$90 million in federal, state, and private sources for the redevelopment of Hawk View Apartments. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

To close on the financing for the Hawk View Apartments project, the Board must adopt a comprehensive resolution authorizing the redevelopment and financing of the project. The resolution provides important details related to the project and lists various documents and agreements that will need to be executed as part of closing. The resolution also provides a description and approximate amounts of all the funding sources for the project. It is important to note that these amounts may shift prior to closing, therefore, they are described as approximate amounts in the resolution. A Sources & Uses table that includes the financing sources addressed in the resolution can be found below. The land for the project will be provided via a ground lease.

By adopting the resolution, the Board will authorize RHA Executive Director, Dr. Hilary Lopez, to take any and all actions, execute any and all documents, instruments, and certificates, make any and all filings and reasonable expenditures and take any and all reasonable steps deemed to be necessary, desirable or appropriate in order to carry out the purpose and intent of the foregoing resolutions in the name of and on behalf of the Authority for itself, or as a member of the Managing Member of the Owner.

Sources & Uses

Sources	Construction	Permanent
Tax Exempt Construction to Perm Loan	\$ 41,850,000	\$ 26,440,000
Taxable Tail Construction Loan	\$ 3,294,725	\$
4% LIHTC Equity	\$ 5,422,504	\$ 36,150,030
HMNI Funds	\$ 12,000,000	\$ 12,000,000
RHA Sponsor Loan	\$ 7,500,000	\$ 7,500,000
Deferred Developer Fee	\$	\$ 4,750,155
WCHC HOME Loan	\$ 500,000	\$ 500,000
45L Federal Energy Credit	\$	\$ 447,750
NHD GAHP Financing*	\$ 1,042,752	\$ 3,000,000
Total	\$ 71,609,981	\$ \$90,787,935
Uses	Amount	
Hard Construction Cost	\$ 63,857,500	
Soft Costs	\$ 14,055,184	
Fees/Reserves	\$ 12,875,251	
Total	\$ 90,787,935	

*Nevada Housing Division Growing Affordable Housing Program gap financing funds.

Resolution 24-11-01 RH is attached for review.

Staff Recommendation and Motion:

Staff recommends that the Board of Commissioners motion to adopt Resolution 24-11-01 RH as presented.

HOUSING AUTHORITY OF THE CITY OF RENO

RESOLUTION 24-11-01 RH

A RESOLUTION AUTHORIZING THE CONSTRUCTION AND FINANCING OF HAWK VIEW

The following resolutions were duly adopted by the Board of Commissioners (the “**Board**”) of the HOUSING AUTHORITY OF THE CITY OF RENO, a Nevada public body corporate and politic (the “**Authority**”), at a meeting held on November 19th, 2024, which meeting was duly called and at which a quorum was present:

WHEREAS, the Authority is the fee simple owner of certain real property and improvements located at 2531 Tripp Dr. and 1500 Steelwood Lane, Reno, Nevada (the “**Property**”), which consists of three (3) non-dwelling buildings and twenty-five (25) dwelling buildings containing one hundred (100) units. The Board has determined that it is in the best interests of the Authority and the individuals and families residing at the public housing community to dispose of the Property in connection with the Project (as defined below);

WHEREAS, the Property will be the site of a multifamily residential community with one hundred ninety-nine (199) affordable housing units (the “**Units**”) to be known as *Hawk View* and leased to families with incomes at or below 80% of Area Median Income (the “**Project**”);

WHEREAS, the disposition of the Property has been approved by the U.S. Department of Housing and Urban Development (“**HUD**”), pursuant to that certain Disposition Approval Letter dated March 6, 2024 (“**Approval Letter**”). A condition to HUD’s approval of the disposition of the Property is the recording of a use restriction to ensure the long-term affordability of the Project for households earning no more than eighty percent (80%) of the Area Median Income. To that end, at the closing of the Project’s construction financing, as detailed below, the Authority, HUD, and the Owner will enter into that certain Declaration of Restrictive Covenants and Use Agreement (the “**HUD Use Agreement**”). The HUD Use Agreement will be recorded against the Property;

WHEREAS, all the Units will be low-income housing tax credit units to be operated and maintained as qualified low-income units under Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”), for a period of not less than the fifteen (15) year Tax Credit Compliance Period (as such term is defined in Section 42 of the Code) and any applicable extended use period;

WHEREAS, ninety-nine (99) of the Units will be Project-Based Voucher Units (the “**PBV Units**”), subject to a Section 8 Project-Based Housing Assistance Payments Contract (the “**PBV HAP Contract**”) and operated in accordance with HUD’s Approval Letter and all federal, statutory, regulatory (24 CFR Part 983) and programmatic requirements applicable to the PBV Units, executive order requirements, and the Authority’s Section 8 Administrative Plan, each as amended (the “**PBV Requirements**”).

At the closing of the construction financing, the PBV Units will be subject to a PBV Agreement to Enter Into a Housing Assistance Payments Contract (the “**AHAP**”);

WHEREAS, the Authority will own 51% of the membership interests in Hawk View Manager, LLC, a Nevada limited liability company (the “**Managing Member**”) and managing member of Hawk View, LLC, a Nevada limited liability company formed to own and operated the Project (the “**Owner**”). Brinshore Development, L.L.C., an Illinois limited liability company (“**Brinshore**”), will serve as the managing member of the Managing Member. The Managing Member will own a .01% membership interest in the Owner;

WHEREAS, Hudson Hawk View LLC, a Delaware limited liability company (the “**Investment Member**”), and Hudson SLP-J LLC, a Delaware limited liability company (the “**Special Member**” and, together with the Investment Member, the “**Non-Managing Members**”), will be the non-managing members of the Owner. The Owner will obtain capital contributions from the Investment Member, or its designee, in the approximate amount of up to \$36,150,030 in exchange for a 99.99% interest in the Owner (the “**Tax Credit Equity Contribution**”) and respective allocation of the low-income housing tax credits awarded to the Project by the Nevada Housing Division, a division of the Department of Business and Industry of the State of Nevada (“**NHD**”). In consideration of NHD’s award of low-income housing tax credits to the Project, the Owner will be required to deliver that certain Declaration of Restrictive Covenants Running with the Property for Low-Income Housing Tax Credits (the “**LURA**”);

WHEREAS, it is anticipated that the Project’s financing will also benefit from the opportunity to claim approximately \$447,750 in Energy Efficient Home Tax Credits provided under Section 45L of the Code;

WHEREAS, in furtherance of the Project, the Authority will enter, as “Landlord” thereunder, into a long-term ground lease with the Owner for an expected term of ninety-nine (99) years (the “**Ground Lease**”), whereby the Authority will transfer a leasehold interest in the real property upon which the Project will be located to the Owner. The Ground Lease will be treated as an operating lease for tax purposes and the Owner is expected to make annual payments of rent for a period of forty (40) years from the Project’s cash flow, if available, in the anticipated approximate amount of \$116,250 with such rental amounts increasing annually at 3%;

WHEREAS, Pinecrest Construction & Development Co. will be the Project’s general contractor (the “**General Contractor**”) and Frame Architecture, Inc. will be the Project’s architect (the “**Architect**”);

WHEREAS, the Authority will serve as the Project’s property manager, and collect a management fee, according to that certain Management Agreement with the Owner;

WHEREAS, at the closing of the Tax Credit Equity Contribution, the Authority will execute that certain Purchase Option and Right of First Refusal Agreement with the Owner, the Special Member, and the Investment Member granting the Authority, or its qualified assignee, the right to acquire the Project, or the Non-Managing Members’

interest in the Owner, after the Tax Credit Compliance Period (as such term is defined in the Code);

WHEREAS, Brinshore will serve as the developer of the Project and enter into that certain Development Fee Agreement with the Owner whereby Brinshore, in consideration for its development services to the Owner, will earn a fee in the approximate amount of up to \$11,740,000, or fifteen percent (15%) of the Project's total development costs (the "**Development Fee**"). The Authority will assist the Owner and Brinshore in the development of the Project and, according to that certain Subcontract for Development Services with the Managing Member and Brinshore, will receive thirty-five (35%) of the Development Fee. If Brinshore is required to exit the Owner before the full payment of the Development Fee then the Authority will be required to deliver to Brinshore, before its exit from the Owner, a promissory note evidencing the Authority's obligation to pay the remaining balance of the Development Fee owed to Brinshore within ten (10) years of the Project's substantial completion (the "**Deferred Fee Note**");

WHEREAS, NHD will be making a loan to the Owner pursuant to Chapter 319 of Nevada Revised Statutes, as amended, in the approximate principal amount of \$41,850,000 (the "**Borrower Loan**"), which will be funded with proceeds of a tax-exempt loan from Citibank, N.A., a national banking association ("**Citi**"). A portion in the anticipated principal amount of \$26,440,000 of the Borrower Loan will convert to permanent financing. The Borrower Loan will be evidenced by a promissory note and secured by a leasehold deed of trust. Citi will also make a taxable construction loan to the Owner in the original principal amount of \$3,294,725 (the "**Taxable Loan**"). The Taxable Construction Loan will be evidenced by a promissory note and secured by a leasehold deed of trust;

WHEREAS, as a condition to making the Borrower Loan, NHD will require that the Owner execute and deliver to NHD at closing that certain Regulatory Agreement and Declaration of Restrictive Covenants which, among other things, requires that the Project be operated as a "qualified residential rental project" (within the meaning of Section 142(d) of the Code);

WHEREAS, NHD has agreed to make a subordinate loan to the Owner in the approximate original amount not to exceed \$3,000,000 from its Growing Affordable Housing Program ("**GAHP Loan**"). The GAHP Loan will be evidenced by a promissory note and secured by a leasehold deed of trust recorded against the Owner's leasehold interest in the Property;

WHEREAS, NHD has also agreed to make a further subordinate loan to the Owner in the approximate original amount not to exceed \$12,000,000 from its Home Means Nevada Initiative program ("**HMNI**"), using funds it received from the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds ("**ARPA**") (the "**HMNI Loan**" and together with the GAHP Loan, the "**NHD Loans**"). The HMNI Loan will be evidenced by a promissory note and secured by a leasehold deed of trust and a Declaration of Restrictive Covenants Running with the Property for the HMNI Loan recorded against the

Owner's leasehold interest in the Property;

WHEREAS, to facilitate the financing of the Project, the Authority will provide a subordinate loan in the approximate original principal amount of up to \$7,500,000 (the "**Sponsor Loan**"). The Sponsor Loan will be evidenced by a promissory note and secured by a leasehold deed of trust recorded against the Owner's leasehold interest in the Property;

WHEREAS, Washoe County Home Consortium ("**WCHC**") has also agreed to make a subordinate loan to the Owner in the approximate original principal amount of up to \$500,000 from program income derived from HOME Investment Partnership ("**HOME**") funds (the "**HOME Loan**"). The HOME Loan will be secured by a leasehold deed of trust and a Declaration of Restrictive Covenants Running with the Property for the HOME Loan recorded against the Owner's leasehold interest in the Property; and

WHEREAS, the Board has determined that completion of the Project is in the best interest of the Authority and therefore desires to support the Project by, among other actions:

- Authorizing the Owner's engagement of the Architect and the General Contractor to work on the Project;
- Authorizing the execution and recording of the HUD Use Agreement against the Property;
- Authorizing execution of the Ground Lease;
- Providing rental assistance to the Project in the form of project-based voucher subsidies and entering into the AHAP Contract and the PBV HAP Contract with the Owner;
- Authorizing that the Borrower Loan, the Taxable Loan, and the NHD Loans be made to the Owner and secured against the Borrower's leasehold interest in the Property pursuant to leasehold deeds of trust;
- Authorizing that the Sponsor Loan be made to the Owner and secured against the Borrower's leasehold interest in the Property pursuant to leasehold deeds of trust;
- Authorizing that the HOME Loan be made to the Owner and secured against the Borrower's leasehold interest in the Property pursuant to a leasehold deed of trust;
- Authorizing the execution of the Subcontract for Development Services with the Managing Member and Brinshore;

- Authorizing, on behalf of the Managing Member, the execution of the Managing Member's Operating Agreement and the Owner's Amended and Restated Operating Agreement and all documents in connection therewith and the Non-Managing Members' Tax Credit Equity Contribution;
- Authorizing, on behalf of the Managing Member, the Owner's execution of all documents necessary to effectuate the Borrower Loan, the Taxable Loan, the NHD Loans, the HOME Loan, and the Sponsor Loan being made to the Owner;
- Authorizing the Authority's execution of the Unconditional Guaranty being made for the benefit of the Non-Managing Members;
- Authorizing the Authority's execution of the Exceptions to Non-Recourse Guaranty being made for the benefit of NHD, Zions Bancorporation, National Association, a national banking association ("**Zions**"), Citi, any servicer of the Borrower Loan and their successors and assigns;
- Authorizing the Authority's execution of the Agreement of Environmental Indemnification being made for the benefit of NHD, Zions, and Citibank;
- Authorizing the Authority's execution of the Management Agreement with the Owner in connection with the provision of management services to the Project;
- Authorizing the Authority's execution of the Purchase Option and Right of First Refusal Agreement;
- Authorizing the execution of the Deferred Fee Note in connection with Brinshore's planned exit from the Project after its completion and stabilization;
- Authorizing the Authority's Executive Director to approve increases to any of the Project's financing not to exceed ten percent (10%) of the amounts authorized herein to the extent required for consummation and completion of the Project; and
- Authorizing taking any and all additional actions, executing any and all additional documents, instruments, and certificates, making any and all additional filings and reasonable expenditures, and taking any and all reasonable steps deemed necessary, desirable, or appropriate in order to carry out the completion of the Project.

NOW THEREFORE, BE IT RESOLVED that upon the receipt of all required approvals from HUD, either Dr. Hilary Lopez, as the Authority's Executive Director, or her designee, is individually authorized, on behalf of the Authority, for itself and as a member of the Managing Member, to enter into and execute and deliver all documents relating to the Project's development, participation in the PBV Program and related financing including, but not limited to the Senior Loan, the NHD Loans, the HOME Loan, and the HAP Contract; and

BE IT FURTHER RESOLVED that upon the receipt of all required approvals from HUD, Dr. Hilary Lopez, or her designee, is individually authorized, on behalf of the Authority, to enter into and execute and deliver certain documents required to transfer leasehold ownership of the Project to the Owner and to document and effectuate the Sponsor Loan including, but not limited to, the Ground Lease and loan agreements memorializing the Sponsor Loan; and

BE IT FURTHER RESOLVED, that upon the receipt of all required approvals from HUD, including but not limited to the RAD approval, either Dr. Hilary Lopez, or her designee, is individually authorized to execute and deliver all documents relating to the provision of project-based vouchers to the Project including, but not limited to, the AHAP and the PBV HAP Contract; and

BE IT FURTHER RESOLVED, either Dr. Hilary Lopez, or her designee, is individually authorized, on behalf of the Authority, for itself and as a member of the Managing Member, to enter into, execute, and deliver any and all documents as required by the Non-Managing Members in connection with the Non-Managing Members' Tax Credit Equity Contribution and investment in the Owner, including, but not limited to, the Purchase Option and Right of First Refusal Agreement, the Owner's Amended and Restated Operating Agreement, and the Unlimited Guaranty; and

BE IT FURTHER RESOLVED, either Dr. Hilary Lopez, or her designee, is individually authorized, on behalf of the Authority, to enter into that certain Management Agreement with the Owner in connection with the management of the Project; and

BE IT FURTHER RESOLVED, either Dr. Hilary Lopez, or her designee, is individually authorized, on behalf of the Authority, for itself and as a member of the Managing Member, to enter into, execute, and deliver any and all documents as required by Citi, NHD, Zions, or WCHC in connection with the Borrower Loan, the Taxable Loan, the NHD Loans, the HOME Loan, and the Sponsor Loan, respectively, including but not limited to, the Agreement of Environmental Indemnification and the Exceptions to Non-Recourse Guaranty Obligations; and

BE IT FURTHER RESOLVED, that Dr. Hilary Lopez, or her designee, is hereby individually authorized to take any and all actions, execute any and all documents, instruments, and certificates, make any and all filings and reasonable expenditures, and take any and all reasonable steps they may deem to be necessary, desirable or appropriate to carry out the purpose and intent of the foregoing resolutions in the name of and on behalf of the Authority for itself, or as a member of the Managing Member of

the Owner. Any action by Dr. Hilary Lopez, or her designee, or any person or persons designated and authorized so to act by the Authority to do and perform, or cause to be done and performed, in name and on behalf of the Authority, for itself, or as a member of the Managing Member, in furtherance of the purposes hereunder is hereby approved, ratified and confirmed.

BE IT FURTHER RESOLVED, that this Resolution becomes effective immediately.

ADOPTED THIS 19th DAY OF NOVEMBER, 2024.

ATTEST

CHAIRMAN

SECRETARY

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 9

November 19, 2024

SUBJECT: Discussion and possible approval of the loan agreement between the Washoe County HOME Consortium and RHA for \$1,000,000 in HOME funds to support the rehabilitation of Silver Sage Court. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

In 2023, RHA was awarded \$1,000,000 in HOME funding from the Washoe County HOME Consortium for the rehabilitation of Silver Sage Court.

The award is being delivered as a 30-year loan at 3% interest to RHA. Starting on July 1, 2026, and on the first business day of January in each year thereafter, RHA will pay \$50,592 to the HOME Consortium for the term of the loan. The award requires a 20-year affordability period in which 5 of the 16 units on the property will be restricted to rent at a rate that is affordable to households at 30% of the Area Median Income (AMI). This will bring the overall income targeting for the property to 11 units at 30% AMI and 5 at 50% AMI. It is important to note that existing tenants will be grandfathered into the property following the rehab and will not be subject to the new income targeting. The new affordability restrictions will go into effect upon lease up of a new tenant.

RHA must execute the HOME agreement and associated documents for the funds to be made available to the project. RHA's counsel has reviewed the documents and verified that the documents are ready to be executed pending some minor ministerial changes.

RHA is seeking approval by the Board of Commissioners for the HOME Agreement for Silver Sage Court and associated documents. Furthermore, staff is seeking authorization for the Executive Director, Hilary Lopez, Ph.D., to sign, execute, and record all required documents.

Staff Recommendation and Motion:

Staff recommend that the Board of Commissioners motion to approve the HOME Agreement for Silver Sage Court and associated documents and authorize RHA's Executive Director, Hilary Lopez, Ph.D., to sign, execute, and record all required documents.

HOME WRITTEN AGREEMENT
(SILVER SAGE COURT REHABILITATION/PRESERVATION)

Schedule 1

<i>Date</i>	As of October ____, 2024
<i>Project</i>	SILVER SAGE COURT REHABILITATION/PRESERVATION 2455 OROVADA STREET, SPARKS, NV 89431
<i>Developer/ Borrower</i>	HOUSING AUTHORITY OF THE CITY OF RENO 1525 E. NINTH STREET RENO, NV 89512 Authorized Representative: Dr. Hilary Lopez
<i>Additional Notices to</i>	
<i>WCHC/ Lender</i>	Washoe County HOME Consortium City of Reno, Lead Agency One East First Street, 11 th Floor P.O. Box 1900 Reno, Nevada 89505 Authorized Representative: Housing Manager, Housing & Neighborhood Development Dept.
<i>Loan Amount & Purpose</i>	\$1,000,000 for payment of eligible costs actually paid by Borrower for the rehabilitation of this multi-family rental housing project.
<i>Retention Amount</i>	\$50,000 (5% of loan amount) to be withheld from final draw. See §3.08
<i>Affordability Period</i>	Later of THIRTY (30) years from completion of construction or until loan is paid in full or as otherwise provided in the Declaration of Restrictive Covenants (the “ Declaration ”). See §4.01
<i>Expiration Date</i>	If this loan and all other financing for the Project does not close escrow, and if all governmental permits are not obtained by June 30, 2025 this Agreement expires and all executory provisions and obligations are terminated.
<i>Senior Lenders</i>	N/A

RECITALS

WHEREAS:

A. The City of Reno, City of Sparks, and Washoe County formed, by interlocal agreement (the “**HOME Interlocal Agreement**”), the Washoe County HOME Consortium (with the City of Reno as lead agency) for the purpose of pooling federal grants from the U.S. Department of Housing and Urban Development (“**HUD**”) under the federal HOME Investment Partnerships Program (HOME) and lending funds to local developers to develop affordable housing projects.

B. Borrower has applied for a loan to rehabilitate the Project and has been selected by the Board of Directors of the HOME Consortium for a loan in the amount of ONE MILLION DOLLARS (\$1,000,000) and has been qualified by the U.S. Department of Housing and Urban Development.

NOW THEREFORE, in consideration of the mutual covenants, the parties agree as follows.

DEFINITIONS

“**Affordability Period**” means the period during which all of the provisions of the Declaration and corresponding provisions herein regarding affordable housing apply to the Project. See Article 4.

“**Area Median Income (AMI)**” shall mean the income limits for the Reno Metropolitan Statistical Area issued annually by the U.S. Department of Housing and Urban Development (HUD) and adjusted for family size.

“**CFR**” is the Code of Federal Regulations.

“**Eligible Costs**” means those costs identified by Borrower in the WCHC Funding Application submitted as needing HOME funds that also meet 24 CFR 92.206. For this Agreement, those costs include acquisition, permits, architect/engineering fees, market study costs, environmental review costs, and residential construction costs. Related Soft Costs including architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be paid if they were incurred not more than 24 months before the date that HOME funds are committed to the project.

“**HOME Regulation**” means applicable provisions of the HOME Investment Partnerships Act as Title II of the Cranston-Gonzales National Affordable Housing, as amended, 42 U.S.C. 12701, and the regulations of the Department of Housing and Urban Development, codified as

“HUD” means the U.S. Department of Housing and Urban Development.

“Operating expenses” means actual, reasonable and customary costs, fees and expenses directly attributable to the operation, maintenance, and management of the Project, including painting, cleaning, repairs and alterations, landscaping, utilities, rubbish removal, certificates, permits and licenses, sewer charges, real and personal property taxes and assessments, insurance, property management fees (including incentive management fees, tax credit asset management fees, investor asset management fees), developer fees, security, advertising, promotion and publicity, office, janitorial, cleaning and building supplies, lease payments if any, cash deposited into reserves for capital replacements with respect to the Project in an amount not to exceed reserve requirements reasonably imposed by any lender or any equity investor in the owner of the Project, cash deposited into an operating reserve in an amount not to exceed the amount reasonably required by any lender, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings, fees and expenses of accountants, attorneys, consultants and other professionals, and any required debt service under senior loans and loans from partners or members of the Borrower. The Operating Expenses shall be reported in the Annual Financial Statement.

“Partnership Agreement” means that certain Amended and Restated Limited Partnership Agreement of Marvel Way Apartments LP.

“Project” means the project described above, including the site or sites together with any building (including manufactured housing unit) or buildings located on the site(s) under common ownership, management, and financing, to be assisted with HOME funds as a single undertaking. The “Project” includes all of the activities associated with the site and building.

“Qualified renters” means a person or persons constituting a household who have a combined annual income that does not exceed the percentage specified in §4.02 of Area Median Income (AMI) as determined by the US Department of Housing and Urban Development and adjusted for family size at the time of the lease of the unit, and who otherwise meet the requirements for eligibility set forth in the agreement. The following household members shall not be considered part of the household for purposes of determining annual income: foster children, live-in aides, children of live-in aides, unborn children, and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time shall be considered part of the household for purposes of determining annual income.

“**Revenue**” means all income derived from the Project, including but not limited to rent from the units and income from laundry operations.

Art. 1 CONDITIONS PRECEDENT; COMPLIANCE WITH HUD REGULATIONS.

§1.01 Conditions Precedent

This Agreement constitutes a conditional commitment of funds and site approval, and the commitment of funds or approval may occur only upon satisfactory completion of environmental reviews and receipt by WCHC of an approval of the request for release of funds and certification from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The provision of any funds to the Project is conditioned on (i) the WCHC’s determination to proceed with, modify or cancel the Project based on the results of the environmental review; (ii) satisfactory review of organizational and financial documents to determine that Borrower is duly organized, authorized to do business in Nevada and has the financial and managerial resources to operate the Project; and (iii) satisfactory completion and execution of all Loan Documents and recording of the Declaration and Deed of Trust; and (iv) receipt of funds from HUD.

§1.02 Compliance with HUD Regulations

This Agreement is being entered into as required by HOME Regulation 24 CFR 92.504 and is intended to include and implement all the requirements of HOME regulations as if set forth in full herein. If a provision in this Agreement conflicts with an applicable HOME regulation, it shall be deemed to be modified to conform to the HOME regulation.

Art. 2 LOAN AGREEMENT.

§2.01 Loan Commitment; purpose and use of funds; method of payment.

a. WCHC agrees to lend, from funds provided by HUD, the above stated Loan amount to Borrower to pay Borrower for eligible costs actually incurred for the acquisition and development of the Project in accordance with approved plans and specifications and the construction budget.

b. Funds advanced shall be used only to pay the eligible costs listed in the applicable draw request. Loan advance funds may not be used for any litigation or campaign purposes.

c. Approved advances will be paid directly to Borrower by check.

d. This obligation to advance funds hereunder is subject to the continuing condition that WCHC actually receives funds from HUD to make all advances. This Agreement does not constitute a general obligation to lend funds out of the general funds of WCHC, the City of Reno, or any party to the HOME Interlocal Agreement.

§2.02 *Conditions of Loan Advances.*

Loan advances shall be made upon the following terms and conditions:

a. Acquisition and Pre-development Costs. Advances under this loan may be used to pay for acquisition and pre-development costs for the Project.

b. Construction/Rehabilitation draws upon incurrence of obligation. Loan advances for construction costs will be made only upon Borrower's incurrence of the obligation to pay such costs. Borrower may not request a draw until Borrower has incurred an obligation in the amount for which the funds are requested. The amount of each request must be limited to the amount of the obligation actually incurred by Borrower.

c. Draw requests. Draw requests shall be made no more frequently than once per calendar month and no less frequently than quarterly. Draw requests must be on forms and include information reasonably required by WCHC. Draw requests shall be processed and paid within sixty (60) days of submission to WCHC. The HOME Rent Restricted Units may be placed in any other building in the Project on a floating basis as provided in §2.02 of the Declaration of Restrictive Covenants.

d. Compliance. Borrower must be in full compliance with all applicable HOME Regulations and this Agreement. All notices of default or breach must have been cured or are being cured to the reasonable satisfaction of WCHC.

e. Documentation. All documentation listed in Section 2.03 below due at the time of the advance shall have been executed and delivered to WCHC.

f. Construction Conditions. If the advance is for construction costs, all of the conditions stated in Section 2.03 below shall have been met for the advance.

g. Eligible Costs. For each advance, Borrower shall identify all Eligible Costs (defined above) actually incurred that will be paid with the advance, together with invoices and, if required under Section 2.03 below, lien releases from the provider of the services or

materials. Related Soft Costs including architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups may be paid if they were incurred not more than 24 months before the date that HOME funds are committed to the project.

h. Loan in balance. The loan must be in balance after the advance, meaning that in the reasonable judgment of WCHC: (i) the amount of the advance does not exceed the budget line item for the cost, unless otherwise agreed; and (ii) there are sufficient available committed funds from all available sources to complete construction of the Project. If the loan is out of balance, Borrower shall provide additional funds or funding commitments to bring the loan into balance.

§2.03 *Documentation and Reports Required.*

a. Prior to loan closing. The following documents must be executed and delivered to WCHC's reasonable satisfaction:

- i. Title Insurance commitment or approved pro forma ALTA Owner's Title Insurance Policy showing Borrower as the owner of the Property free and clear of all encumbrances except those permitted by WCHC.
- ii. Organization Chart showing the entities or persons who participate in the ownership, management and control of Borrower, together with copies of any organizational documents (Articles of Incorporation, operating or partnership agreements) requested by WCHC.
- iii. Construction Schedule.
- iv. Construction Budget showing total sources (including other loans and equity contributions) and uses of funds to accomplish construction and listing by line item (or a separate schedule) eligible costs to be reimbursed under this Agreement.
- v. Proof of funding.
- vi. Signed loan commitments subject to final loan documentation and final credit approval.
- vii. Pro Forma showing sources and uses of funds after the Project is completed showing that revenues equal or exceed expenses for the Project.
- viii. Final configuration of the Project when completed.
- ix. Washoe County tax exemption certificate or letter stating that the certificate will be obtained and submitted within one (1) year of Project completion.
- x. A Section 3 Utilization Plan and Section 3 Clause Acknowledgement Form provided in §3.11 below.
- xi. Executed Loan Documents, including Note, Deed of Trust, and Declaration

to the satisfaction of WCHC.

b. Upon Loan closing, the following documents must be submitted to and approved by WCHC:

- i. An ALTA Lender's Title Insurance Policy in favor of WCHC in the amount of the Loan with endorsements and subject only to permitted encumbrances shall be delivered to WCHC at Borrower's expense.
- ii. Proof of insurance required by the Declaration (liability insurance) and the Deed of Trust (property insurance).

c. Loan advances. Prior to each Loan advance the following documents shall be provided to WCHC's satisfaction.

- i. Prior to first advance, proof that Borrower has completed its search to assure that no contractors or subcontractors have been debarred from participating in federally funded programs.
- ii. Prior to first advance, proof of compliance with industrial insurance laws (NRS Chapters 616A, 616B, and 616C) by Borrower and each contractor.
- iii. Reserved.
- iv. A draw request in the format shown as Attachment B hereto, together with supporting documentation.
- v. Conditional lien release from provider of service or materials being paid for by the advance.

d. Retention Draw. Prior to the draw of the retention amount required in the above schedule set forth on page one above the following documents shall be provided to WCHC to its satisfaction:

- i. General contractor and subcontractor completion reports.
- ii. Documentation showing that punch list items have been completed.
- iii. Lien releases from the providers of services and materials.
- iv. Section 3 reports (HUD Form 60002-6/2010) by all contractors and subcontractors.
- v. Architect's certificate of Compliance with the Minimum Standards for Accessibility by the physically handicapped (Attachment C-3 hereto).
- vi. Lead-based paint clearance report, if applicable.
- vii. Rental Project Completion Report (HUD-40097).

- viii. Women and Contract and Subcontract Activity Report HUD Form 2516.
 - ix. Compliance reports required by §5.03c.
 - x. Any other report required by Federal law.
 - xi. Title insurance date down and lien free endorsements.
 - xii. A certificate of occupancy.
 - xiii. Form of leases to be used.
 - xiv. Affirmative marketing plan and tenant regulations to be used.
- e. Annual Reports. Borrower shall submit the following reports to WCHC annually:
- i. Financial Statements. Borrower shall submit a balance sheet and statement of revenues and expenses for the Project within ninety (90) days of the termination of each fiscal year for Borrower.
 - ii. Client Submission Forms. Beginning within ninety (90) days after a certificate of occupancy is issued on the Project, and on each anniversary date thereafter, Borrower shall submit a “Client Submission Report” substantially in the format attached as Attachment C-2 hereto.

§2.04 Repayment Terms; Non-Recourse Promissory Note.

The Loan shall be repaid to WCHC as provided in the Non-Recourse Promissory Note (the “**Note**”) executed by Borrower. The terms of the Note, as amended from time to time, are incorporated herein as if set forth in full.

§2.05 Security; Deed of Trust.

The loan shall be secured by the Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and Assignment of Rents and Other Proceeds; Request for Notice of Default, as may be amended from time to time (the “**Deed of Trust**”), which Deed of Trust shall be executed and recorded upon closing of the construction loans from the Senior Lenders (as defined below).

§2.06 Subordination of Priority of Deed of Trust.

If one or more other lenders (“**Senior Lenders**”) are also financing any part of the acquisition, construction or rehabilitation of the Project, and the prospective Senior Lender(s)

will not make their loan(s) unless this WCHC loan is subordinated, WCHC agrees to subordinate the lien and priority of the Deed of Trust to the security documents of each applicable Senior Lender, and to any takeout lenders who refinance the original loan for acquisition, construction or rehabilitation of the Project (all in form reasonably requested by the applicable lenders). This subordination may be accomplished by consenting to the order of recording, or by one or more subordination agreements.

Art. 3 CONSTRUCTION LOAN REQUIREMENTS.

§3.01 *General.*

If funds are used to construct or rehabilitate the Project, the following provisions shall apply.

§3.02 *Construction Schedule; Cessation.*

Construction must start within twelve (12) months after the recordation of the Deed of Trust and must be completed as provided in the construction schedule, but in no event later than forty-eight (48) months of starting construction, subject to extensions due to conditions of force majeure. Construction must be diligently pursued. Unless otherwise agreed, a cessation of construction activities for more than four (4) weeks shall be a default under this Agreement, subject to force majeure and notice and opportunity to cure as provided in Article 7.

§3.03 *Payment and Performance Bonds.*

Payment and performance bonds are not required for this Project.

§3.04 *Licenses and Permits.*

Borrower shall obtain and maintain all required local, state and federal licenses and permits needed to construct and operate the Project.

§3.05 *Construction Standards; authorized contractors.*

a. Construction Standards. Borrower represents, warrants and agrees to construct, operate and maintain the Project in accordance with each of the following in all material respects: (i) all state and local building codes; (ii) NRS 118A.290 or any other statute that establishes standards of habitability for a dwelling unit; (iii) “Minimum Property Standard (FHA) set forth in 24 CFR 200.296 (for one or two units); (iv) if new construction, the International Energy Conservation Code (24 CFR 92.251); (v) 25 CFR 5.703 with respect to

the Uniform Physical Conditions Standards (UPCS); (vi) the Americans with Disabilities Act of 1990 as amended; (vii) lead based paint requirements at 24 CFR part 35 subparts A, B, J, K, M, and R; and (viii) any other construction standards or requirements by HUD. If there is a conflict between federal and state or local standards, the standard which is most stringent will be used.

b. Weatherization and Energy Efficiency standards. Borrower further agrees that the construction and rehabilitation of the Project will, as of the date tenants move in, be in full compliance with all of the general weatherization and energy efficiency requirements of the Nevada Housing Division as set forth in its loan documents.

c. Authorized contractors. Financial assistance shall not be used to directly or indirectly employ, award contracts to, or engage the services of any contractor or subcontractor who is currently debarred or suspended. Borrower must search the Internet at <https://www.sam.gov/portal/public/SAM/> to determine if contractors and/or subcontractors are currently debarred or suspended, and must print out and keep the search results on file.

§3.06 *Quarterly construction reports; inspection by WCHC; records availability.*

Quarterly Reports. Beginning the first day of the quarter following the execution of this Agreement and for each quarter following until completion of the Project, Borrower shall submit a quarterly progress report to WCHC, which shall include: (i) Name of person completing the report; (ii) Reporting Period (Month); (iii) a description of specific work tasks and accomplishments completed during the month; (iv) a description of successes or hindrances encountered with the Project; (v) a description of anticipated problems or concerns; (vi) total Project expenditures to date and percent of total Project costs; (vii) total HOME funds expended to date and percent of total HOME funds expended; and (ix) total funds from another source expended to date and percent of total funds expended. Quarterly reports shall be submitted electronically to WCHC via housing@reno.gov.

a. Inspections. WCHC and any construction consultants of WCHC shall be allowed on site during normal business hours and with two (2) business days prior written notice to inspect all construction activities and results. Inspections hereunder may be cursory and are not a substitute for building code inspections and shall not be implied or construed as code compliance or housing standards approval by the City of Reno. Owner shall contract with qualified housing inspectors to perform an initial housing quality inspection of the Project prior to occupancy by tenants, or with the replacement of a tenant, or after making any building code corrections, with a housing quality inspection to be performed annually thereafter.

b. Availability of Records. Borrower, its employees and agents, including all subcontractors or consultants to be paid from funds provided under this Agreement, shall allow access, at reasonable times and upon two (2) business days prior written notice, to their files and records regarding activities performed on the Project to WCHC and HUD at no cost or expense for audit, examination and review. Reasonable times means during normal business hours 8 a.m. to 5 p.m. local time, Monday through Friday.

§3.07 *Construction budget and cost breakdowns; change orders.*

a. Budget and cost breakdowns. Borrower shall prepare a construction budget and cost breakdown detailing all the costs to complete the Project and the sources of funds to cover those costs. The budget and cost breakdown may be a part of or coordinated with budgets and cost breakdowns prepared for Senior Lenders, so long as the budget identifies which costs will be financed with Loan proceeds under this Agreement (so they may be verified as eligible costs).

b. Current status. Borrower shall keep a running balance of funds advanced for each budget/cost line item and the remaining balance available under this Agreement.

c. Transfer of Line Items. Funds not used for a budget/cost line item may be transferred to another line item only upon approval of a Senior Lender, if required.

d. Change orders. Change orders to plans and developments that would increase budget/cost line items must be prior approved by the entity who will be advancing funds to cover the increase.

e. Reversion of undisbursed funds. After funding the retention draw, WCHC may retain and use any undisbursed funds from this loan commitment for other projects.

§3.08 *Retention Amounts and release.*

WCHC shall honor all draw requests in the full amount requested and justified until all funds have been advanced, except for the Retention Amount specified in the schedule above on the first page of this Agreement above, which shall be withheld and paid out to Borrower as the final construction draw request under §2.03(d) above. Interest shall not be paid on amounts retained.

§3.09 *Davis-Bacon (prevailing wage) compliance.*

If Loan funds are to be used to pay any Project costs (as defined in 24 C.F.R 92.206) for the construction or rehabilitation of 12 or more units assisted with HOME funds, Borrower

must pay (i) not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141) and (ii) overtime payments, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701) to all laborers and mechanics employed in the development of the entire Project, including portions other than the assisted units. [24 CFR 92.354] Borrower shall prepare required reports, keep records to demonstrate compliance, and allow WCHC access to the site and offices of Borrower to conduct interviews and review records, and further agrees to cooperate with any investigation to determine compliance.

§3.10 *Section 3 Compliance.*

a. Compliance. Section 3 of the HUD Act of 1968 (12 USC 1701u), as amended, and regulations 24 CFR 135 require developers of HOME assisted projects of \$100,000 or more to offer employment and other economic and business opportunities, to the greatest extent feasible, to public housing assistance residents and other low-income persons, particularly recipients of governmental housing (Section 3 residents), and business concerns that provide economic opportunities to low and very low income persons (Section 3 business concerns).

b. Section 3 Goals. Borrower shall strive for the following goals:

1. Employment goals. Thirty percent (30%) of the aggregate number of new hires during a one (1) year period should be Section 3 residents. New hires are defined as full-time employees for permanent, temporary, or seasonal employment opportunities. A new hire would be a person who is not on the payroll at the time of receipt to the funding award or contract and would include any employees who were laid off and rehired.

2. Contract goals. Borrower shall strive to offer:

(i) At least ten percent (10%) of the total dollar amount of all contracts for building trades work on housing construction, rehabilitation and other public construction (infrastructure) should be offered to Section 3 business concerns; or

(ii) At least three percent (3%) of the total dollar amount of all other contracts should be offered to Section 3 business concerns.

c. Section 3 Utilization Plan. Prior to loan closing, Borrower shall prepare a written Section 3 Utilization Plan to accomplish the goals, including provisions regarding (i) identifying the Project as a Section 3 project area and include a “Section 3 Clause Acknowledgement Form” (see Attachment C-1 hereto) in all contracting/bid documents;

(ii) erecting signage and conducting outreach activities to recruit Section 3 residents and business concerns; (iii) naming a Section 3 coordinator to administer the plan and prepare reports of compliance; and (iv) notifying appropriate residents and business concerns of pending contractual and employment opportunities.

d. Section 3 Acknowledgement Form and Reports.

1. As a part of the loan application, Borrower shall execute and deliver to WCHC a “Section 3 Clause Acknowledgement Form” substantially in the form set out in Attachment C-1 hereto.

2. Borrower shall submit a Section 3 report (HUD Form 60002 - 11/2010) by each contractor and subcontractor with each draw request and upon construction completion and prior to the final construction draw. The Section 3 report shall be submitted electronically to housing@reno.gov.

§3.11 *Displacement or Relocation of Tenants.*

Borrower agrees to minimize displacement or dislocation of current tenants by honoring all leases in force at the time this Agreement is executed, by referring eligible dislocated tenants to the Housing Authority of the City of Reno for assistance, and by providing notices and assisting with their relocation and providing relocation benefits in accordance with NRS Chapter 342 and 24 CFR 92.353. WCHC staff will monitor all relocation activities to ensure compliance with federal regulations. Uncured non-compliance with federal relocation regulations is a material default hereunder.

Art. 4 AFFORDABILITY REQUIREMENTS.

§4.01 *Affordability periods.*

a. Federal Minimum. The minimum affordability period under HUD Regulation 24 CFR 92.252 (e) for this Project is twenty (20) years.

b. Affordability Period. Subject to and including the federal minimum, it is agreed that the Affordability Period for this Project is as stated in the Declaration (presently as stated in Schedule 1 above). Subject to the federal minimum, this period may be amended by agreement of the parties *provided however* that any reduction must be approved by WCHC in its sole and absolute discretion for good cause shown and based on a determination that a reduction is in the best interests of the public, and further provided that any extension in this period must be approved by Owner in its sole and absolute discretion and without any

obligation to do so.

c. This Affordability Period is independent of and applies without regard to the term or repayment of the Note, repayment of the HOME investment, or transfer of ownership. [24 CFR 92.252(e)(1)(i)]

§4.02 *Occupancy/Rent limits.*

During the Affordability Period, Borrower shall rent units to low-income persons as provided in the Declaration, it being agreed and acknowledged that the Project is a mixed-income project.

§4.03 *Declaration of Restrictive Covenants.*

a. A Declaration of Restrictive Covenants which sets out the occupancy and rent restrictions and HOME program requirements shall be executed and recorded.

b. The obligations under the Declaration are independent of and apply without regard to the term or early repayment of the Note, repayment of the HOME investment, or transfer of ownership. [24 CFR 92.252(e)(1)(i)]

c. The Declaration does not secure repayment of the Note, but if there is an uncured violation of the Declaration, WCHC is no longer obligated to advance funds hereunder and if the default impairs the value of the Property secured by the Deed of Trust, may declare a default under the Deed of Trust.

Art. 5 OTHER PROGRAM REQUIREMENTS.

§5.01 *Prohibited Fees.*

Borrower may not charge servicing, origination, or other fees for the purpose of covering costs of administering the HOME program, except actual and reasonable annual costs of compliance monitoring during the Affordability Period. [24 CFR 92.214 (b) (1) (i)]

§5.02 *Conflicts of Interest.*

a. WCHC and Borrower agree that no officer or employee of the WCHC:

1. may seek or accept any gifts, service, favor, employment, engagement, emolument or economic opportunity which would tend to improperly influence a reasonable

person in that position to depart from the faithful and impartial discharge his or her duties to WCHC; or

2. 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 on this specific Project during the period of service of such officer, employee or agent, or for one (1) year thereafter.

b. Borrower agrees that no officer or employee of Borrower:

1. may use his or her position to secure or grant any unwarranted privilege, preference, exemption or advantage for himself/herself, any member of his/her household, any business entity in which he/she has a financial interest, or any other person;

2. may participate as an agent of Borrower in the negotiation or execution of any contract related to this Project between Borrower and any private business in which the officer or employee has a financial interest, except with respect to contracts for fees to be paid to affiliates of Borrower which fees are disclosed to, and approved by, WCHC; or

3. may suppress any report or other document because it might tend to affect unfavorably his/her private financial interests.

c. Borrower agrees that none of the personnel employed in the administration of this 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. Borrower agrees that 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.

§5.03 Other federal requirements and reports.

a. Compliance with federal laws. HOME program assistance requires compliance with several Federal statutes and regulations. During construction and operation of the Project, Borrower shall comply in all material respects with all applicable Federal requirements, including those listed in Attachment D hereto, which may be updated from time to time.

b. Affirmative marketing program. Borrower 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: Requires that rental rehabilitation grant amounts be made available in conformity with non-discrimination and equal opportunity requirements) and as described in the WCHC's AHMLP Description.

c. Compliance Reports.

Borrower shall provide the WCHC, upon Project completion, records and data on Minority Business Enterprise, Women's Business Enterprise (MBE/WBE), and affirmative marketing efforts. These records shall contain, but are not limited to, the following (i) data on the attempts to reach minority-owned and female-owned businesses when announcing business opportunities; (ii) data on racial/ethnic or gender character of business to whom a contract was awarded and the contract amount; and (iii) data on attempts to affirmatively further fair housing. MBE/WBE data reports (HUD Form 2516) shall be submitted electronically to WCHC via housing@reno.gov. WCHC, in its discretion, may request such other and further information from time to time.

Art. 6 TERM, TERMINATION.

§6.01 Term of Agreement, Early Termination.

a. Term. Unless sooner terminated as provided below, this Agreement shall remain in force and effect until the later of (i) the Affordability Period defined above, or (ii) repayment in full of the Note.

b. Partial or Early Termination. This Agreement shall terminate in any of the following events:

- (i) If a condition precedent listed above in Article 1 fails at any time;
- (ii) If this Loan and all other financing for the Project does not close escrow, or if all governmental permits are not obtained by the Expiration Date specified above;
- (iii) If terminated by a non-defaulting party as provided in the remedies provision of this Agreement; or
- (iv) If the parties agree to terminate this Agreement for convenience as authorized by 24 CFR 85.44.

§6.02 *Obligations and rights upon termination.*

Upon termination of this Agreement, each party agrees to take prompt and reasonable steps to mitigate continuing damages to itself and the other party. Borrower agrees to turn over to WCHC copies of all records and documents necessary to determine and prove compliance with HOME regulations. The termination of this Agreement does not relieve, discharge or waive any liability or damages that occurred before the termination.

Art. 7 *DEFAULT AND REMEDIES.*

§7.01 *Excuse due to Force Majeure.*

a. Except as provided elsewhere herein, if an event of force majeure makes performance of an obligation or cure of a breach or default impossible, such performance or cure is excused for the duration of the event of force majeure provided that the obligated party (i) within a reasonable time after the commencement of the force majeure notifies the other party of the nature of the event of force majeure, when it commenced, why it makes performance or cure impossible, and the expected duration (if known), and (ii) agrees to and does in fact diligently pursue remediation of the effects of the force majeure, and (iii) agrees to notify the other party immediately when it becomes possible to commence efforts to cure the default.

b. An event of force majeure is defined as (i) without the fault of and beyond the reasonable control of the obligated party, events such as a war; insurrection; riot; flood; earthquake; fire; casualty; act of God; act of a public enemy; quarantine restriction or other effect of epidemic or disease; freight embargo; delay caused by unusually severe or extreme weather; lack of transportation attributable to any of these; or (ii) labor strikes, boycotts or picketing (unless the labor action is taken because of an alleged violation of the prevailing wage provisions in this Agreement, if any); (iii) provided, however, that if the breach or default is the failure to pay money, the force majeure must actually prevent access to or payment from a bank account or payment mechanism, such as during a banking holiday, moratorium, or sabotage of wire or automated transfer systems. A force majeure does not include general economic or market conditions, or the financial condition of a party even if they are influenced by any of the foregoing.

c. A force majeure is deemed to cease for purposes of this Agreement and a party is deemed to be in breach of an obligation or cure on the earlier of (i) when it becomes possible for the obligated party to commence to perform the obligation or cure and the obligated party fails to so commence the obligation to perform or cure, or (ii) one (1) year from the commencement of the event of force majeure.

§7.02 *Default.*

a. A party shall be in “default” hereunder in any of the following events or circumstances (subject to force majeure and notice and opportunity to cure if specified):

(i) The party repudiates, breaches, or fails to promptly and fully perform any covenant, condition or agreement contained in this Agreement (subject to force majeure and notice and opportunity to cure).

(ii) Borrower ceases construction for four (4) weeks, or ceases to operate the Project for three (3) weeks (subject to force majeure and notice and opportunity to cure).

(iii) Borrower is in breach or default under any agreement with any other lender or equity provider (subject to force majeure and notice and opportunity to cure).

(iv) There occurs a material change in the financial condition of Borrower which, in the reasonable judgment of WCHC, will materially impair Borrower’s ability to construct and operate the Project (subject to force majeure and notice and opportunity to cure).

(v) Any representation of a material fact expressed in the loan application or herein was materially false at the time it was made, or, if a continuing representation becomes materially false as a result of a subsequent event or occurrence; or any warranty made herein is breached at the time made or, if a continuing warranty, is materially breached as a result of a subsequent event or occurrence (subject to force majeure and notice and opportunity to cure).

(vi) An event required to occur does not occur by the time required due to the lack of diligence or fault of such party (subject to force majeure and notice and opportunity to cure).

(vii) A party makes an assignment for the benefit of creditors or files or suffers the involuntary filing of a petition for appointment of a receiver, or for relief under the U.S. Bankruptcy Code or any federal or state law that provides relief to debtors from creditors and such petition is not rescinded or resolved within one hundred twenty (120) days from the date of filing (not subject to force majeure and notice and opportunity to cure).

(viii) Any interest in the Project or any improvements on the Project, or any right to receive funds under the Project become an asset in a receivership or bankruptcy estate or become the subject of any proceedings (a) relating to prejudgment attachment of assets, (b)

a judgment lien, (c) a mechanics lien or any claim for payment of amounts owed for the provision of services or materials to the Property or any Improvements thereon; (d) any execution proceedings for the enforcement of judgments; (e) any foreclosure or enforcement of a security interest; (f) any forfeiture action; or (g) any other action where a party may lose possession thereof (*not* subject to force majeure and notice and opportunity to cure).

(ix) Except as permitted in Section 8.02 below, a party reorganizes into or merges with another entity, dissolves, breaks up, ceases doing business, or there occurs a change in ownership of more than 25% of the power to manage or control Borrower ; provided that limited partnership interests may be transferred in accordance with the Partnership Agreement and general partnership interests may be transferred to another member of the General Partner, special limited partner, or its designee, in accordance with the Partnership Agreement (not subject to force majeure and notice and opportunity to cure).

(x) Borrower or any agent/ employee or contractor of Borrower commits a tortious or criminal act that causes a loss of funds (i.e. embezzlement or theft) or impairs the perceived or actual safety or security of Project tenants or the integrity of the HOME program and City's role under it (i.e. fraud, child endangerment or abuse, assault, battery, breach of duty to provide a safe and habitable dwelling for tenants) (subject to force majeure and notice and opportunity to cure).

(xi) A breach or event of default occurs under the Note or Deed of Trust, or other agreement securing or implementing this Agreement (subject to any requirements of notice and opportunity to cure as specified therein, but not subject to further notice and opportunity to cure hereunder).

(xii) For the purpose of suspending any obligation to make further loan advances, a breach of any term in the Declaration which occurs before funds have been fully advanced hereunder (subject to force majeure and notice and opportunity to cure), *provided however* the Declaration is an independent obligation from and does not secure repayment of any sums due under the Note, the Deed of Trust, or this Agreement.

(xiii) Any other circumstance or event specified in this Agreement to be a default (subject to force majeure and notice and opportunity to cure unless otherwise specified).

§7.03 *Notice and Opportunity to cure.*

For those events or circumstances of default listed above which are expressly subject to notice and cure, and unless otherwise specified in this Agreement, the party intending to declare a default shall first provide written notice to the defaulting party of such event or

circumstance and the specific action required to cure it and the defaulting party shall have forty-five (45) days from the date that the notice is deemed given to cure the default. If a party has commenced to and diligently pursues to cure the default, such cure period shall be extended as reasonably necessary to complete such cure. Notwithstanding anything to the contrary in this Loan Agreement, WCHC agrees that any cure of any default made or tendered by any member or partner of Borrower shall be deemed to be a cure by the Borrower and shall be accepted or rejected by WCHC on the same basis as if made or tendered by Borrower.

§7.04 Remedies.

In the event of default described in Section 7.02 above by a party, subject to the force majeure, notice and cure period provisions set forth in Section 7.03 above, the non-defaulting party may pursue any one or combination of the following remedies:

(i) Suspend, modify or terminate any counter-performance or other obligation hereunder, including suspending loan advances.

(ii) Terminate this Agreement as a whole, as authorized by 24 CFR 85.43.

(iii) If the housing does not meet the affordability requirements for the Affordability Period (24 CFR 92.252), WCHC may seek injunctive relief or require recapture of the funds advanced under 24 CFR 92.504.

(iv) To protect its interest and value in the performance of this Agreement, a non-defaulting party may advance funds and take actions to cure or mitigate the default and take and receive proceeds and revenues generated by its corrective actions and recover reasonable attorneys' fees and expenses.

(v) Appear in any proceeding (receivership, bankruptcy, forfeiture, judicial or other proceeding) to protect the non-defaulting party's interests.

(vi) Seek the appointment of a Receiver to operate Project or related property and collect rents or revenues.

(vii) Commence an action for damages, injunctive relief or equitable relief as provided under Nevada law.

(viii) Declare a default under the Note, the Deed of Trust, and/or the Declaration and pursue or coordinate remedies thereunder with remedies hereunder.

- (ix) Any other remedy provided in this Agreement or under applicable law.

§7.05 *General Provisions Regarding Remedies.*

a. Cumulative remedies. All remedies set forth above are cumulative with another and with any other remedy afforded by applicable law, and the pursuit of one remedy does not constitute an exclusive selection of that remedy or a waiver of or election not to pursue any other remedy.

b. Advances. Any funds reasonably expended by a non-defaulting party to make repairs, cure defaults, protect property or an interest in property shall be reimbursed by the non- defaulting party together with interest as specified in this Agreement or as specified in NRS 99.040.

c. Demands and claims against the City must be brought within six (6) months as provided in NRS 268.020.

§7.06 *Waivers.*

Any forbearance, inaction, or failure to promptly pursue any remedy (whether intentional or negligent) shall not be deemed a waiver of any default or remedy and shall not be construed as in any manner estopping any party from enforcing in full the provisions hereof. Waivers must be expressed in writing signed by the waiving party, and a waiver of a default is limited to the specific default identified in the written waiver and does not constitute a course of dealing or implication that similar defaults will be waived in the future. A party's acceptance of partial performance shall not be deemed to be an accord and satisfaction or a waiver of or change to any term, covenant or condition of this Agreement.

§7.07 *Attorney's fees and costs.*

If an action is brought to interpret or enforce this Agreement, the prevailing party may be awarded reasonable attorney's fees and costs for the action and also for reasonable attorney's fees and costs in pursuing any of the above remedies or otherwise mitigating damages.

Art. 8 GENERAL TERMS.

§8.01 *Time Frames and Deadlines.*

The parties agree to accomplish the actions within the time frames or deadlines stated above. Time is of the essence in the performance of the obligations in this Agreement. Unless

otherwise specified: (i) the term “days” means calendar days; (ii) the term “business days” means days that both parties are open for business – generally excluding weekends and holidays recognized in Nevada; (iii) if a deadline falls on a weekend or holiday, then performance is due on the next following business day of the recipient of the performance; and (iv) performance is due by 5 p.m. PST on the day of deadline.

§8.02 *Assignment; Transfer of Project; Binding Effect.*

a. Except as provided herein, neither party may delegate any duties or assign any rights under this Agreement without the consent of the other party.

b. Permitted Transfers. Notwithstanding anything to the contrary in this Loan Agreement, the Deed of Trust or the Declaration of Restrictive Covenants, the following transfers do not require the consent of Lender:

 (i) a transfer of a partnership interest in Borrower whereby one or more low-income housing tax credit investors or syndicators are admitted as limited partners(s) and the initial limited partner withdraws;

 (ii) a transfer of the limited partners’ interest in Borrower to an AEGON affiliate;

 (iii) a transfer of ownership interests in Marvel Way Apartments Manager LLC (“General Partner”), from one member of General Partner to another member of the General Partner pursuant to the Partnership Agreement;

 (iv) a transfer of the limited partners’ interest in Borrower or the Project to the General Partner or an affiliate of General Partner pursuant to the Partnership Agreement;

 (v) The removal of the General Partner by Transamerica Affordable Housing, Inc. and the appointment of itself, AEGON LIHTC Fund 62, LLC, or their designee pursuant to the Partnership Agreement;

 (vi) a transfer as a result of foreclosure of a deed of trust or deed in lieu of foreclosure (and the first subsequent transfer following such foreclosure or deed in lieu of foreclosure by such foreclosing lender or its nominees); and

 (vii) a transfer ordered by a court.

c. Criteria for approval of transfers. If consent is required, the consent of Lender shall not be unreasonably withheld or delayed if all the following criteria are met to its satisfaction:

1. Borrower is not in default hereunder or under the Loan Agreement, Note

or Deed of Trust, or the proposed transferee agrees to cure any such defaults to the reasonable satisfaction of Lender;

2. The continued operation of the Project shall comply with the provisions of the Deed of Trust (if it is still in place) and the Declaration of Restrictive Covenants;

3. The transferee or its manager has at least three years or equivalent experience in the ownership, operation and management of rental housing projects containing below market units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local governmental requirements applicable to such projects;

4. The transferee has the financial capacity to acquire, develop and operate the Project and produces to WCHC pro forma or operating statements demonstrating the financial viability of the Project;

5. The transferee does not have pending against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and regulatory agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies; and

6. The transferee agrees to assume Owner's obligations under this Loan Agreement and the Declaration, Note and Deed of Trust and delivers to WCHC, if requested, an opinion of counsel that the assumption agreement is valid, binding and enforceable obligations of such transferee.

d. In the event of a transfer and assignment under this Section 8.02, and provided that all parties enter into an assignment and assumption agreement satisfactory to Lender, the assigning Borrower shall be released from all liability and obligations, and shall have no further liability or obligations under this Loan Agreement, the Deed of Trust, the Declaration, the Note or any other documents executed in connection therewith.

e. Except for transfers permitted in sub-paragraph (b) above; the "Limitations on Transfer" provisions in Section 14 of the Deed of Trust (as may be amended from time to time) govern any transfer of any interest in Borrower or the Project so long as the Deed of Trust is a valid lien on the Property. A permitted or approved transfer under the Deed of Trust shall also be considered an assignment/assumption of this Loan Agreement, the Non-Recourse Promissory Note, and the Declaration of Restrictive Covenants.

f. If the Deed of Trust is extinguished (i.e., through foreclosure of a Senior Loan,

discharge in bankruptcy, or voluntary or involuntary reconveyance) the limitations on transfer stated in the Declaration of Restrictive Covenants (subject to permitted transfers stated in this Section) shall govern any transfer of any interest in Borrower or the Project. A permitted or approved transfer of Borrower or the Project under the Declaration of Restrictive Covenants shall also be considered as an assignment/assumption of this Loan Agreement as to any executory matters.

g. Without waiving the right to withhold approval of a transfer as provided above, this Agreement shall be binding on the successors, trustees, representatives and permitted assigns of the parties.

§8.03 *Standards for Approvals; Further acts and assurances.*

a. Unless otherwise specified (such as with the words “sole discretion”) wherever this Agreement requires the approval of a party, or any of a party’s officers, agents or employees, such approval shall not be unreasonably withheld, delayed or conditioned.

b. The City Council of Reno is a governmental body whose decisions are legislative functions that may be subject to public hearings and input, and, except as otherwise provided herein, shall have sole and absolute discretion to approve or disapprove any matter submitted to them provided, however, that decisions are not procured by fraud or bribery, or are arbitrary, capricious or an abuse of discretion.

c. Each party agrees to take all reasonable actions and enter into, execute and deliver all documents reasonably required by the other party to document and accomplish the sale as contemplated herein and carry out the terms of this Agreement, provided that no such action or documentation shall result in a material change to the terms and conditions of this Loan Agreement, the Declaration, the Deed of Trust, the Note or any document executed in connection therewith or any greater liability of Borrower or its affiliates. This provision survives the termination of this Agreement.

§8.04 *Notices.*

a. Notices hereunder must be in writing which shall be mailed or personally delivered to each party at the address specified above. Notice is deemed received by the other party the earlier of: (i) when actually received; (ii) three (3) business days after delivered to and accepted by the U.S. Postal Service if sent by certified or registered mail or (iii) two (2) business days after having been submitted for delivery by reputable overnight courier.

b. Copies of notices shall be provided to the addressees indicated in Schedule 1 above and such other affiliate of Borrower as Borrower may later request to be a copy notice

party in writing to WCHC. Failure to provide copies does not negate or impair the notice given to a party.

§8.05 *Severability.*

In the event that any word, clause, or provision herein is declared by a court of competent jurisdiction to be invalid, unenforceable, or contrary to public policy, then such offending provision shall be deemed, from the very beginning, to have been modified to the extent to bring it within the limits of validity or enforceability. If, however, such offending provision cannot be so modified, then it shall be severed from this Agreement. In either event (modification or severance), all remaining words, phrases, clauses and provisions herein remain fully enforceable.

§8.06 *Applicable law; Jurisdiction.*

The interpretation and enforcement of this Agreement shall be governed by the laws of Nevada. Actions to enforce this Agreement shall be brought in the Second Judicial District Court in and for Washoe County, Nevada.

§8.07 *Interpretation of this Agreement.*

Titles and headlines of this Agreement are intended for editorial convenience and are not to be construed as a part of this Agreement. The word “include” or “including” is not intended as a limitation and shall be construed to include the words “but not limited to.” Unless otherwise specified, the word “herein” means anywhere in this Agreement or the attachments. Any reference to the masculine genders includes, where appropriate in the context, the feminine gender. Any term in the singular includes, where appropriate in the context, the plural. The Parties hereto were each advised by counsel in drafting and negotiating this Agreement, and each Party contributed to its contents. No presumptions against or in favor of any party are appropriate based on who drafted this Agreement or any provision herein.

§8.08 *Warranties of Authority.*

Each party who signs this Agreement represents and warrants that he/she has obtained all necessary approvals and has actual authority to execute this Agreement with the effect of binding his/her principal.

§8.09 *Modifications; Authority to administer and approve changes.*

- a. This Agreement may not be modified or amended and no waivers are effective

unless expressed in writing and duly signed by the party to be bound by the modification, amendment or waiver.

In addition to the Authorized Representative specified in Schedule 1 above, the City Manager of the City of Reno shall have the authority to act as an Authorized Representative. Each Authorized Representative, acting alone, shall have the authority to execute all deeds, escrow instructions, settlement statements, title insurance instructions, agreements, notices and other instruments necessary to accomplish loan closing and to effectuate the purposes of this Agreement, and each Authorized Representative may accept all performances, and waive or negotiate remedies for defaults and implement this Agreement *provided, however that* any such action that materially or substantially changes the uses or development permitted on the Property, reduces the amount owed or adds to the cost incurred by a party shall require the consideration of and written consent of the governing body of the party. For example, and subject to the foregoing limitation, each Authorized Representative, acting alone, shall have the authority to (i) issue interpretations, grant waivers, and/or enter into certain amendments to this Agreement, the Note, or the Deed of Trust on behalf of his/her principal, including any deferral of payments or other changes to payment schedule that do not reduce the total amount owed; (ii) agree to loan assumptions, contract assignments or substitution of parties; (iii) enter into subordination agreements or estoppels to evidence that this Agreement is subordinate to any applicable senior financing; (iv) execute other documents as reasonably requested by any tax credit investor or senior financing lender in order to effect a closing of the financing of the Project; (v) waive or modify any insurance requirements set forth herein if (A) such insurance is determined by such Authorized Representative not to be commercially available on commercially reasonable terms or (B) the insurance obtained by Borrower, subject to such waiver conforms to the requirements of all Senior Lenders; and (vi) extend times of performance under this Agreement.

§8.10 *Entire Agreement; Counterparts.*

This Agreement shall be effective on the date it is duly executed by all of the parties. The parties agree that this Agreement, together with its attachments, contains the entire agreement of the parties and supersedes any written or oral representations, promises, warranties, or other undertakings made during the negotiation of this Agreement. This Agreement may be executed in counterparts and is effective when each party receives a complete set of counterpart signature pages.

Attachment A	Project property legal description
Attachment B	Form of Draw Request
Attachment C	Other forms and reports, C-1 Section 3 Clause Acknowledgement Form

Attachment D

C-2 Client Submission Report Form
C-3 Architect's Certificate of Compliance
Applicable Federal Laws.

Written HOME Agreement
(SILVER SAGE COURT REHAB/PRESERVATION)

Counterpart signature page

WCHC: Washoe County Home Consortium

By: City of Reno, Lead Agency

By: _____ Date _____
Jackie Bryant, Interim City Manager

STATE OF NEVADA)
) Acknowledgement in Representative Capacity
COUNTY OF WASHOE) (NRS 240.1665)

This Instrument was acknowledged before me on _____
by JACKIE BRYANT as Interim City Manager of the City of Reno.

Notary Public

Approved as to Form
KARL HALL, City Attorney

By _____
Deputy City Attorney

HOME Written Agreement
(SILVER SAGE COURT REHAB/PRESERVATION)

Counterpart signature page

Borrower:

HOUSING AUTHORITY OF THE CITY OF RENO
a Nevada Public Body Corporate and Politic

By: _____
Name: Dr. Hilary Lopez
Title: Executive Director

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 _____)
) ss.
COUNTY OF _____)

On _____, 2024 before me, _____, Notary Public, personally appeared [NAME], who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that [HE/SHE] executed the same in [HIS/HER] authorized capacity, and that by [HIS/HER]signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____ (seal)

HOME Written Agreement
(SILVER SAGE COURT REHAB/PRESERVATION)

ATTACHMENT A
LEGAL DESCRIPTION

All that certain lot, piece or parcel of land situate in the County of Washoe, State of Nevada, described as follows:

All that certain parcel of land situate in a portion of the North one-half (N ½) of Section Six (6), Township Nineteen (19) North, Range Twenty (20) East, M.D.B.&M., Sparks, Washoe County, Nevada, and being more particularly described as follows:

Parcel 1 of Parcel Map No. 2972 for HOUSING AUTHORITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on November 22, 1995, as File No. 1944581, Official Records.

APN: 026-284-30

Document No. [XXX] is provided pursuant to the requirements of Section 6, NRS 111.312

HOME Written Agreement
(SILVER SAGE COURT REHAB/PRESERVATION)

ATTACHMENT B
DRAW REQUEST

Disbursement Number:			
Date:			
To:	Washoe County HOME Consortium City of Reno, Lead Agency One East First Street, 12 th Floor Reno, Nevada 89505 ATTN: Housing & Neighborhood Development Manager		
Project:	SILVER SAGE COURT REHAB/PRESERVATION		
Requester:			
Contact:			
Sum of Invoice/ Cost Amounts from attached Schedule \$	Retention \$	Total requested \$	

Certificate

To induce Lender to make this advance, the undersigned certifies as follows, under penalty of a material default under the loan agreement:

1. That each amount requested is for costs of acquisition of or the cost of services actually performed or materials actually delivered to the Project and each item is a proper charge against the Project budget has not been the basis for a prior requisition that has been paid.
2. That for services rendered or materials provided, attached are conditional lien releases from each provider, and that I have or will pay all providers from proceeds of this draw before retaining any amounts for developer fees or overhead.
3. That all providers for whom previous draws have been made have been paid in full and have not asserted any liens or claims for nonpayment or insufficient payment.
4. That no uncured event of default under the loan agreement, the deed of trust, the Declaration of Restrictive Covenants has occurred.

5. That if any misrepresentation or omission has been made on this or any previous draw, I agree to repay the draw amount.

Signature

Date

ATTACHMENT C-1
Section 3 Clause Acknowledgement Form

Project Name:	SILVER SAGE COURT REHAB/PRESERVATION		
Borrower Name:	Housing Authority of the City of Reno Dr. Hilary Lopez, Executive Director		
Address:	1525 E. Ninth Street		
City, State, Zip:	Reno, NV 89512	Email:	HLopez@renoha.org
Phone:	(775) 329-3630	Fax:	
Section 3 Coordinator:		Date:	

1. I understand the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and, upon receipt of covered assistance, will take affirmative action to satisfy and document good faith efforts to comply with all Section 3 notification, information, hiring, contracting and reporting obligations.

2. I agree that all Section 3 covered contracts, including this Agreement, shall include the following clauses (referred to as the Section 3 Clauses):

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a

notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 Clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- C. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- D. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- E. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- F. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Printed Name: Dr. Hilary Lopez	Title: Executive Director
Signature:	Date:

ATTACHMENT C-2
Client Submission Report Form

To be provided in Excel Spreadsheet form.

ATTACHMENT C-3

Architect's Certification of Compliance with Minimum Standards for Accessibility by the Physically Handicapped

Silver Sage Court Rehabilitation	
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Pursuant to the requirements of the Architectural Barriers Act of 1968, 42 USC 4151, and the regulations issued subsequent thereto, the undersigned certifies that the design of the above mentioned project is in conformance with the minimum standards contained in the Standard Specifications for Making Buildings and Facilities Accessible To and Usable by the Physically Handicapped, Number 1117.1R-1971 (as modified by 41 CFR 101-19.603)

Architect for the Project:	Firm name:
Address	Phone Number
Email	
Signature	Date

ATTACHMENT D

APPLICABLE FEDERAL LAWS

Because of the use of federal funds in the Project, certain federal laws apply to the Project and its ongoing operation. Owner agrees to comply with all federal statutes, regulations and executive orders made applicable to the acquisition, construction, rehabilitation, maintenance and ongoing operation of the Project, including, but not limited to, the following

#	Title	Discussion (not a complete statement of the law)
1	Hatch Act, 5 USC Chapter 15.	Restricts political activity of certain state and local employees. Covered employees are those principally employed in connection with programs financed in whole or in part by loans or grants made by a United States federal agency. Employees of private nonprofit organizations are covered by the Hatch Act only if the statute through which the organization receives its federal funds contains language which states that the organization shall be considered to be a state or local agency for purposes of the Hatch Act.
2	The National Environmental Policy Act of 1969 (P.L. 91-190, 42 USC 4321) and 24 CFR, Parts 51 and 58	Declares a national policy to encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources; establishes a Council on Environmental Quality; requires environmental assessments and environmental impact statements. 24 CFR 51 and 56 are the environmental criteria and standards and the environmental review requirements.
3	Title VIII of the Civil Rights Act of 1968, P.L. 90-284 (Fair Housing Act)	Prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, national origin, disability or familial status, as well as establishing administrative enforcement mechanisms, revised and expanded Justice Department jurisdiction, and contains design and construction accessibility provisions for certain new multifamily dwellings developed for first occupancy. Title VIII was amended in 1988 by the Fair Housing Amendments Act, which expanded the coverage of the Fair Housing Act to prohibit discrimination based on disability or on familial status (presence of child under age of 18, and pregnant women); established new administrative enforcement mechanisms with HUD attorneys bringing actions before administrative law judges on behalf of victims of housing discrimination; and revised and expanded Justice Department jurisdiction to bring suit on behalf of victims in Federal district courts. 24 CFR Parts 5, 200, 203, 236, 400, 570, 574, 882, 891, and 982 Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity - ensure that its core programs are open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status.
4	Section 109 of the Housing and Community Development Act of 1974:	Prohibits discrimination on the basis of race, color, national origin, disability, age, religion and sex within Community Development Block Grant programs or activities. Section 109 investigates complaints of discrimination on these bases.

5	Title VI of the Civil Rights Act of 1964, P. L. 88-352 and HUD regulations 24 CFR, Part 1	Prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance.
6	Executive Order 13166:	Improving Access to Services for Persons With Limited English Proficiency Requires that greater emphasis be put on existing requirements under Title VI of the Civil Rights Act to protect persons who, as a result of national origin, are limited in their English proficiency (LEP).
7	Fair Housing Act:	As amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).
8	Section 3 of HUD Act of 1968 [12 USC 1701u] and HUD regulations 24 CFR 135.	Applies to contracts of \$100,000 or more. Requires WCHC to ensure that employment and other economic and business opportunities generated by HUD financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons. It is the policy of WCHC to require its contractors to comply.
9	Executive Order 11063, as amended	Prohibits discrimination in the sale, leasing, rent and other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.
10	Age Discrimination Act of 1975:	Prohibits discrimination on the basis of age to programs or activities receiving federal financial assistance.
11	Section 504 of the Rehabilitation Act of 1973	Applies to new construction multi-family rentals of 5 or more units and substantial rehab (greater than 75% of replacement cost, which is the value of the rehab after completion) of 15 or more units. Requires 5 % of the total number of the project's units to be for physically impaired (a unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in Sec. 8.32 is accessible for purposes of this section), PLUS an additional 2% of the total number of the project's units to be for sensory impaired (Please note that HUD has advised that using kits marketed to adapt the unit for sensory impaired persons may not fully meet this unit requirement). Other situations must be addressed "to the maximum extent feasible." The act also requires that the program be made accessible (that is, with office accessibility, intake procedures, applications, etc.) and promoted affirmatively. It further requires that all units be made "visitable" by persons with disabilities to the furthest extent feasible. Employers must make employment accessible and recipients or subrecipients having 15 or more employees must designate a Section 504 Coordinator and notify program participants and employees of non-discrimination policies, as well as conduct self-evaluations of compliance with Section 504. For further information: For this project all areas of the acquired property must be made Section 504 compliant. Attachment F-4, Architect's Certification of Compliance with Minimum Standards for

		Accessibility by the Physically Handicapped, must be executed and returned to the WCHC prior to disbursement of retention.
12	Executive Order 11246	Applies to contracts in excess of \$10,000. Bars discrimination in federal employment because of race, color, religion, sex, or national origin.
13	The Fair Labor Standards Act:	Establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in Federal, State, and local governments.
14	Section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106)	Provides that no Federal officer or agency shall approve any financial assistance for acquisition or construction purposes (as defined under section 3(a) of said Act (42 U.S.C. 400(a)), one year after a community has been formally notified of its identification as a community containing an area of special flood hazard, for use in any area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards unless the community in which such area is situated is then participating in the National Flood Insurance Program.
15	Section 302 and 401(b) of the Lead-Based Paint Poisoning Prevention Act	Implements the provisions of 42 U.S.C. 4852d, which impose certain requirements on the sale or lease of target housing. Under this subpart, a seller or lessor of target housing shall disclose to the purchaser or lessee the presence of any known lead-based paint and/or lead-based paint hazards; provide available records and reports; provide the purchaser or lessee with a lead hazard information pamphlet; give purchasers a 10-day opportunity to conduct a risk assessment or inspection; and attach specific disclosure and warning language to the sales or leasing contract before the purchaser or lessee is obligated under a contract to purchase or lease target housing.
16	Davis Bacon Act, as amended	Applies if 12 or more units are financed by HOME assistance. Requires payment of prevailing wages and overtime to all laborers and mechanics who work on construction of Affordable Housing with 12 or more HOME assisted units. 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.
17	45 CFR Part 76 Subpart F of the Drug-Free Workplace Act of 1988	Owner shall certify to the agency that it will provide a drug-free workplace.
18	Section 319 of Public Law 101-121 (certification required for contracts and subcontracts of \$100,000 or more):	Prohibits use of federal funds for lobbying the executive or legislative branches of government in connection with specific contract, grant or loan, etc. which prohibits Borrower 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 Borrower, 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 Housing and Community Development Act of 1974	<ul style="list-style-type: none"> ◇ Prohibits discrimination against any employee or applicant for employment on the basis of religion and prohibits limiting employment or giving preference in employment to persons on the basis of religion ◇ Prohibits discrimination against any person applying for public services on the basis of religion and not limit such services or give preference to persons on the basis of religion; ◇ Prohibits religious instruction or counseling, worship or services or engaging in religious proselytizing and exerting other religious influence in the provision of such public services.
20		Financial assistance shall not be used to directly or indirectly employ, award contracts to, or engage the services of any contractor or subcontractor who is currently debarred or suspended. Borrower must search the Internet at https://www.sam.gov/portal/public/SAM/ to determine if contractors and/or subcontractors are currently debarred or suspended.
21	The Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)	Requires employees to be paid time and one-half for all hours worked in excess of 40 per week. The Act also contains certain health and safety standards.
22	The Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.)	Generally prohibits federal contractors or subcontractors engaged in building construction or repair from inducing an employee to give up any part of the compensation to which he or she is entitled under his or her employment contract and requires such contractors and subcontractors to submit weekly statements of compliance.
23	The Vietnam Era Veterans' Readjustment Assistance Act of 1974	Requires covered federal government contractors and subcontractors to take affirmative action to employ and advance in employment specified categories of veterans protected by the Act and prohibits discrimination against such veterans. In addition, VEVRAA requires contractors and subcontractors to list their employment openings with the appropriate employment service delivery system, and that covered veterans receive priority in referral to such openings. Further, VEVRAA requires federal contractors and subcontractors to compile and submit annually a report on the number of current employees who are covered veterans. The affirmative action and mandatory job-listing provisions of VEVRAA are enforced by the Employment Standards Administration's Office of Federal Contract Compliance Programs (OFCCP) within the U.S. Department of Labor (DOL). DOL's Veterans' Employment and Training Service (VETS) administers the veterans' employment reporting requirement.
24	The Jobs for Veterans Act 2002	The Act amends the Vietnam Era Veterans' Readjustment Assistance Act of 1974 and establishes an affirmative action program to be followed by government contractors.

25	The Immigration Reform and Control Act of 1986:	Requires employers to attest to their employees' immigration status; made it illegal to knowingly hire or recruit unauthorized immigrants; legalized certain seasonal agricultural illegal immigrants; legalized illegal immigrants who entered the United States before January 1, 1982 and had resided there continuously with the penalty of a fine, back taxes due, and admission of guilt.
26	Executive Order 12432 (Minority business enterprise development)	Requires all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible in accordance with 24 CFR 85.36(e).
27	Executive Order 12138 (National Women's Business Enterprise Policy)	Requires all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible in accordance with 24 CFR 85.36(e).
28	Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.) and HUD regulations 24 CFR Part 42	Requires compensation and assistance to persons who are displaced as a result of a federally funded or financed project.

APN: 026-284-30

Mail Tax Statements To:

Housing Authority of the City of Reno
1525 E. Ninth Street
Reno, NV 89512
Attention: Dr. Hilary Lopez, Executive Director

Recording requested by:
City of Reno
One East First St., 11th Floor
Reno, NV 89501

Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040

DECLARATION OF RESTRICTIVE COVENANTS
(Silver Sage Court Rehabilitation; HOME Loan)

<i>Date</i>	As of [XXX]
<i>Project Name and Address</i>	Silver Sage Court Rehabilitation / Preservation
<i>Developer/Owner</i>	HOUSING AUTHORITY OF THE CITY OF RENO 1525 E. Ninth Street Reno, NV 89512 Attention: Dr. Hilary Lopez, Executive Director and each successive owner of the Property
<i>Additional Notices to</i>	

<i>WCHC/City</i>	Washoe County HOME Consortium City of Reno, Lead Agency One East First Street, 11 th Floor Reno, Nevada 89505 Authorized Representative: Housing Manager, Housing & Neighborhood Development Dept.				
<i>Property Description</i>	All that land and improvements located in City of Reno, County of Washoe, State of Nevada, more particularly described as: See Exhibit A APN: 026-284-30				
<i>Affordability Period</i>	Later of THIRTY (30) years from completion of construction or until loan is paid in full. See §2.01				
<i><u>HOME</u> Rent Restricted Units (§2.02)</i>	#Units	#Bedrooms	Rented only to persons whose incomes are:	Gross Rent	Utility Allowance
	5	1	30% AMI	\$ 569	\$77
	TOTAL: 5				

RECITAL

Owner and WCHC entered into a Loan Agreement (Silver Sage Court Rehabilitation; HOME Loan) where WCHC agreed to loan funds to Owner for the purpose of constructing the above-named project to serve as an affordable housing project under the federal HOME Investment Partnerships Program (HOME). Federal regulations for HOME (24 CFR Part 92) require that properties developed with federal funds must be rent restricted and comply with HOME regulations for an Affordability Period. In consideration of the loans from WCHC for the Project, Owner hereby covenants and agrees as follows with the intent that these covenants shall run with the land and be binding on all subsequent owners who hold the land during the above stated Affordability Period, regardless of whether or not the loan has been repaid.

DEFINITIONS

“Deed of Trust” means Deed of Trust, Security Agreement, Construction Mortgage, and Fixture Filing and Assignment of Rents and Other Proceeds; Request For Notice Of Default.

“HOME Regulation” means applicable provisions of the HOME Investment Partnerships Program as Title II of the Cranston-Gonzales National Affordable Housing Act, as amended, 42 U.S.C. 12701, and the regulations of the Department of Housing and Urban Development, codified as 24 C.F.R. Part 92.

“HOME Rent Restricted Units” means the units provided to low-income persons under §2.02.

“Loan Agreement” means the Loan Agreement (Silver Sage Court Rehabilitation; HOME Loan) executed contemporaneously herewith whereunder WCHC committed to lend \$[AMOUNT] to Owner for use with the Project.

“Note” means the Non-Recourse Promissory Note executed in connection with the Loan Agreement.

“Qualified renters” means a person or persons constituting a household who have a combined annual income that does not exceed the percentage specified in §2.02 below of Area Median Income (AMI) as determined by the US Department of Housing and Urban Development and adjusted for family size at the time of the lease of the unit who otherwise meet the requirements for eligibility set forth in the agreement. The following household members shall not be considered part of the household for purposes of determining annual income: foster children, live-in aides, children of live-in aides, unborn children, and children being pursued for legal custody or adoption

who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time shall be considered part of the household for purposes of determining annual income.

Art. 1 COVENANT RUNNING WITH THE LAND; TERM OF DECLARATION; PROGRAM REQUIREMENTS

§1.01 *Covenant Running with the Land.*

OWNER HEREBY DECLARES that the Property is and shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to the provisions contained in this Declaration as an equitable servitude, and shall constitute benefits and burdens to the Owner and its successors and assigns and to all persons hereafter acquiring or owning any interest in the Project or Property, however such interest may be acquired.

§1.02 *Term of Declaration.*

All provisions in this Declaration shall remain in force and effect for the Affordability Period set forth below. Upon the expiration of the Affordability Period, WCHC shall prepare and record a notice of termination of this Declaration.

§1.03 *Overall Program Requirements.*

Except as otherwise set forth in this Agreement, Owner agrees to the terms set forth in and agrees to perform all requirements to be performed by sub-recipients set forth in HOME Regulations applicable to the Project including, but not limited to, 24 CFR §§ 92.251; 92.252, 92.253; 92.350 through 92.358; and 92.504 as implemented herein, but if there is nothing in this Agreement about a particular provision in the HOME Regulations, the regulation will apply as if set forth fully herein.

Art. 2 AFFORDABILITY REQUIREMENTS

§2.01 *Affordability Period.*

a. Federal Minimum. The minimum affordability period under HUD Regulation 24 CFR 92.252 (e) for this Project is [INSERT] years.

b. Affordability Period. Subject to and including the federal minimum, it is agreed

that the Affordability Period for this Project under this Agreement is as stated above in the schedule on page 2. Subject to the federal minimum, this period may be amended by agreement of the parties *provided however* that any reduction must be approved by WCHC in its sole and absolute discretion for good cause shown and based on a determination that a reduction is in the best interests of the public, and further provided that any extension in this period must be approved by Owner in its sole and absolute discretion and without any obligation to do so.

c. This Affordability Period is independent of and applies without regard to the term or early repayment of the Note, repayment of the HOME investment, or transfer of ownership. [24 CFR 92.252(e)(1)(i)]

§2.02 *Income and Rent Restrictions; units selected on floating basis.*

a. During the Affordability Period, HOME Rent Restricted Units shall be set aside and rented to persons with the income limits stated above. The HOME Rent Restricted Units to be occupied by qualifying tenants may be selected on a floating basis so long as the total number of units is continuously maintained. [24 CFR 92.252 (j)]

b. Rents and utility allowances shall be collected as stated above, subject to §2.03.

§2.03 *Rent calculations and adjustments.*

a. Annual Updates of Utility Allowances. Owner must update the maximum allowance for utilities annually (if applicable), using the HUD Utility Schedule or otherwise determining the utility allowance for the Project based on the type of utilities. The annual updates must be reviewed and approved by WCHC. [24 CFR 92.252 (d) (1)]

b. Annual approval of rent schedules. Owner must submit rent schedules with respect to the HOME Rent Restricted Units annually for approval by WCHC. [24 CFR 92.252(d)(2)]

c. Subsequent rents during the Affordability Period. [24 CFR 92.252(f), (g), (h)]

1. The maximum HOME rent limits shall be annually recalculated as HUD determines fair market rents and median incomes and provides new maximums.

2. WCHC shall inform Owner of HUD maximum rent adjustments as they are announced.

3. Changes in fair market rents and in median income over time should

be sufficient to maintain the financial viability of the project. [24 CFR 92.252 (g)]

4. Pursuant to 24 CFR 92.252(b)(2), if the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

5. Owner expects to obtain operating subsidies ("Subsidies") for the Project in the form of HUD Section 8 rental assistance and/or project based rental assistance for Five (5) units. If such Subsidies become unavailable or are reduced, and if compatible subsidies are not sufficient to allow the Project to remain in compliance with any lender or investor debt service coverage standards or other requirements then in effect, Owner shall give written notice of that fact to WCHC. Such notice shall include an estimate of the number of Thirty Percent (30%) and Fifty Percent (50%) of Area Median Income Gross Rent set-aside units that need to be rented at a Gross Rent at or below Sixty Percent (60%) of Area Median Income in order to meet such lender or investor requirements, and the backup detail showing the basis for the estimate. If the WCHC disagrees with Owner's estimate, WCHC and Owner shall cooperate to revise such estimate in a manner acceptable to both parties. Upon WCHC's confirmation of Owner's estimate (as it may be revised), Owner and WCHC shall amend this Agreement to provide for the corresponding changes in the Gross Rent restrictions required hereunder, provided however that existing tenants at the time of such amendment shall not be required to vacate their units, nor shall any tenant leases be terminated solely as a result of any such amendment. If, subsequent to any such amendment, the Subsidies or a compatible subsidy become available such that the Project can meet lender or investor requirements with more restrictive rent restrictions, Owner and WCHC shall cooperate to further amend the Agreement to reflect the same, provided, however, that in no event shall any such further amendment of the Agreement restrict tenant incomes or rents to a greater extent than they are restricted under the original requirements of the Agreement.

d. Maximum Rent. Owner agrees that maximum rents charged shall not exceed those calculated per this Declaration and HOME Regulations, including annual HOME Program Rent tables provided by HUD. Rents may not exceed thirty percent (30%) of the targeted AMI for the family size. The maximum rent includes the applicable utility allowance and may be determined using the following formula.

Targeted AMI for family size /12 x 30% = gross rent

e. Rent Increases. All rent increases with respect to the HOME Rent Restricted Units in excess of **five percent (5%) per year** of the then current tenant rent must be approved by the WCHC.

Owner shall give a minimum of forty-five (45) days written notice of an increase in rent with respect to the HOME Rent Restricted Units or as otherwise as provided in NRS 118A.300. Rent increase should be at the time of lease renewal. HUD rent limits may decrease, but rents in assisted units do not have to be reduced below the highest rent attained since the time of funding.

§2.04 Tenant Income determinations.

a. Tenant income shall be calculated in accordance with 24 CFR 92.252 (h), using the following methods as set out in 24 CFR 92.203:

(i) For initial determinations, use two (2) months of source documents as provided in 24 CFR 92.203 (a)(1)(i).

(ii) For subsequent determinations, obtain the written statement from the family required by 24 CFR 92.203(a)(1)(ii) unless the tenant is receiving benefits from another government program that verifies income, in which case the certification from the other government agency may be used as provided in 24 CFR 203 (a)(1)(iii). A full income determination is required by HUD of each HOME-assisted resident every six (6) years of the Affordability Period.

b. Annual Income calculation. In calculating annual income, if available, use the adjusted gross income for purposes of reporting under Internal Revenue Service Form 1040 as provided by 24 CFR 92.203(b)(2), subject to the exclusions set out in 24 CFR 92.203 (c) and the requirements of 24 CFR 92.203 (d).

c. All tenants with current leases as of the effective date of this agreement will be allowed to remain at the property. Income targeting required by this agreement will go into effect at lease up following construction.

§2.05 Over Income Tenants.

Tenants who initially qualified for occupancy of a HOME Rent Restricted Unit but subsequently earn income that exceeds the qualifying amount may remain in the HOME Rent Restricted Unit and pay rent in accordance with 24 CFR 92.252 (i).

Art. 3 TENANT SELECTION AND PROTECTIONS

§3.01 *Tenant Selection.*

a. Affirmative marketing; nondiscrimination. Owner shall adopt and follow written tenant selection policies in accordance with 24 CFR 92.253 (d) and Nevada anti-discrimination laws, including but not limited to NRS 118A.010 – 120.

§3.02 *Student Participation Limitations.*

Under 24 CFR 5.612 students who (i) are enrolled in a higher education institution; (ii) are under the age of 24; (iii) are not veterans of the U.S. military; (iv) are not married; (v) do not have dependent children; (vii) are not persons with disabilities; and (viii) are not otherwise individually eligible or have parents who individually or jointly are not eligible on the basis of income may not occupy the HOME Rent Restricted Units.

§3.03 *Tenant Leases; termination of tenancy.*

a. Tenants must sign an initial one (1) year lease, unless mutually agreed by tenant and landlord.

b. Tenant leases may not contain any of the prohibited provisions in 24 CFR 92.253(b) and are further governed by NRS 118A.200 through 230.

c. Owner may not terminate tenancy or refuse to renew a lease of HOME Rent Restricted Units except for (i) serious or repeated violation of the terms and conditions of the lease, (ii) for violation of applicable federal, state or local law, (iii) or for other good cause, which does not include an increase in the tenant's income or refusal of the tenant to purchase housing. [24 CFR 92.253 (c)]

d. To terminate or refuse to renew tenancy, Owner shall serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of the tenancy. [24 CFR 92.253(c)]

§3.04 *Maintain unit habitability and comply with NRS Chapter 118A.*

a. Owner shall maintain all HOME assisted units in a habitable condition as defined in NRS 118A.290. WCHC shall have independent standing and the right on behalf of tenants in HOME assisted units to pursue the remedies in NRS 118A.355 and 118A.360.

b. Owner shall comply with all applicable provisions of Nevada Landlord-Tenant law as it applies to dwellings. See NRS Chapter 118A, and if dwellings are manufactured homes, NRS Chapter 118B.

§3.05 *Fees by Owner.*

Owner shall not charge fees prohibited by 24 CFR 92.504(c)(3)(xi). For rental housing, Owner may charge reasonable application fees to prospective tenants and other fees (such as parking fees) only to the extent that they are reasonable and customary for the project area, and fees for services provided to tenants, provided that these services are not mandatory.

§3.06 *Tenant relocations.*

The provisions of 24 CFR 92.353 shall apply to any tenant that is displaced as a result of the construction or rehabilitation of the Project.

Art. 4 *PROPERTY MANAGEMENT*

§4.01 *Maintenance.*

Owner shall keep the Project in a clean, well-maintained condition, reasonable wear and tear excepted. Landscaping shall be watered and groomed, and free of debris. Sidewalks shall be kept free of snow and clutter. Buildings shall be kept painted and roofs shall be maintained. Trash shall be kept in appropriate enclosures.

§4.02 *Compliance with laws.*

Owner shall obtain and keep current all permits and licenses to construct, repair, operate and maintain the Project and shall comply in all material respects with all federal, state, and local laws and regulations.

§4.03 *Safe and quiet environment.*

Owner shall provide and reasonably enforce regulations to assure that tenants have a safe, secure and quiet environment in which to live.

§4.04 *No transient units.*

None of the dwelling units in the Project shall be used at any time on a transient basis (i.e., less than 30 days) or will ever be used as a hotel, motel, dormitory, rooming house, nursing home, hospital, sanitarium, or rest home.

Art. 5 FINANCIAL MANAGEMENT

§5.01 *Compliance with OMB Circulars.*

a. Owner agrees to comply with the requirements of the United States Office of Management and Budget (OMB) Circulars, as amended or replaced with subsequent circulars, including, but not limited to 2 CFR Part 200.

b. 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 any project receiving funds pursuant to this agreement shall be thoroughly identified and readily accessible to the WCHC.

c. 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 any related projects receiving funds pursuant to this agreement will be provided upon written request to the WCHC.

Art. 6 INDEMNIFICATION AND LIABILITY INSURANCE.

§6.01 *Indemnification.*

To the fullest extent provided by law, Owner shall indemnify, hold harmless and defend WCHC and its related parties from and against all claims and liability arising out of and to the extent caused by the acts, errors, or omissions of Owner and its related parties arising out of the administration of this Declaration to the extent caused by an act, error or omission of the Owner or a related party. “**Arising out of the administration of this Agreement**” means the performance of any task, responsibility or the pursuit of any right with respect to the construction,

rehabilitation, maintenance and operation of the Project. “**Act, error or omission**” includes acts, failure to act, errors, or omissions that constitute negligence, willful tortious conduct, or for which strict or imputed liability may be imposed as determined by a court of competent jurisdiction under applicable law, and further includes breaches of this agreement and/or violations of law. “**Claims and liability**” means all third party claims, actions, damages, losses, judgments, injuries, costs and expenses, (including those paid to settle the case) including but not limited to reasonable attorneys’ fees and costs, including those related to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (including the loss of use resulting therefrom) and other economic damages but excluding any consequential losses, damages or claims. “**Defend**” includes the obligation to defend litigation at the indemnifying party’s sole expense using counsel that is reasonably acceptable to the indemnified party. Each indemnified party shall be permitted to participate, if it chooses, in the defense of any action claiming liability, even if the indemnified party is indemnified hereunder, provided that no settlement with respect to any claim under any such action shall be permitted without Owner’s consent (to be given or withheld in Owner’s sole and absolute discretion). “**Related Party**” is as defined in the “Definitions” above but also includes volunteers of Owner.

§6.02 *Liability Insurance.*

a Unless otherwise agreed in a subordination agreement, intercreditor agreement, the Deed of Trust or Loan Agreement, at all times during the term of this Declaration, Owner shall procure and maintain, at its sole expense, the following commercial general liability insurance coverage:

1. At least as broad as Insurance Services Office (“ISO”) Commercial General Liability Coverage “occurrence” form CG 00 01 04/13 or an equivalent form. The Comprehensive General Liability Coverage shall include, but is not limited to, liability coverage arising from premises, operations, independent contractors, products and completed operations, personal and advertising, injury, blanket contractual liability and broad form property damage.

2. The following coverage shall not be limited, by endorsement or otherwise: (a) Contractual liability coverage, including the definition of “Insured Contract” and the contractual liability exception to the employer’s liability exclusion; (b) Completed operations coverage, including the subcontractor exception to the “damage to ‘your work’” exclusion; (c) the provisions of Subparts (5) and (6) of the “damage to property” exclusion pertaining to “that particular part...” in ISO form CG 00 01 04/13.

3. If any underground work will be performed, the policy shall be endorsed to

include electronic data liability coverage form CG 04 37 (or equivalent) unless WCHC waives this requirement in writing. In addition, Explosion, Collapse, Pollution and Underground coverage must be reflected in the insurance certificates unless WCHC waives this requirement in writing.

4. Owner shall maintain limits of no less than **\$1,000,000 per occurrence, \$2,000,000** general aggregate products completed operations aggregate, or the amounts customarily carried by the Owner, whichever are greater. The general aggregate limit shall apply on a per project or location basis.

5. The policy shall include the City of Reno, including its elected officials, officers, employees, agents and volunteers as an additional insureds with respect to liability arising out of the activities performed by or on behalf of the Owner, including the insured's general supervision of the Owner, products and completed operations of the Owner and for premises owned, occupied or used by the Owner. The coverage shall contain no special limitations on the scope of protection afforded to the additional insureds.

6. The Additional Insured Endorsements for General Liability shall be at least as broad as the unmodified ISO CG 20 10 04 13 and ISO CG 20 37 04 13 endorsements, or equivalent, including additional insured coverage for the Contractor's premises, operations products and completed operations exposures. The certificate shall confirm Excess Liability is following form.

7. Owner shall obtain and maintain Completed Operations Liability Insurance through the statute of repose after completion of the Project. The limit of Completed Operations Liability Insurance coverage shall be the same as the limit for General Liability.

8. Owner's insurance coverage shall be considered primary insurance. Any insurance or self-insurance maintained by WCHC shall be excess of the Contractor's insurance and shall not contribute in any way.

9. Owner's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

10. Any failure by the Owner to comply with reporting provisions of the policies shall not affect its obligations to the additional insureds.

11. Owner shall furnish WCHC a policy or certificate of liability insurance issued by an authorized representative of the insurance carrier including policy forms and endorsements confirming the required coverage. The contract number and name of contract for

this project shall be included on the certificate.

Art. 7 RECORDS, INSPECTIONS

§7.01 *Records.*

a. Sufficiency. Records must be sufficient to determine compliance with the requirements and objectives of this Declaration and applicable federal laws and regulations.

b. Record retention. Owner will maintain records sufficient to meet the requirements of 24 CFR 92.508(a)(3). WCHC requires that all records pertaining to each fiscal year of program funds, federal and non-federal, must be retained for the most recent five year period, except as provided herein:

(i) Records must be retained for five (5) years after the completion date.

(ii) Records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period, until five (5) years after the Affordability Period terminates or the loan is repaid, whichever is later.

(iii) Records for the disposition of non-expendable personal property valued at \$1,000 or more at the time of acquisition shall be retained for five (5) years after final disposition; and,

(iv) Records relating to real property acquisition shall be retained for the Affordability Period,

(v) *Provided, however,* that if any litigation, claim or audit is started before the expiration of the five (5) year period and extends beyond the five (5) year period, the records will be maintained until all litigation, or claims involving the records have been resolved, or audit findings involving the records have been received.

c. Access. Owner, its employees and agents, including all subcontractors or consultants to be paid from funds provided under this Declaration, shall allow access at reasonable times, following written notice to Owner of at least two (2) business days, to its records with respect to the Project and the Affordable Housing Municipal Loan Program to the WCHC's Lead Agency, the City of Reno, at no cost or expense to the WCHC for audit, examination and review by the WCHC, the Attorney General's Office, WCHC contracted independent auditors, HUD, the Comptroller General of the United States, or any combination

thereof. Reasonable times will be construed according to the circumstances, but ordinarily will mean during normal business hours 8 a.m. to 5 p.m. local time, Monday through Friday.

§7.02 *Client Usage Records and reports.*

a. Client Usage records. Owner shall provide the WCHC with client usage records for the Project at the time of initial lease-up, as well as on a regular yearly basis at monitoring through submission of the Client Submission Report Form (Attachment C-2 to the Loan Agreement). These records will contain, at a minimum, the following data, if applicable: (i) Total clients/tenants served; (ii) Client's/tenant's/household's name and unit number; (iii) Date of clients/tenants most recent income certification, client's/household's income and rent charged; (iv) Head of household information; (v) Number and percentage of Low and Very Low Income clients/tenants as defined by HUD Income Limits for Low-Income and Very Low-Income Families under the Housing Act of 1937; (vi) Number of handicapped client/tenants served; (vii) Number of senior citizens served; (viii) Number of persons in each household served; (ix) Utility allowance, if any; (x) Amount of any subsidies (e.g., Section 8); and (xi) Primary language spoken in the family.

b. Homeless Tenants. For any project targeting homeless individuals and families, all households must execute a Certification of Homelessness prior to placement, and all household members must be entered into the Homeless Management Information System (HMIS) within seven (7) days from the initiation of services and includes, but is not limited to, all mandatory fields. Data shall be maintained at a ninety percent (90%) quality standard.

§7.03 *Inspections, Monitoring and Audits*

a. Inspections and Monitoring. Following prior written notice to Owner of at least two (2) business days, Owner shall allow duly authorized representatives of WCHC to go on the Property during reasonable business hours (and to Owner's place of business if Project records are kept there) and conduct such occasional reviews, audits and on-site monitoring the WCHC deems to be appropriate in order to determine, among other things: (i) Whether the objectives of the HOME program are being achieved; (ii) Whether their activities are being conducted in an efficient and effective manner; (iii) Whether management control systems and internal procedures have been established to meet the objectives of the HOME Program; (iv) Whether the financial operations, as they pertain to this Declaration, are being conducted properly; (v) Whether the periodic reports to the WCHC contain accurate and reliable information; (vi) Whether all of the HOME activities are being conducted in compliance with the provisions of Federal and State laws and regulations and this Agreement; (vii) Whether rents

are being calculated and reported correctly as required by 24 CFR 92.252(f)(2); and (viii) Whether the Tenant Protections indicated in Article 3 are being observed.

b. Production of Records. All records reasonably requested by the WCHC in accordance with the terms and conditions set forth in this Declaration, the Loan Agreement, the Note or the Deed of Trust from Owner shall be made available to the WCHC's Lead Agency, the City of Reno, at no cost or expense to the WCHC.

c. Advance Notice. Visits by the WCHC to the Project shall be announced in advance of those visits by prior written notice of at least two (2) business days provided to Owner and shall occur during normal operating hours. The representatives of the WCHC may, from time to time, interview recipients of the Affordable Housing Municipal Loan Program-related housing services who consent to be interviewed. WCHC staff will also inspect property units during visits and monitoring, subject to the rights of tenants. At Owner's election, Owner or its agent shall have the right to be present during such visits and interviews. All such visits and interviews shall be conducted subject to applicable lease terms and applicable law and shall be conducted in a manner to minimize disruption to tenants.

d. Access to units. At any time during business hours, and upon reasonable notice to tenants, and at reasonable times, WCHC shall be given access to the HOME assisted units to inspect them for habitability and verify tenant occupancy and information.

Art. 8 ENFORCEMENT AND REMEDIES

§8.01 *Inability to rent.*

Within eighteen (18) months from the date of project completion (as evidenced by issuance of all applicable certificates of occupancy), if efforts to market a HOME Rent Restricted Unit(s) are unsuccessful and such unit(s) is/are not occupied by an eligible tenant, HUD will require repayment of all HOME funds invested in the HOME Rent Restricted Unit(s).

§8.02 *Default.*

A default under this Declaration occurs if there occurs a breach of this Declaration, subject to applicable force majeure, notice and cure period provisions herein.

§8.03 *Notice and Opportunity to Cure.*

If WCHC believes that a default under this Declaration has occurred, it shall give the

Owner and any limited partners listed above in “additional notices” notice in writing, and the Owner and limited partner shall have thirty (30) business days to cure the default (or such other cure period as specified in the Loan Agreement). If the Owner or a limited partner has commenced and is diligently pursuing a cure for the default, such cure period shall be extended as reasonably necessary to complete such cure.

§8.04 Remedies.

If a default occurs without excuse or discharge and remains uncured after written notice is provided to Owner thereof and the cure period specified in Section 8.03 has elapsed, WCHC may exercise any one or combination of the following remedies, and the rights and remedies herein are cumulative so that the exercise of any one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other right or remedy for the same default or any other default:

1. Accelerate and demand payment under the Note and pursue any remedy under the Note, the Deed of Trust, and/or the Loan Agreement, unless otherwise agreed under a subordination agreement or the Note and Deed of Trust have been extinguished due to foreclosure of senior debt;
2. Seek injunctive relief for specific performance of rent restrictions or other obligations under this Declaration; and/or
3. If the default is related to the condition of the property or the treatment of tenants, WCHC may expend funds to correct the default which will be considered as additional advances under the Deed of Trust, or if the Deed of Trust has been extinguished, shall constitute a lien on the Property under the provisions of NRS 108.221 through 108.246.

Notwithstanding anything to the contrary in this Declaration, WCHC agrees that any cure of any default made or tendered by any member or partner of Owner shall be deemed to be a cure by the Owner and shall be accepted or rejected by WCHC on the same basis as if made or tendered by Owner.

§8.05 Waivers.

Failure or delay in giving notice of default shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and

maintain any actions or pursue any remedies. Waivers are binding on a party only if expressed in writing signed by an authorized officer of the waiving party.

§8.06 *Attorney's fees and costs.*

If either party brings any action or proceeding to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs as determined to be just under the circumstances by the Court.

Art. 9 GENERAL TERMS

§9.01 *Time Frames and Deadlines.*

The parties agree to accomplish the actions within the time frames or deadlines stated above. Time is of the essence in the performance of the obligations in this Declaration. Unless otherwise specified: (i) the term "days" means calendar days; (ii) the term "business days" means days that both parties are open for business – generally excluding weekends and holidays recognized in Nevada; (iii) if a deadline falls on a weekend or holiday, then performance is due on the next following business day of the recipient of the performance; and (iv) performance is due by 5 p.m. PST on the day of deadline.

§9.02 *Assignment, Transfer of Project; Binding Effect.*

a. This Declaration is a covenant running with the land and shall be binding on all future owners of the Property and their heirs, successors, trustees, representatives and permitted assigns.

b. Consent required for transfers. Except for transfers permitted in the Loan Agreement, for the duration of the Affordability Period, Owner shall not transfer or dispose of all or any part of the Project without obtaining the written consent of WCHC. Any unpermitted transfer is void. If WCHC consent is required, Owner shall submit to WCHC a request for approval of the sale, transfer or other disposition of the Project no later than 90 days before the anticipated sale, transfer or other disposition.

§9.03 *Standards for Approvals; Further acts and assurances.*

a. Unless otherwise specified (such as with the words "sole discretion") wherever this Declaration requires the approval of a party, or any of a party's officers, agents or employees, such approval shall not be unreasonably withheld delayed or conditioned.

b. The City Council of Reno is a governmental body whose decisions are legislative functions that may be subject to public hearings and input, and, except as otherwise provided herein, shall have sole and absolute discretion to approve or disapprove any matter submitted to them provided, however, that decisions are not procured by fraud or bribery, or are arbitrary, capricious or an abuse of discretion.

c. WCHC and each successive owner of the Property shall take all reasonable actions and enter into, execute and deliver all documents reasonably required by the other party to carry out the terms of this Declaration, provided that no such action or documentation shall result in a material change to the terms and conditions of this Declaration, or, if applicable, the Loan Agreement, the Deed of Trust, the Note or any document executed in connection therewith or any greater liability of Owner or its affiliates. This provision survives the termination of this Declaration.

§9.04 *Notices.*

a. Notices hereunder must be in writing which shall be mailed or personally delivered to each party at the address specified above or to a successor owner at the Property address. Notice is deemed received by the other party upon the earlier of (i) when actually received; (ii) three (3) business days after delivered to and accepted by the U.S. Postal Service if sent by certified or registered mail; or (iii) two (2) business days after having been submitted for delivery by reputable overnight courier. Failure to provide copies of additional notices as set forth herein does not affect the validity of notices to the property owner.

b. So long as Developer/Owner owns the Property, copies of notices shall be provided as specified above. Failure to provide copies does not negate or impair the notice given to a party.

§9.05 *Severability.*

In the event that any word, clause, or provision herein is declared by a court of competent jurisdiction to be invalid, unenforceable, or contrary to public policy, then such offending provision shall be deemed, from the very beginning, to have been modified to the extent to bring it within the limits of validity or enforceability. If, however, such offending provision cannot be so modified, then it shall be severed from this Declaration. In either event (modification or severance), all remaining words, phrases, clauses and provisions herein remain fully enforceable.

§9.06 *Applicable law; Jurisdiction.*

The interpretation and enforcement of this Declaration shall be governed by the laws of Nevada. Actions to enforce this Declaration shall be brought in the Second Judicial District Court in and for Washoe County, Nevada.

§9.07 *Interpretation of this Agreement.*

Titles and headlines of this Declaration are intended for editorial convenience and are not to be construed as a part of this Declaration. The word “include” or “including” is not intended as a limitation and shall be construed to include the words “but not limited to.” Unless otherwise specified, the word “herein” means anywhere in this Declaration or the attachments. Any reference to the masculine genders includes, where appropriate in the context, the feminine gender. Any term in the singular includes, where appropriate in the context, the plural. The Parties hereto were each advised by counsel in drafting and negotiating this agreement, and each Party contributed to its contents. No presumptions against or in favor of any party are appropriate based on who drafted this Declaration or any provision herein.

§9.08 *Warranties of Authority.*

Each party who signs this Declaration represents and warrants that he/she has obtained all necessary approvals and has actual authority to execute this Declaration with the effect of binding his/her principal.

§9.09 *Modifications; Authority to administer and approve changes.*

a. This Declaration may not be modified or amended and no waivers are effective unless expressed in writing and duly signed by the party to be bound by the modification, amendment or waiver.

b. In addition to the Authorized Representative specified above, the City Manager of the City of Reno shall have the authority to act as an Authorized Representative. Each Authorized Representative, acting alone, shall have the authority to execute all deeds, escrow instructions, settlement statements, title insurance instructions, agreements, notices and other instruments necessary to effectuate the purposes of this Declaration, and each Authorized Representative may accept all performances, and waive or negotiate remedies for defaults and implement this Declaration *provided, however that* any such action that materially or substantially changes the uses or development permitted on the Property, reduces the amount owed or adds to the cost incurred by a party shall require the consideration of and written consent of the governing body of the party. For example, and subject to the foregoing limitation, each Authorized Representative, acting alone, shall have the authority to (i) issue interpretations, grant

waivers, and/or enter into certain amendments to this Declaration on behalf of his/her principal; (ii) agree to loan assumptions, contract assignments or substitution of parties; (iii) enter into subordination agreements or estoppels to evidence that this Declaration is subordinate to any applicable senior financing; (iv) execute other documents as reasonably requested by any tax credit investor or senior financing lender in order to effect a closing of the financing of the Project; (v) waive or modify any insurance requirements set forth herein if (A) such insurance is determined by such Authorized Representative not to be commercially available on commercially reasonable terms or (B) the insurance obtained by Developer, subject to such waiver conforms to the requirements of all applicable senior lenders; (vi) extend times of performance under this Declaration; and (vii) initiate and settle any litigation to enforce the provisions of this Declaration.

§9.10 *Entire Agreement; Counterparts.*

This Declaration shall be effective on the date it is duly executed by all of the parties. The parties agree that this Declaration, together with its attachments, contains the entire agreement of the parties and supersedes any written or oral representations, promises, warranties, or other undertakings made during the negotiation of this Declaration. This Declaration may be executed in counterparts and is effective when each party receives a complete set of counterpart signature pages.

//counterpart signature pages follow//

Declaration of Restrictive Covenants
SILVER SAGE COURT REHABILITATION / PRESERVATION

Counterpart Signature Page

OWNER

HOUSING AUTHORITY OF THE CITY OF RENO
a Nevada Public Body Corporate and Politic.

By: _____
Name: Dr. Hilary Lopez
Title: Executive Director

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 _____)
) ss.
COUNTY OF _____)

On _____, 2024 before me, _____, Notary Public, personally appeared [NAME], who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that [HE/SHE] executed the same in [HIS/HER] authorized capacity, and that by [HIS/HER]signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature:

(seal)

Declaration of Restrictive Covenants
(Silver Sage Court Rehabilitation; HOME Loan)

Counterpart Signature Page

WCHC: Washoe County Home Consortium

By City of Reno, Lead Agency

By _____ Date _____
Jackie Bryant, Interim City Manager

STATE OF NEVADA)
)
COUNTY OF WASHOE) Acknowledgement in Representative Capacity
) (NRS 240.1665)

This Instrument was acknowledged before me on _____
by JACKIE BRYANT as Interim City Manager of the City of Reno.

Notary Public

Approved as to Legal Form
KARL HALL, City Attorney

By _____
Deputy City Attorney

**EXHIBIT A
LEGAL DESCRIPTION**

**SILVER SAGE COURT REHABILITATION / PRESERVATION
APN: 026-284-30**

All that certain lot, piece or parcel of land situate in the County of Washoe, State of Nevada, described as follows:

All that certain parcel of land situate in a portion of the North one-half (N ½) of Section Six (6), Township Nineteen (19) North, Range Twenty (20) East, M.D.B.&M., Sparks, Washoe County, Nevada, and being more particularly described as follows:

Parcel 1 of Parcel Map No. 2972 for HOUSING AUTHORITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on November 22, 1995, as File No. 1944581, Official Records.

NON-RECOURSE PROMISSORY NOTE
SILVER SAGE COURT REHABILITATION / PRESERVATION; HOME Loan

\$1,000,000

Interest Rate: 3%

1. Parties and Definitions. This Non-Recourse Promissory Note (“**Note**”) is by and between the following parties and definitions:

<i>Date</i>	As of _____
<i>Project</i>	SILVER SAGE COURT REHABILITATION / PRESERVATION 2455 Orovada Street Sparks, NV 89431
<i>Developer/ Borrower</i>	HOUSING AUTHORITY OF THE CITY OF RENO 1525 E. Ninth Street, Reno, NV 89512 Authorized Representative: Dr. Hilary Lopez, Executive Director and each successive owner of the Property.
<i>Additional Notices to</i>	None
<i>WCHC/ Lender</i>	Washoe County HOME Consortium City of Reno, Lead Agency One East First Street, 11 th Floor P.O. Box 1900 Reno, Nevada 89505
<i>Loan Amount</i>	ONE MILLION US DOLLARS (\$1,000,000)
<i>Interest See ¶4</i>	3% as provided in Section 4
<i>Repayment Schedule See ¶5</i>	Beginning on July 1, 2026, annual payments of \$50,592 will be made out of available cash flow, if any, as provided in Section 5 below. Failure to make a payment due to lack of cash flow will not be an event of default. The entire unpaid balance of principal and interest is due and payable on the Final Maturity Date of [DATE-30 years later], unless sooner

2. Recitals.

A. Pursuant to the Loan Agreement (Silver Sage Court Rehabilitation; HOME Loan) (“**Loan Agreement**”) executed contemporaneously herewith, Lender has advanced the Loan

Promissory Note

Amount to Borrower to provide funding for the acquisition and new construction of the Project.

B. Borrower, contemporaneously with closing of the construction loans to be made by the Senior Lenders (as defined in the Loan Agreement), shall execute that certain Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and Assignment of Rents and Other Proceeds; Request for Notice of Default (“**Deed of Trust**”) for the benefit of Lender, encumbering the Project property to secure the payment of this Note.

C. Borrower, contemporaneously with closing of the construction loans to be made by the Senior Lenders, shall execute a Declaration of Restrictive Covenants (the “**Declaration**”) which establishes affordability requirements for the Project as required by regulations of the U.S. Department of Housing and Urban Development under the HOME Investment Partnerships Program (24 CFR Part 92).

NOW THEREFORE in exchange for the loan advance, Borrower agrees as follows.

3. **Promise to Pay.**

FOR VALUE RECEIVED, Borrower promises to pay to the Order of WCHC at the address designated above in lawful money of the United States, the principal amount specified above or so much thereof as has actually been advanced to Borrower by Lender, under the following terms and conditions.

4. **Interest; Late Fees**

Borrower agrees that interest shall accrue on the unpaid principal balance, commencing on the date that the Loan Agreement is executed, at the rate specified above, interest compounding annually based on actual days elapsed. Accrued interest will be accounted for separately and not added to the unpaid principal balance.

There are no late fees.

5. **Repayment Schedule.**

a. Definitions.

Borrower’s Fiscal Year is the fiscal year specified in the Partnership Agreement.

Operating Cash Flow has the meaning set forth in the Partnership Agreement.

b. Annual Repayment Schedule. Commencing on July 1, 2026, and on the first business day of January in each year thereafter, Borrower shall pay to Lender \$50,592 from available Operating Cash Flow.

c. Balance due on acceleration or Final Maturity. All unpaid principal and interest

are due and payable without demand on the Final Maturity Date specified in Section 1 above unless sooner demanded under subsection 5 (d) of this Note or because of default under subsection 7 (a) of this Note.

- d. Special Acceleration. The entire unpaid balance of principal and interest become due and payable on demand by Lender if available Cash Flow during any one year is not distributed to Lender in a manner as provided under Section 7.2 of the Partnership Agreement; or if Borrower fails to provide accounting as required by subsection 5 (e) of this Note.
- e. Borrower's Reporting and Record Inspection Requirements. Within 90 calendar days of the conclusion of Borrower's Fiscal Year, Borrower shall provide an accounting to Lender of the total revenues received, total expenses paid, and each distribution of Cash Flow during that fiscal year to any member, affiliate or lender of Borrower and the amount of each distribution to be made during the upcoming fiscal year. Borrower shall make available for inspection and audit by Lender the Borrower Tax Returns and books and records of Borrower.
- f. Payments shall be made at the Finance Office of the City of Reno, 1 East First Street, 9th Floor, P.O. Box 1900, Reno, Nevada, 89505.

6. Prepayment and application of payments.

- a. Prepayment of all or part of the amounts due may be made at any time without any penalty or fee.
- b. All payments, including prepayments, shall first be applied to pay accrued interest due, then reasonable costs of collection, and then to reduce the unpaid principal balance.

7. Default; remedies; nonrecourse provisions.

a. Default: A "default" is automatically deemed to occur in any of the following events/circumstances: (i) a payment is not made when due (written notice of such failure will be provided, unless such notice would violate bankruptcy or other laws, and if notice is given, Borrower will then have thirty (30) days to cure the default); (ii) there occurs a breach of any material term, condition, promise or representation herein, (written notice of such failure will be provided unless such notice would violate bankruptcy or other laws, and if notice is given, Borrower will then have thirty (30) days to cure the default); (iii) there occurs a default by Borrower under the Loan Agreement, or the Deed of Trust which breach is not cured within the time frames specified therein (additional notice and opportunity to cure will not be provided under this Note); or (iv) Borrower defaults under the Declaration and such default is not cured within the time frame specified therein (additional notice and opportunity to cure under this Note will not be given).

b. Cures by Limited Partners. Any limited partner or member of Borrower may cure any default within the time frames specified above and Lender will accept such cure as if it

came from the Borrower. Lender shall give notice to the limited partners at the “additional notices” addresses stated above, and if the amounts are not paid in full within thirty (30) days after notice is deemed received, Lender may pursue its remedies set forth below.

c. Remedies. In the event of a default, as defined in Section 7(a) above and subject to such right to cure as provided herein, Lender may exercise any of the following remedies or rights in addition to those remedies and rights afforded by Nevada law or equity, and each of the remedies and rights are cumulative and the election of one remedy is not to the exclusion of any other right or remedy:

(1) The entire unpaid principal balance and accrued interest of the Loan evidenced by this Note and all reasonable costs of collection immediately become due and payable without advance notice, demand, presentment, or protest (all of which are waived by Borrower);

(2) Lender may exercise any of its rights and remedies under the Deed of Trust;

(3) Lender may seek injunctive relief for violations of the Declaration.

d. Non-recourse Provisions. Except as provided in §24 (b) (9) of the Deed of Trust, neither Borrower nor any of its partners, members and/or managers shall have any personal liability under this Note or the Deed of Trust and Lender’s only recourse for the satisfaction of the indebtedness or for the performance of such obligations shall be the Lender’s exercise of its rights and remedies with respect to the project Property and any other collateral held by Lender as security for the indebtedness.

8. General Provisions.

a. Waivers. Any lack of diligence by Lender or any failure to exercise any right or remedy, or any partial exercise of a right or remedy shall not constitute a waiver of the default or any right or remedy unless such a waiver is expressed in writing by an authorized agent of Lender. Any waiver applies only to the specific default, or right or remedy indicated therein, and does not operate as a continuing waiver of the default, right or remedy or of any other or future defaults, rights or remedies.

b. Attorney's Fees and Costs of Collection. In the event of a default by Borrower hereunder, Borrower agrees to pay all reasonable costs of collection, including, but not limited to, all costs of foreclosure or repossession, protection and preparation for sale and sale of any collateral, all reasonable costs of litigation, and all reasonable attorney's fees expended to represent Lender in any bankruptcy or other court proceeding involving any collateral for this loan or involving Borrower. In order to contain attorney's fees, Lender may, but is not obligated to, use staff counsel rather than outside counsel, and if so, Borrower agrees to reimburse Lender for the pro-rata portion of staff counsel's salary commensurate with the time spent on the case.

c. Governing Law; Severability.

(1) This Note, as well as Lender's and Borrower's obligations and rights under it, shall be governed by the laws of the State of Nevada, regardless of where any of the Borrower lives, conducts business, or uses the advances made by Lender. Further, Borrower consents to the jurisdiction of Nevada courts in Washoe County for any action brought to enforce this Note or any other loan document.

(2) Should any provision or clause herein be deemed illegal, contrary to public policy, unenforceable or beyond the limits of law by any court or regulatory agency competent to so rule, and if the offending provision can be modified to conform to the limits of validity, then it shall be deemed, ipso facto, to have been modified from the very beginning to be within the limits of validity or enforceability, and it shall be enforced as such. If the offending provision cannot be modified, then it shall be excised from this Note. In any event, all remaining provisions shall remain in full force and effect. Any reimbursements, payments or monetary adjustments in favor of the Borrower shall be credited as a prepayment of this Note.

d. Binding Effect. This Note is binding on all successors, assigns and representatives of Borrower.

e. Modifications. No modification, agreement to extend or renew or agreement to forbear, or otherwise alter the terms of this Note are binding on Lender unless it is made in writing by an authorized agent. Borrower may not rely on oral modifications or representations by employees of Lender.

f. Loan Assumption. This Note may be assumed, and Borrower's rights and obligations hereunder may be assigned, under the terms provided in the Loan Agreement and Deed of Trust.

g. Valid Purpose and Authority. Each of the undersigned persons represents and warrants to Lender that he or she is legally competent, and duly authorized to bind Borrower, and that this loan and the use of the proceeds shall be for valid, authorized and legal purposes.

h. Notice. Notice hereunder shall be provided in writing delivered to the addresses listed above (including the "copy notice parties" set forth above and such additional "copy notice parties" that are affiliates of Borrower that Borrower may later request to be copy notice parties by written notice to Lender provided, however, that failure to give notice to additional parties does not nullify notice to Borrower) either by hand delivery, U.S. Mail or reputable overnight courier. Notice is deemed to be received on the earlier of: (i) when actually received, (ii) three (3) business days after delivered to and accepted by the U.S. Postal Service if sent by certified or registered mail or (iii) two (2) business days after having been submitted for delivery by reputable overnight courier.

9. **Security.** This Note shall be secured by the Deed of Trust.

10. **Subordination.** The indebtedness evidenced by this Note is and shall be subordinate to the

indebtedness evidenced by that certain Promissory Note (Secured – All Inclusive) in the original principal amount of \$1,000,000 executed by Borrower in favor of the Nevada Housing Division.

EXECUTED on the date indicated below.

////////////////////Signature Page follows////////////////////.

Non-recourse Promissory Note
Silver Sage Court Rehabilitation / Preservation; HOME Loan

BORROWER:

Date: _____, 2024

HOUSING AUTHORITY OF THE CITY OF RENO
a Nevada Public Body Corporate and Politic

By: _____
Name: Dr. Hilary Lopez
Title: Executive Director

Non-recourse Promissory Note
Silver Sage Court Rehabilitation / Preservation HOME Loan

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 _____)
) ss.
COUNTY OF _____)

On _____, 2024 before me, _____, Notary Public, personally appeared [NAME], who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that [HE/SHE] executed the same in [HIS/HER] authorized capacity, and that by [HIS/HER] signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____ (seal)

APN: 026-284-30

Mail Tax Statements To:

Housing Authority of the City of Reno
1525 E. Ninth Street
Reno, NV 89512
Attention: Dr. Hilary Lopez

Recording requested by:
City of Reno
One East First St., 12th Floor
Reno, NV 89501

Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040

**DEED OF TRUST, SECURITY AGREEMENT, CONSTRUCTION MORTGAGE
AND FIXTURE FILING and ASSIGNMENT OF RENTS AND OTHER PROCEEDS;
REQUEST FOR NOTICE OF DEFAULT
(Silver Sage Court Rehabilitation; HOME Loan)**

As of [XXX]

§1. *Parties, definitions and recitals.*

a. THIS DEED OF TRUST, is by and between and involves the following Project and Property.

Borrower/ Developer/ Owner/ Debtor	HOUSING AUTHORITY OF THE CITY OF RENO 1525 E. Ninth Street, Reno, NV 89512 Authorized Representative: Dr. Hilary Lopez, Executive Director and each successive owner of the Property.
Additional Notices to	
Lender/ WCHC/ Beneficiary/ Secured Party	Washoe County HOME Consortium City of Reno, Lead Agency One East First Street, 12 th Floor Reno, Nevada 89501

Trustee	
Loan Amount	\$1,000,000
Loan Agreement	Loan Agreement (Silver Sage Court Rehabilitation/Preservation; HOME Loan) executed as of [DATE]
Note	Non-recourse Promissory Note in the amount of \$1,000,000 executed contemporaneously with the Loan Agreement, and as amended to reflect any future advances.
Project	Silver Sage Court Rehabilitation / Preservation 2455 Orovada Street, Sparks, NV 89431
Real Property	See Attachment A, together with appurtenances (including water rights described below), hereditaments and property described in Section 3
Water Rights	Included to the extent that they are appurtenant to the Property.
Personal Property	See Section 4.
Senior Lenders (See §38)	N/A

§2. *Recitals.*

A. Under the federal HOME Investment Partnerships Program (HOME), Lender is advancing the Loan Amount to Borrower for the acquisition of land and construction of the Project as an affordable housing project.

B. Borrower and Lender have entered into the Loan Agreement and a Non-Recourse Promissory Note (“**Note**”) to be secured by this Deed of Trust.

C. Borrower has also executed and delivered for recording a Declaration of Restrictive Covenants (“**Declaration**”), establishing affordability requirements for the Project as required by federal law for the HOME Program. The covenants therein are independent of and recorded separately from this Deed of Trust.

D. Funds under the Loan Agreement will be advanced to pay for acquisition and construction expenses for the Project. Additional funds to complete the acquisition and construction of the Project will be needed from the third party lenders listed above in Section 1 (each a “**Senior Lender**”). As is customarily done under the HOME program, it is the intention of Lender for this Deed of Trust to be or become a subordinate lien to the deed of trust or other security instrument granted to the Senior Lenders with respect to the loans from the Senior Lenders specified above in Section 1, either by recording this Deed of Trust after the deed of trust of each Senior Lender, or by one or more subordination agreements.

NOW THEREFORE, in exchange for these presents, Borrower grants, bargains, sells, and agrees as follows:

§3. *Deed of Trust for Real Property.*

In consideration of and as security for the obligations described below, Borrower irrevocably grants, bargains and sells to Trustee, in trust, with power of sale, all of Borrower's interest in (including all interests hereafter acquired) the Real Property located in The City of Reno, County of Washoe, State of Nevada, more particularly described above.

TOGETHER with (i) all buildings, structures and improvements now existing or hereafter erected on the property ("Improvements"); (ii) all existing and future easements, reversions, privileges, appurtenances, franchises tenements of the property, including all minerals, oil, gas, other hydrocarbons and any other commercially valuable substances which may be in, under or produced from any part of the property; (iii) all royalties, minerals, oil and gas rights and profits, geothermal rights; (iv) all water, water rights and water stock as specified above; (v) all fixtures, equipment and other personal property now or subsequently affixed or placed upon the property; (vi) to the extent not directly assigned under section 5 herein, all existing and future licenses, occupancy agreements and concessions relating to the use and enjoyment of the Property and all guarantees thereof, all rents, incomes, issues and revenues and profits of the property; (vii) all existing and future proceeds, including all claims to and demands for claims, of the voluntary or involuntary condemnation, forfeiture, or conversion of any of the property or Improvements; (viii) the proceeds of all existing or future insurance policies regarding the property; (ix) all existing or future causes of action and their proceeds for any damage or injury to the property and Improvements, including any cause of action arising in tort, contract, fraud or concealment of a material fact in connection with any construction contracts or work done on the property or improvements; (x) any and all cash or non-cash proceeds and products of the foregoing, including, without limitation, all monies, deposit accounts, general intangibles, liquidated claims and other tangible or intangible property received upon a sale, conversion or disposition of any portion of the property or any of the foregoing, and all judgments, claims, rights to make claims, compensation, awards of damages or settlements with respect to any of the foregoing; (xi) all zoning entitlements and development rights regarding the Real Property, including rights under special use permits, variances, rights under development agreements and planned unit developments; and (xii) for purposes of marshalling and conducting a coordinated sale of the Project, all security interests and personal property described below.

§4. *Security interest in Personal Property; Fixture filing.*

a. **Grant.** In further consideration of and as security for the full performance of the obligations described below, Borrower (Debtor) hereby grants a security interest to Beneficiary (Secured Party) in the following personal property now owned or after acquired and placed on or used in connection with the construction, operations and maintenance of the Real Property, together with all additions and accretions to, substitutions and replacements for,

and changes to: (i) all fixtures now or subsequently affixed or placed upon the Real Property; (ii) all equipment and inventory and other personal property; (iii) all contract rights; (iv) chattel paper; (v) all instruments, documents, notes, drafts; (vi) letters of credit (other than letters of credit in favor of Beneficiary), performance or payment bonds or other surety contracts; (vii) all goodwill arising out of the marketing and operation of the Real Property; (viii) all development and use rights; (ix) all files, records, drawings and documents, including all architectural and engineering plans, specifications and drawings, as-build drawings; (x) all extracted minerals and timber; (xi) all general intangibles relating to the Real Property including without limitation all rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received (including all earnest money sales deposits); (xii) all federal, state and local tax credits and other tax benefits to the extent legally assignable; and (xiii) all governmental permits and licenses and applications, hereinafter, the "Personal Property."

b. **Construction mortgage; Fixture/mineral filing.** This Deed of Trust is a construction mortgage (see Section 7 below) and grants a security interest in fixtures (goods which become so related to the Real Property that an interest in them arises under real estate law of Nevada) and minerals of the Real Property and is to be filed for record in the real estate records of the county where the Real Property is located and is intended to be a fixture and mineral filing to perfect the security interest within the purpose of NRS 104.9334.

c. **Public Finance Transaction.** As the Loan Agreement is a transaction under the federal HOME Investment Partnership Act and advances hereunder are from federal funds, this Deed of Trust is part of a public finance transaction with a 30 year filing protection as specified in NRS 104.9515.

§5. *Assignment of rents.*

a. **Absolute assignment.** Borrower hereby absolutely, presently, and unconditionally assigns to Beneficiary all of the following property and rights now existing or hereafter acquired:

(i) all of Borrower's rights, title and interest in to and under any and all leases, rent agreements, licenses and other agreements of any kind relating to the use or occupancy of all or any portion of the Property (collectively, the "**Leases**") including (i) all guarantees of and security for lessees' performance under any and all Leases, and (ii) all amendments, extensions, renewals or modifications to any Leases;

(ii) all rents (and payments in lieu of rent), income, profit, payments and revenue at any time payable under any and all Leases;

(iii) all security and cleaning deposits or other collateral held pursuant to all Leases;

(iv) all subsidies, grants, and rights to payment under any government program or contract relating to affordable housing, welfare, medicare, or other program that makes

benefits available to operators of the Property or to tenants of the Property; and

(v) all bank accounts, debts, deposits, monies or other property held by any third person which includes any of the foregoing.

Pursuant to NRS 107A.230, this assignment is intended to be a presently effective security interest in all accrued and unaccrued rents arising from the Property. It is not conditional upon default or otherwise. Beneficiary may at any time pursue any remedy as provided in NRS 107A.250 through 107A.300 and apply the proceeds in accordance with NRS 107A.310. Any receipt, release, accord and satisfaction executed by Beneficiary is binding on Borrower.

b. **License to collect; limitations of prepayment of rents.** Beneficiary hereby grants to Borrower a revocable license to collect and retain the foregoing, except that rents may not be collected more than one (1) month in advance (not counting security deposits).

c. **Agreement to keep rents and deposits separate, and to keep sufficient funds in the account.** Borrower agrees to keep undisbursed rents, all reserves and all security and cleaning deposits relating to the Project in separate bank accounts and not to commingle them with other assets of Borrower. Thus, any bank account which includes Borrower's or the Project's name is subject to this assignment. Borrower further agrees to keep the balance in any account which contains security and cleaning deposits sufficient to refund all security deposits indicated on the Leases. In the event that Beneficiary is required to advance funds to refund security or cleaning deposits to tenants as required by Nevada law, Borrower agrees to repay such advances immediately and the obligation to repay any such advances is secured by this Deed of Trust.

d. **Collection does not cure defaults.** The collection of any of the foregoing rents, issues, and profits by Beneficiary, or the application thereof to the indebtedness shall not cure or waive any default hereunder or invalidate any act done in response to such default or cause Beneficiary to provide new notices or rights to cure under NRS 107.080.

e. **Restriction on further assignments, security interests.** Except for each Senior Lender, Borrower will not, without prior written consent of Beneficiary further assign, grant a security interest in, or otherwise create a lien on the foregoing rents, issues or profits, or any part thereof, from the Property or any part thereof, and any attempted assignment will be void as against Beneficiary in addition to being an event of default under this Deed of Trust.

f. **Effects of enforcement.** As per NRS 107A.300, the enforcement of this assignment of rents does not make Lender a mortgagee in possession of the Property or an agent of Borrower, does not make the secured obligation unenforceable, and does not constitute an election of remedies or limit any right available to the Lender with respect to the Loan Documents. Borrower agrees that, except for an obligation to account for all rents collected and how they were applied, Beneficiary shall have no duties to Borrower, shall not be responsible for performing any of the obligations of Borrower under this Deed of Trust, and shall not be liable in any manner for the Property, except with respect to acts or omissions of

Beneficiary and its agents in exercising Beneficiary's remedies under this Deed of Trust that constitute gross negligence or willful misconduct. Beneficiary shall not be responsible for any waste committed by lessees or other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property.

§6. *Obligations Secured ("Loan Documents").*

These grants are given to secure Borrower's payment of all amounts due and the full performance of all obligations of Borrower under:

- i. The above described Loan Agreement and Note; and
- ii. Any document representing future advances by Beneficiary to Borrower which refer to this Deed of Trust; and
- iii. This Deed of Trust, and the repayment (with interest) of all amounts advanced by Beneficiary under any provision in this Deed of Trust or for the payment of any amounts to protect the Property or Beneficiary's lien granted hereunder, whether or not obligatory; and
- iv. All other loan documents now or hereafter executed in connection with this loan transaction which state they are secured by this Deed of Trust; and
- v. Together with all renewals, revisions, modifications, amendments, and extensions to any of the foregoing, all of the foregoing being referred to herein as the "**Loan Documents.**"

COVENANTS

Borrower and Beneficiary agree to each of the following.

§7. *Construction mortgage provision.*

This Deed of Trust secures a construction loan, and in connection with the construction of the Project, Borrower further covenants and agrees that:

- a. The improvements to be erected, altered, or remodeled on the Property shall be completed in accordance with the construction provisions in the Loan Agreement.
- b. If a builder control arrangement is used for disbursing funds hereunder, the terms of the control agreement are incorporated herein by reference, and Borrower represents and warrants that all invoices and submittals for payment are true, correct, complete, and represent costs actually incurred or funds actually advanced for construction of the Project.

c. Upon default of any of the above covenants in Sections 7(a) or 7(b), and following any applicable cure periods as provided herein, in addition to the remedies set out in Section 24 of this Deed of Trust, Lender may complete the construction, alteration, or remodeling of the improvements and enter into the necessary contracts therefor. All money so expended shall be secured by this Deed of Trust and any amount in excess of the face amount of the Loan Agreement secured hereby shall be payable on demand with interest at the default rate of the Loan Agreement.

§8. *Impound account.*

a. **Requirement.** So long as a Senior Lender is impounding for taxes and insurance, Beneficiary agrees not to request funds hereunder. If requested by Beneficiary, Borrower agrees to pay to Beneficiary on the day monthly installments of principal and interest are payable under the Loan Agreement, until the Loan Agreement is paid in full, amounts (pro rated on a monthly basis) necessary to pay the following “Property Obligations” as they become due:

- (1) all hazard insurance and
- (2) property tax assessments, and
- (3) special assessments against the property.

all as reasonably estimated by Beneficiary on the basis of assessments and bills.

b. **Impound account, no interest.** If Beneficiary collects impounds, Beneficiary shall establish a trust impound account in accordance with Nevada law. Beneficiary shall not pay Borrower interest on the account. Funds in the account are pledged as additional security for the obligations secured by this Deed of Trust.

c. **Annual accounting, analysis.** To the extent that Beneficiary is holding impounds, Beneficiary shall give to Borrower, without charge, an annual accounting of the funds showing credits and debits to the account, and the purpose for which each debit was made. Beneficiary shall also conduct an annual analysis to determine whether sufficient money is being contributed to the account on a monthly basis to pay for the projected Property Obligations as they become due.

d. **Surplus funds.** Subject to the terms of the Partnership Agreement, if the amount of any funds held by Beneficiary, together with the future monthly installments, is estimated to be more than what is reasonably necessary to pay all Property Obligations as they become due, the excess shall be, at Borrower’s option, either (i) promptly repaid to Borrower, (ii) credited to the unpaid principal balance of the loan, or (iii) retained in the impound account. If Borrower fails to specify which option within twenty (20) days after receipt of notice, any excess funds will remain in the trust impound account. If, however, Borrower is delinquent on making payments due under the Loan Agreement, any excess shall be applied to the delinquency.

e. **Deficiencies.** If, at any time, the amount of the funds held by Beneficiary in the trust impound account is not sufficient (in the estimate of Beneficiary) to pay Property Obligations when they become due, Borrower agrees to (on thirty (30) days notice) increase monthly contributions in an amount necessary to pay Property Obligations as they would become due.

f. **Refunds.** Upon payment in full of all sums secured by this Deed of Trust, Beneficiary shall promptly refund to Borrower any funds held in the impound account by Beneficiary.

g. **Foreclosures.** If the Property is sold at a foreclosure sale, or is acquired by Beneficiary by a deed in lieu of foreclosure, Beneficiary shall apply funds in the trust impound account first to pay any Property Obligations prorated as of the time of the sale or conveyance, second to pay other sums secured by this Deed of Trust, and any excess after such payments will be returned to Borrower.

§9. Insurance, assignment of proceeds.

a. **Coverage required.** So long as the loan secured by this Deed of Trust is subordinate to any loan by any Senior Lender or any Takeout Lender, Borrower shall maintain insurance in the amounts and on terms required by such Senior Lender or Takeout Lender and the remaining terms of this Section 9 shall not apply. If no such loan by any Senior Lender or any Takeout Lender is outstanding, so long as Borrower owes money to Beneficiary, Borrower agrees to maintain insurance in amounts approved, from time to time, and with insurers approved by Beneficiary as follows:

(1) insurance with respect to Improvements against loss or damage by fire or any risk included under "fire and extended coverage" policies and any other hazard Beneficiary requires, in an amount reasonably approved from time to time by Beneficiary, with a replacement cost endorsement without depreciation;

(2) public liability and property damage insurance applicable to the Property on commercially reasonable terms;

(3) business interruption insurance in amounts adequate to cover taxes, insurance premiums, and Loan Agreement payments for six (6) months;

(4) flood insurance if the Property is ever designated as part of a flood plain or otherwise comes under the requirements of the Federal Flood Insurance Act of 1968 as amended, or any similar law.

b. **Assignment of Proceeds.** Subject to any prior assignments to a Senior Lender, Borrower hereby absolutely, unconditionally, and presently assigns to Beneficiary all proceeds of all insurance policies now or hereafter existing regarding the Property, so long as there is an outstanding indebtedness under the obligations secured hereby. In the event that Borrower is paid any such proceeds, Borrower agrees that it is holding such proceeds as a trustee for

Beneficiary and to immediately pay them to Beneficiary, or as otherwise provided in any Intercreditor Agreement in force at the time the proceeds are paid.

c. **Required Provisions.** All insurance maintained by Borrower shall: (i) except for public liability insurance, contain a standard non-contributory mortgagee's endorsement in favor of Beneficiary; (ii) provide that, except in the case of public liability insurance, insurance proceeds shall be payable to Beneficiary; (iii) provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Beneficiary or Borrower or any other person; (iv) provide that no cancellation, reduction in amount or material change in coverage shall be effective until at least thirty (30) days after receipt by Beneficiary and Borrower of written notice and (v) contain only such deductibles, if any, as Beneficiary may approve in writing, and be reasonably satisfactory to Beneficiary in all other respects.

d. **Proof of insurance.** Upon the execution of this Deed of Trust and thereafter not less than thirty (30) days prior to the expiration date of any policy, Borrower will deliver to Beneficiary the original of any policy or renewal policy required by this Deed of Trust, bearing notations evidencing the payment of premiums, except that, in lieu of any policy, Borrower may with Beneficiary's consent, deliver a certificate of the insurer, satisfactory to Beneficiary in substance and in form, as to the issuance and effectiveness of the policy and the amount of coverage afforded thereby accompanied by a certified copy of such policy. Delivery of the policy of insurance shall constitute assignment to Beneficiary of any returned premiums.

e. **Further Documents, Beneficiary Rights.** Borrower agrees to execute any documents reasonably required by Beneficiary to accomplish the assignment of insurance policies, and Beneficiary shall have the right to notify any and all insurers that it has an interest in any policy regarding the Property and, subject to any intercreditor agreement with any Senior Lender, to demand payment of any proceeds.

§10. Condemnation, damage, destruction of Property.

a. **Assignment of proceeds.** Borrower hereby absolutely, unconditionally, and presently assigns to Beneficiary:

(i) the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or any part thereof, or for any conveyance in lieu of condemnation; and

(ii) all payments arising out of any damage to the Property, including, but not limited to all judgments, awards, cash settlements, proceeds of all insurance policies; and

(iii) payments of any kind arising out of or paid as a result of any damage to the Property or decrease in value of all or part of the Property or any interest in it; and

(iv) all awards, claims and causes of action arising out of any warranty affecting all or any part of the Property; and

(v) all interest that may accrue on any of the foregoing,

(hereafter “**Damage Proceeds**”). Notwithstanding the foregoing, such assignment, and all of Beneficiary’s rights and remedies in connection with such assignment and the Damage Proceeds (including, without limitation, as set forth in subsections 10(b), (c) and (d) below) shall be subject to the rights and remedies of any and all Senior Lenders and Takeout Lenders.

b. Right to appear in proceedings, collection and payment of Damage Proceeds. Subject to any provision in any subordination or intercreditor agreement:

(1) If Beneficiary chooses to do so, during a default under this Deed of Trust (subject to any applicable notice and cure provision), Beneficiary may in its own name appear in any condemnation proceeding or negotiations, or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury or loss to all or part of the Property and Beneficiary may make any compromise or settlement of the action or proceeding.

(2) Subject to any prior assignments to third party lenders, all Damage Proceeds shall be paid to Beneficiary, and in the event that Borrower is paid any such Damage Proceeds, Borrower agrees that it is holding them as a trustee for Beneficiary and to immediately pay them to Beneficiary. Borrower waives any legal or equitable interest in the award and any right to require an apportionment of the award. To the extent permitted by Nevada law, Borrower agrees that Beneficiary is entitled to apply the award in accordance with this section without demonstrating that its security has been impaired.

c. Application of proceeds, effect of payment of proceeds to Borrower. Subject to any provision in any subordination or intercreditor agreement, any Damage Proceeds paid to Beneficiary may be applied by Beneficiary (i) first to toward reimbursement all Beneficiary’s costs and expenses of recovering the proceeds, including reasonable attorney’s fees, then (ii) next to the repayment of any obligations secured hereby in the order Beneficiary determines, or at the option of Beneficiary (subject to subsection “d” next below), the entire amount or any part, may be applied to repair or restore the Property or released to Borrower. The application or release shall not cure or waive any default or notice of default, or invalidate any act done pursuant to a notice of default. Unless Beneficiary and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date or amounts of any payments required by the Loan Agreement or herein. No prepayment fee is due as a result of Damage Proceeds received by Beneficiary.

d. Obligation to Repair or Rebuild. Subject to any provision in any subordination or intercreditor agreement, in the event of damage or destruction of all or any part of the Property, Beneficiary agrees that the proceeds assigned above shall be used to repair or replace the Property and Borrower agrees to repair or rebuild the units damaged provided that (i) Borrower is not otherwise in default under this Deed of Trust except as a result of such casualty, (ii) the plans and specifications, cost breakdown, construction contract, construction schedule,

contractor and payment and performance bond for the work of repair or reconstruction must all be acceptable to Beneficiary, (iii) there are adequate funds available to Borrower to complete the reconstruction or repair, and (iv) a construction control procedure has been established satisfactory to Beneficiary regarding the budget and use of construction funds.

§11. Management, preservation and maintenance of property; inspection.

a. **Management.** Following completion of construction of the Project, Borrower agrees to provide continuous on-site management of the Property and to use reasonable efforts to assure the security of tenants, the quiet enjoyment of the Property by tenants, maximum occupancy of units and collection of rents, and compliance with Nevada law and applicable federal law regarding landlord tenant relationships. "On site management" means an office on site that is staffed with an employee or agent of Borrower at least from 8 a.m. to 5 p.m. local time six (6) days a week.

b. **Good repair.** Borrower agrees to keep the Property in good repair and shall not permit or commit waste, impairment, or deterioration of the Property or remove, demolish or materially alter any building or other Property subject to this Deed of Trust. In the event that any improvements or Personal Property is damaged or destroyed, Borrower agrees to promptly rebuild or replace them in a workmanlike manner, and to pay all charges and satisfy all liens in connection therewith, subject to section 10 hereof.

c. **Habitable condition.** Borrower agrees to construct and maintain all dwelling units in accordance in all material respects with each of the following: (1) all state and local building codes, or if no local code exists, then in accordance with either the Uniform Building Code, National Building Code, or the Standard Building Code; (2) NRS 118A.290 or any other statute that establishes standards of habitability for a dwelling unit; (3) "Minimum Property Standards: (FHA) set forth in 24 CFR 200.295 (for multifamily) or 24 CFR 200.296 (for one and two unit dwellings); (4) the Model Energy Code; and (5) 24 CFR 893.6(b) with respect to neighborhood standards. If there is a conflict between Nevada, federal or local law as to minimum property standards, the law which favors tenants the most will be used as the standard for determining breach of this paragraph.

d. **Fair Housing and Disability Acts.** Borrower agrees to cause the Property to continuously be in compliance with all applicable requirements of the Fair Housing Act of 1968 (as amended) and the Americans With Disabilities Act of 1990, and with all Nevada laws regarding equal opportunity in housing, and renting to persons with disabilities all as amended, (collectively referred to herein as the "Acts"), and agrees to protect, defend, indemnify and hold harmless from and against all liability threatened against or suffered by Beneficiary by reason of the breach of this covenant. The foregoing indemnity includes the cost of all alterations to the Property (including hard costs as well as soft costs), all fines, fees and penalties, and all legal and other expenses (including attorney's fees) incurred in connection with the Property being in violation of the Acts. This indemnification shall continue even if all other sums are paid in full to Beneficiary and this Deed of Trust is reconveyed, or if the Property is conveyed in foreclosure or deed in lieu of foreclosure.

e. **Zoning, covenants.** Borrower shall (i) operate the Project and use the Property consistent with applicable zoning and land use laws and shall not apply for any change in the zoning or land use classification of the Property without Beneficiary's consent, and (ii) shall not commit or allow any act upon or use of the Property which would violate any public or private covenant, condition, restriction or equitable servitude affecting the Property.

f. **Legal uses, no forfeitures.** Borrower will take all actions to prevent the forfeiture of any of the Property under Chapters 453 and 179 of Nevada Revised Statutes or any other law relating to forfeiture of property used in connection with the commission of a crime.

g. **Preserve value and utility.** Borrower shall perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value and utility.

h. **Inspections.** Beneficiary may make or cause to be made reasonable entries upon and inspection of the Property, and Borrower agrees to provide access to all buildings and units and all files and records relating to the management of the Project, provided that Beneficiary shall provide Borrower with two (2) business days prior written notice of such entries and inspection, Borrower may elect to be present (or cause an agent of Borrower to be present) during such entries and inspection and such entry and inspection shall be subject to the rights of tenants under applicable leases and laws and shall be carried out in a manner that minimizes disruption of such tenants.

i. **Enforcement without showing impairment of security.** Borrower understands and agrees that a breach of the foregoing, or any other provision herein that affects the decency, safety, or sanitary condition of the Property, is a material breach under this Deed of Trust and a default may be declared hereunder without a demonstration that the breach impairs the value of the security.

§12. *Warranty of Title.*

a. Borrower represents and warrants:

(i) that it is the sole owner of and lawfully possesses and holds fee simple absolute title to the Property, without any defects, liens, encumbrances (except tenant leases and senior deeds of trust), easements, adverse claims or other limitations to title or any options to purchase, agreements to sell, or other defects in title, except as otherwise disclosed to Beneficiary and agreed upon in a policy of title insurance accepted by Beneficiary in connection with the loan;

(ii) that the Property includes all property and rights which may be reasonably necessary or desirable to enable Borrower to construct the Project and use, enjoy and operate the Property for the Project;

(iii) that Borrower has full and unlimited power to encumber the Property; and

(iv) that this Deed of Trust creates a valid lien on the Property.

b. Borrower agrees to defend, at Borrower's sole expense, the title to and right to possession of the Property and the security of this Deed of Trust and the rights and powers of the Beneficiary and Trustee under it against all adverse claims, and this Section 12 shall survive the termination of this Deed of Trust.

§13. *Environmental Provisions.*

a. Borrower agrees not to violate any Environmental Laws and not to release of any material amount of any Hazardous Substance, in any amounts exceeding the amounts permitted under Environmental Laws, on the Property and to remove or clean up any release caused by Borrower at Borrower's expense.

b. Borrower agrees not to cause, suffer or permit the use or storage of any Hazardous Substance on the Property in any amounts exceeding the amounts permitted under Environmental Laws.

c. Borrower agrees to notify Beneficiary of (i) any material release of any Hazardous Substance in violation of Environmental Laws, (ii) the presence of any Hazardous Substance in violation of Environmental Laws as a result of any or discharge of any adjacent or other properties, and (iii) any notices or other regulatory actions commenced by any governmental agency enforcing any Environmental Laws.

d. "Environmental Laws" means any federal or state statute relating to the protection of health, safety, and the indoor and outdoor environment; the conservation, management or use of natural resources and wildlife; the protection or use of surface water or ground water; or the management, manufacture, possession, presence, use, generation, transportation, or treatment of Hazardous Substances or materials, including, but not limited to the laws identified in NRS 40.504. "Hazardous Substance" has the meaning set out in NRS 40.504 as now existing or hereafter amended, and includes, without limitation, asbestos, polychlorinated biphenyls and petroleum. "Release" has the meaning set out in NRS 40.505.

§14. *Limitations on transfer.*

a. **Acceleration on transfer.** Except for transfers permitted under §8.02 of the Loan Agreement, and except for the granting a deed of trust or mortgage to each Senior Lender, Takeout Lender or a third party lender to which this Deed of Trust is subordinate, if the Property, or any part thereof or any interest therein, is sold by contract of sale or otherwise, conveyed, leased (except as stated below) or alienated by the Borrower or by operation of law, or otherwise, or if the Property is further encumbered, mortgaged or pledged, (all of the foregoing events are referred to as "Transfers"), then all obligations secured by this Deed of Trust, irrespective of the maturity dates of the obligations, at the option of the Beneficiary, and

without demand or notice, shall immediately become due and payable, unless the Transfer occurs as a result of a death, or unless otherwise agreed to in writing by Beneficiary. Notwithstanding the foregoing or anything to the contrary in this Deed of Trust, Borrower may transfer the Project and Property, and assign its rights and obligations under this Deed of Trust to a transferee as provided in the Loan Agreement.

b. **Minimum standards for consent to transfer.** See §8.02 of Loan Agreement for consent requirements.

c. **Waivers.** If Beneficiary consents to a Transfer or fails to exercise its rights hereunder, it shall not constitute waiver of the right to exercise its rights in the event of a subsequent Transfer. Acceptance of a payment on an obligation secured by this Deed of Trust after Beneficiary receives notice of the occurrence of a Transfer does not constitute a waiver of its rights hereunder. If a Transfer occurs, with or without Beneficiary's consent, Borrower waives all suretyship defenses, including the right to compel suit against the principal debtor.

d. **Permitted leases & encumbrances.** This section shall not prevent Borrower from entering into (i) rental agreements or leases of the Property to individual tenants or (ii) leases or easements with cable, internet or laundry service providers, in the ordinary course of Borrower's business, provided that the leases do not contain an option to purchase. Any lien or deed of trust now or hereafter granted to any lender is a permitted transfer if this Deed of Trust has been made subordinate to it.

§15. *Fee for permitting assumption.*

Beneficiary is under no obligation to do so (subject to the terms set forth in Section 14(a) above), but if Beneficiary agrees to a Transfer by Borrower of its interest in the Property to another person, Beneficiary may charge a fee of ONE PERCENT (1%) OF THE UNPAID BALANCE of the Loan Agreement as an assumption fee.

§16. *Security agreement provisions.*

In connection with the personal property security interest granted, Borrower (Debtor) warrants, represents, and covenants as follows:

a. **No other liens.** Except for the security interest granted hereby, and any security interests given to any Senior Lender, Borrower is or will be the sole owner of the Personal Property, free from any adverse lien, security interest, encumbrance, or adverse claims thereon of any kind whatsoever, except purchase money security interests. Borrower will notify Beneficiary of, and will defend the Personal Property against, all claims and demands of all persons at any time claiming the same or any interest therein, except purchase money security interests.

b. **No sale of Personal Property.** Except in connection with a transfer of the Property permitted under this Deed of Trust, Borrower will not lease, sell, convey or in any manner

transfer the Personal Property without the prior written consent of Beneficiary except in the ordinary course of business and for replacements and substitutions for obsolete, worn-out or damaged property.

c. **Commercial use.** The Personal Property is not used or bought for personal, family, or household purposes.

d. **Use only on Real Property.** The Personal Property will be kept on Real Property and Borrower will not remove it from Nevada without the prior written consent of Beneficiary.

e. **Further documents.** Borrower agrees to execute any financing statement or other document reasonably required by Beneficiary to document, protect or perfect (or renew or continue perfection of) this security interest. Borrower hereby irrevocably appoints Beneficiary its attorney-in-fact to execute and deliver any such document in the name of and on behalf of Borrower.

f. **Assemble collateral.** In the event of a default hereunder, Borrower agrees to assemble all Personal Property and make it available to Beneficiary at the location of the Real Property.

g. **Possession not satisfaction.** If Beneficiary takes possession of any Personal Property, it shall not be considered to be retention of collateral in satisfaction of the debt unless Beneficiary actually makes a written proposal to Borrower.

§17. Default prepayment.

If any debt secured by this Deed of Trust requires payment of additional consideration as a condition of prepayment, Borrower agrees to pay that sum, if any, if the indebtedness is paid prior to the due date, whether payment is voluntary or involuntary, and notwithstanding that the Borrower is in default, and that Beneficiary, by reason thereof, has declared all sums secured hereby immediately due and payable.

§18. Statutory Covenants.

a. The following covenants Nos. 1 (regarding payment of taxes, assessments and other liens); 2 (regarding insurance in amounts as provided herein); 3 (regarding adverse claims), provided that Beneficiary shall not be permitted to settle any such claims without Borrower's consent unless there is an uncured default as described in Section 23 (subject to applicable notice and cure periods) then in effect; 4 (regarding reimbursement for amounts expended pursuant to implied covenants-- with interest at the default rate in the Loan Agreement, or if no default rate is expressed in the Loan Agreement, then the rate established in NRS 99.040); 6 (regarding foreclosure procedures), 7 (regarding trustee's deeds and application of proceeds of foreclosure sale -- including payment of reasonable counsel fees and costs actually incurred); 8 (trustee's deed is conclusive proof of default and regularity of proceeding); and 9 (appointment of substitute trustee) of NRS 107.030 are hereby adopted and made a part of this Deed of Trust, provided, however, that the express covenants of this Deed of Trust shall control

to the extent that the same are inconsistent with the statutory covenants.

b. The power of sale under this Deed of Trust shall not be exhausted by any one or more sales (or attempts to sell) as to all or any portion of the Property remaining unsold, but shall continue unimpaired until all of the Property has been sold by exercise of the power of sale herein contained and all indebtedness of Borrower to Beneficiary under this Deed of Trust and all obligations it secures has been paid in full.

§19. *Offset statement.*

Borrower shall, within seven (7) days following receipt of a request from Beneficiary, furnish to Beneficiary a written executed statement, commonly called an offset statement, showing the exact payments made to date and the unpaid balance of the Note (or notes) secured by this Deed of Trust as shown on Borrower's records.

§20. *Protection of Beneficiary's Security.*

a. **Powers.** If Borrower fails to perform any obligation herein or if any action or proceeding is commenced which materially affects Beneficiary's interest in the Property, including, but not limited to, payment of any insurance premium, default under any agreement to another creditor secured by the Property, eminent domain, insolvency, code enforcement, an action to enforce any environmental laws, forfeiture under state or federal criminal laws, or arrangements or proceedings involving a bankrupt or decedent, then Beneficiary may make any appearance, disburse any sums and take any action necessary to protect Beneficiary's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs.

b. **Reimbursement of amounts advanced.** Any amounts disbursed by Beneficiary pursuant to this section shall become additional indebtedness of Borrower secured by this Deed of Trust, payable upon demand and bearing interest from the date of disbursement at the default rate specified in the Loan Agreement, or if no default rate is specified, then the regular rate of interest, and if no regular rate is expressed, then at the rate calculated pursuant to NRS 99.040.

c. **Subrogation of any liens satisfied.** Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by the payment of any sums by Beneficiary.

§21. *Beneficiary's right to deal with collateral.*

Without affecting the liability of any person, including Borrower, for the payment of any secured debt or the lien of this Deed of Trust on the Property for the full amount of any unpaid indebtedness, Beneficiary and Trustee are empowered as follows:

a. Beneficiary may, without notice do any one or more of the following: (i) release any person liable for the payment of any of the indebtedness; (ii) extend the time or otherwise alter

the terms of payment of any of the indebtedness; (iii) accept additional security; and (iv) alter, substitute or release any property securing the indebtedness.

b. Trustee may, without liability and without notice, upon written request of Beneficiary: (i) consent to the making of any map or plat of the Property; (ii) join in granting any easement or creating any easement or creating any restriction thereon; (iii) join in any subordination or other agreement affecting this Deed of Trust; and (iv) reconvey, without any warranty, any part of the Property.

§22. *Payment for services and costs of enforcement; exculpation of Beneficiary.*

a. **Services and costs of enforcement, attorney's fees.** Borrower agrees to pay the (up to the maximum amounts legally permitted) reasonable fees as may be charged by Beneficiary and Trustee, for any services that Beneficiary or Trustee may render in connection with this Deed of Trust, including Beneficiary's providing a statement of the obligations secured hereby, or Trustee's rendering of services in connection with a reconveyance. Borrower also agrees to pay or reimburse all of Beneficiary's and Trustee's costs and expenses which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including but not limited to (i) enforcing any rights or remedies afforded to Beneficiary or Trustee, or both of them, under section 24 hereunder, whether any lawsuit is filed or not; (ii) defending any action or proceeding arising under or relating to this Deed of Trust; and (iii) appearing in any bankruptcy or insolvency proceeding to enforce any creditor's rights (including the preparation of proofs of claim and negotiating matters with Borrower or a bankruptcy trustee or debtor in possession, obtaining relief from the automatic stay and participating in any creditor's committees). The costs and expenses to be reimbursed or paid hereunder include, but are not limited to, reasonable attorney's fees and other legal costs, travel expenses, costs of expert witnesses or consultants, costs of any foreclosure sale (or sales if Beneficiary chooses to sell the Property in more than one sale) together with any cost of evidence of title. If Beneficiary or Trustee use the services of the Reno City Attorney, reasonable attorney's fees shall be the rate being charged by the Reno City Attorney for a Deputy City Attorney III through the city budget process at the time the services are performed.

b. **When payment due, interest.** Payment or reimbursement of any of the foregoing sums shall be due and payable immediately upon demand, and each such obligation shall be added to and considered part of the obligations secured hereby and shall bear interest from the date the obligation arises at the default rate.

c. **Exculpation of Beneficiary.** Beneficiary shall not be directly or indirectly liable to Borrower or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary under this Deed of Trust except with respect to the gross negligence or willful misconduct of Beneficiary; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Borrower under any agreement related to the Property or under this Deed of Trust; and (iii) any loss sustained by Borrower's or any third party resulting from Beneficiary's failure to lease the Property, or from any other act or omission of Beneficiary in managing the

Project after an event of default unless the loss is caused by the gross negligence or willful misconduct and bad faith of the Beneficiary.

§23. *Events of Default.*

Borrower shall be in default under this Deed of Trust if any one or more of the following events occur:

a. Failure by Borrower to pay on the date such payment is due and payable (i) any payment of principal of or interest on the Note or Loan Agreement pursuant to the provisions of and following the expiration of any cure period therein (subject to any required notice); (ii) any other sums due hereunder within the time period specified and, if no such time is specified, within thirty (30) days after notice to Borrower; and (iii) any amounts due which are secured hereby or due under any other Loan Document, by acceleration or otherwise. Notice and opportunity to cure shall be given under §24 (a) (1).

b. Failure by Borrower to punctually perform or observe any covenant or agreement contained in this Deed of Trust (other than monetary obligations described in paragraph a above), subject to notice and opportunity to cure. Notice and opportunity to cure shall be provided under §24 (a) (2).

c. The occurrence of an event of default under the Loan Agreement or any other obligation secured hereby, subject to applicable force majeure, notice and cure provisions. If required notice and opportunity to cure is given under the Loan Agreement, additional notice and opportunity to cure need not be given under this Deed of Trust.

d. The occurrence of an event of default under the Declaration that impacts the value of the Property (i.e. failure to maintain in a habitable condition), subject to applicable force majeure, notice and cure provisions. This Deed of Trust does not secure the Affordability Requirements. If any required notice and opportunity to cure is given under the Declaration, additional notice and opportunity to cure need not be given under this Deed of Trust.

e. Either Borrower or any guarantor of Borrower's obligations secured by this Deed of Trust: (i) fails to pay its debts generally as they come due; (ii) admits in writing its inability to pay its debts generally; (iii) makes a general assignment for the benefit of creditors; (iv) institutes any proceeding seeking to adjudicate itself insolvent or seeking to liquidate its assets; (v) takes advantage of any insolvency act; (vi) commences a case or other proceeding naming it as a debtor under the United States Bankruptcy Code or similar law, domestic or foreign; (vii) suffers the commencement of a case or other proceeding against it under the United States Bankruptcy Code or similar law, domestic or foreign, or any proceeding seeking liquidation of its assets and it fails to take appropriate action resulting in the withdrawal or dismissal of such proceeding within ninety (90) days; (viii) suffers the appointment of a receiver, liquidator, conservator, trustee or similar official over all or a substantial part of its assets of Borrower; or (ix) takes any action in furtherance of any of the foregoing. Notice and opportunity to cure shall be provided under §24 (a) (2).

f. A writ of execution, attachment, criminal forfeiture or any similar process is issued or levied against all or any part of or interest in the Property or any judgment involving monetary damages is entered against Borrower which shall become a lien on the Property or any portion thereof or interest therein and such execution attachment or similar process is not released, bonded, satisfied, vacated or stayed within thirty (30) days after its entry or levy. Notice and opportunity to cure shall be provided under §24 (a) (2).

g. Any suit or proceeding is filed against Borrower or its "Principal Participant" (general partner, managing member, parent corporation, holding company, or majority shareholder if the majority shareholder participates in the management of the corporation) which, if adversely determined, could substantially impair the ability of Borrower or its Principal Participant to perform any of their material obligations contained in the Loan Documents, and such suit or proceeding shall be more likely than not to be successful, all as determined by the Beneficiary in its reasonable discretion. Notice and opportunity to cure shall be provided under §24 (a) (2).

h. Any assignment by Borrower of the whole or any part of the rents, issues or profits arising from the Property to any person (other than a lender who is providing additional acquisition or construction funding concurrent with this advance) without the consent of Beneficiary or if, without such consent, Borrower shall further encumber the Property or any portion thereof including, without limitation, the granting of any security interest under the UCC. Notice and opportunity to cure shall be provided under §24 (a) (2).

i. At any time any representation, warranty or statement made by Borrower or its Principal Participant in any Loan Document or any certificate delivered by Borrower or its Principal Participant is incorrect or misleading in any material respect when made, or any material misrepresentation is at any time made to Beneficiary by Borrower or its Principal Participant. Notice and opportunity to cure shall be provided under §24 (a) (2).

j. Any provision of any of the Loan Documents relating to the ability of Beneficiary to enforce any right hereunder or to the ability of Beneficiary to realize on the Property for any reason ceases to be legal, valid and binding or Borrower shall so state in writing. Notice and opportunity to cure shall be provided under §24 (a) (2).

k. The Loan Documents shall for any reason, except to the extent permitted by the terms hereof or thereof, cease to create a valid and perfected lien or security interest in any of the Property or Borrower shall so state in writing. Notice and opportunity to cure shall be provided under §24 (a) (2).

l. The dissolution or winding up of the affairs of Borrower, or the withdrawal of the Principal Participant of Borrower. Notice and opportunity to cure shall be provided under §24 (a) (2).

m. The Property or any portion of it becomes property of a bankruptcy estate or

the subject of any bankruptcy proceedings, or becomes part of a decedent's estate, or there occurs a petition for the appointment of any trustee, receiver or liquidator of any material part of the Property. Notice and opportunity to cure shall be provided under §24 (a) (2).

n. Borrower defaults on any indebtedness secured by a deed of trust or security agreement on the Property which is either prior or subordinate to the lien of this Deed of Trust, subject to applicable notice and cure provisions. Notice and opportunity to cure shall be provided under §24 (a) (2).

§24. Remedies on Default; Notice and cure periods.

a. Notice and Cure Periods.

(1) Monetary defaults: If Borrower fails to pay or cause to be paid any amount due hereunder or under any Loan Document, including, but not limited to, the payment when due of principal, interest, fees, insurance premiums, taxes or assessments against the property, rents collected if the license to collect and retain the rents is revoked by Beneficiary, reimbursement of any amounts advanced by Beneficiary hereunder, any proceeds of insurance or condemnation received by Borrower, the payment of amounts due to any junior lienholder, Beneficiary shall, subject to subsection (3) below, give notice to Borrower and limited partners at the "additional notices" addresses stated above, and if the amounts are not paid in full within thirty (30) days after notice is deemed received, Beneficiary may pursue its remedies set forth below.

(2) Other defaults: In the event of any default not described in the subparagraph (1) above occurs, Beneficiary shall give notice to Borrower and limited partners at the "additional notices" addresses stated above, subject to subparagraph (3) next below, and if the default is not cured within forty-five (45) days after notice is deemed received, Beneficiary may pursue its remedies set forth below. If, however, circumstances beyond the control of Borrower or its limited partners exist that render it impracticable for Borrower or its limited partners to remedy the default within forty-five (45) days, and if Borrower or its limited partners has undertaken all possible measures to cure the default within forty-five (45) days, such cure period shall be extended for the period of time reasonably necessary to accommodate such cure.

(3) If, however, the giving of notice under subsections (1) or (2) above is prohibited by injunction or other court proceeding, or is stayed by the automatic stay or any other provision in federal bankruptcy laws or is not allowed by any other provision of law, then notice shall not be given, and the applicable cure period begins on the date of the default.

Notwithstanding anything to the contrary in this Deed of Trust, Beneficiary agrees that any cure of any default made or tendered by any member or partner of Borrower shall be deemed to be a cure by the Borrower and shall be accepted or rejected by Beneficiary on the same basis as if made or tendered by Borrower.

b. **Remedies.** In the event of a default, upon the expiration of the cure periods specified above, Beneficiary may, in any order it chooses undertake any one or combination of the following remedies, and all of these remedies are cumulative and in addition to any other remedy given hereunder or under the laws or principles of equity of Nevada:

(1) Accelerate the balance due under the Note, Loan Agreement or any Loan Document or any other agreement executed in connection with the loan transaction (such as hazardous waste agreements, assignments of leases or the like) and pursue any remedy available thereunder.

(2) Invoke any of its rights specifically provided for herein, including, but not limited to revocation of the license to collect rents, taking any action to protect its security, and exercising the power of sale of the Real Property.

(3) Repossess or otherwise enforce its rights against the Personal Property in accordance herewith and the Nevada Uniform Commercial Code.

(4) Enforce the Assignment of Rents as provided in NRS 107A.250 through 107A.300 and apply the proceeds as provided in NRS 107A.310. Borrower agrees that a receiver may be appointed as a matter of right without regard to the sufficiency of the Property or any other security or guaranty and without any showing contemplated by NRS 107.100, all of which are waived by Borrower and Borrower hereby consents to the appointment of a receiver. The receiver shall have the right to take possession of the Property, take possession of all deposit accounts containing rents or security deposits, collect rents and enforce Leases, refund security deposits, enter into new Leases (with discretion to determine the rent and security deposit levels), pay salaries and expenses of employees, authorize and pay for repairs necessary to maintain habitability of the dwelling units and protection of the Property, pay utilities and monthly operating and maintenance expenses, pay taxes and insurance premiums, remit any surplus to Beneficiary, and any additional powers given to it by the court.

(5) In person or by agent enter, take possession or, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust, including, but not limited to, those powers listed next above.

(6) Bring an action for specific performance to enforce covenants herein regarding the condition and management of the Property, status of title, and the protection of Beneficiary's security except that an action for specific performance may not be brought to collect any sums advanced and due hereunder.

(7) Bring an action for enforcement of Environmental Provisions (§13) as allowed by NRS 40.512.

(8) Following foreclosure and sale of the Property, to the extent provided by law, bring an action for the repayment of any deficiency in principal and interest due under the

Loan Agreement, unless the Note or Loan Agreement states that the loan is a non-recourse loan.

(9) To the extent permitted by law and regardless of whether or not the loan was a non-recourse loan, Lender may bring an action against Borrower to recover losses suffered by Lender as a result of breach of any covenant in this Deed of Trust relating to protection or preservation of the security, including, but not limited to, losses suffered by Lender due to (i) failure to insure the Property or failure to surrender insurance or eminent domain proceeds and/or failure to rebuild under Section 10; (ii) waste of the Property in violation of Section 11; (iii) costs of repair or relocation of tenants because the Property is uninhabitable under subsection 11 (c); (iv) forfeiture of property due to illegal use under subsection 11 (f); (v) a breach of the hazardous materials covenants under Section 13; (vi) failure to reimburse Lender for costs of enforcement under §22 of this Deed of Trust; (vii) failure to segregate and surrender security deposits, advance rents or other sums collected from and owed to tenants; (viii) retention, disposition or sale of real or personal property collateral not in the ordinary course of business or constituting a fraudulent transfer under NRS Chapter 112; and/or (ix) losses due to short sales where Owner or Owner's real estate agent colludes with a prospective purchaser or takes action to avoid listing, advertising, or marketing the property or otherwise circumventing marketing strategies resulting in a sale at significantly less than fair market value.

§25. *Provisions regarding sale; waiver of marshalling.*

a. **Mixed property sale; notice.** In exercising the power of sale, Beneficiary may direct the sale of Real Property and Personal Property in any order and may cause to be sold any portion or all of the Personal Property at the same time as any portion or all of the Real Property. If any Personal Property is to be sold at the same time as any Real Property, Borrower agrees that notice of such sale may be included with the notice of sale provided under Nevada law for the sale of the Real Property, and that following the procedures set in Nevada law for the sale of the Real Property constitutes a commercially reasonable sale of the Personal Property.

b. **Commercially reasonable sale of personal property.** If any Personal Property is not sold at the same time as Real Property, Borrower agrees that the following procedure would constitute a commercially reasonable sale: (i) Beneficiary or Trustee shall mail written notice to Borrower at least thirty (30) calendar days before sale, (ii) Beneficiary or Trustee shall publish notice of sale once a week for four (4) weeks in a newspaper of general circulation in the area where the property is to be sold, and (iii) the sale may be private or public, and Beneficiary may refuse any bid if in its judgement the bid or offer does not equal the fair market value of the property. The foregoing is not the only procedure that may be commercially reasonable.

c. **Waiver of marshalling.** Borrower waives all rights, legal and equitable, it may now or hereafter have to require marshalling of assets or to require upon foreclosure sales of assets in a particular order, including any such rights provided by Nevada law as it may be amended

from time to time. Each successor and assign of Borrower, including any holder of a lien subordinate to this Deed of Trust, by acceptance or its interest or lien agrees that it shall be bound by this waiver.

d. **Order of sale; multiple sales.** If the Property consists of more than one lot, parcel or item of property, Beneficiary may designate the order in which the lots, parcels or items shall be sold or disposed of and may elect to dispose of the lots, parcels and items through a single consolidated sale or through two or more sales which may be conducted simultaneously or successively.

e. **Credit bids; application.** At any sale, Beneficiary may enter a credit bid against all balances owed to reimburse Beneficiary for any advances made to cover costs and expenses of preservation and preparation of property for sale, and costs and expenses of sale, then to reduce late charges and collection costs, and, then to reduce interest and then principal under any obligation secured hereby.

f. **Sales proceeds do not cure default.** Any proceeds of any sale shall not cure any event of default or reinstate any secured obligation for the purposes of NRS 107.080.

§26. *Waivers.*

a. **Statute of limitations.** Borrower waives, except as prohibited by law, the right to plead, use or assert any statute of limitations as a plea or defense or bar of any kind, or for any purpose.

b. **Waivers by Beneficiary.** Acceptance of a late or partial payment or performance shall not constitute a waiver of any other or future default. Any lack of diligence by Beneficiary or any failure to exercise any right or remedy shall not be construed as a waiver of the default or any rights or remedies unless such a waiver is expressed in writing. Any waiver applies only to the specific default or right or remedy indicated therein and does not operate as a continuing waiver of the default, right or remedy, or of any other or future defaults, rights or remedies, nor does any waiver imply a course of dealing, course of conduct, or obligation to make any further waivers or forbearances.

§27. *Successors and assigns bound; joint and several liability.*

a. The covenants of this Deed of Trust shall bind, and the rights created shall inure to, the respective successors and assigns of Beneficiary and Borrower. The application of the preceding sentence does not constitute a waiver of the prohibition against Transfers. Each of the undersigned is obligated and liable jointly and severally with each other of the undersigned.

b. Unless otherwise agreed, if Borrower assigns or delegates any secured obligation, Borrower remains jointly and severally liable with all successor obligors or assignees, and Borrower agrees that such liability will not be discharged or changed if Beneficiary subsequently grants an extension of time for the repayment or otherwise modifies the terms of

repayment.

§28. *Reconveyance.*

Upon satisfaction of all conditions of and payment of all amounts owed under the obligations secured hereby, and payment of all costs and expenses (including reasonable attorney's fees) of preparation and recording of a reconveyance, the Beneficiary agrees to execute and deliver a reconveyance of this Deed of Trust in recordable form and a termination or release of any Financing Statements. Any reconveyance shall be "to the person or persons legally entitled thereto" and it shall not be the responsibility of the Beneficiary or Trustee to determine who is legally entitled to the reconveyance or name any person or persons in the reconveyance.

§29. *No merger.*

No merger shall result from Beneficiary's acquiring any other estate, lien, or other interest in any of the Property unless Beneficiary agrees to a merger in writing.

§30. *Notices.*

Unless otherwise required by statute, notices shall be given in accordance with the Loan Agreement.

§31. *Governing law; interpretation; severability.*

- a. This Deed of Trust shall be governed by the law of Nevada.
- b. Should any provision or clause herein be deemed illegal, contrary to public policy, unenforceable or beyond the limits of law by any court or regulatory agency competent to so rule, and if the offending provision can be modified to conform to the limits of validity, then it shall be deemed, ipso facto, to be modified to be within the limits of validity or enforceability, and shall be enforced as such. If the offending provision cannot be so modified, then it shall be excised from this Deed of Trust. In any event, all remaining provisions shall remain in full force and effect. Any reimbursements, payments or monetary adjustments in favor of the Borrower shall be credited as a prepayment of the Loan Agreement, without penalty.
- c. In this Deed of Trust: (1) whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender; (2) the captions and sections are for convenience only and do not define or limit any terms or provisions; (3) the words "includes" and "including" are to be construed to include "but not limited to" and no listing of specific instances in any way limits the scope or generality of any language, and (4) any capitalized terms which are not otherwise defined have the meanings given to them in the loan documents evidencing the obligations secured hereby.

§32. *Deed of trust tax.*

If any tax or assessment is levied on the interest of any party to this Deed of Trust, Borrower agrees to pay the tax even if it is assessed against the Beneficiary.

§33. *Certain legal proceedings.*

Should Beneficiary or Trustee, or both, become parties to any action to enjoin foreclosure, or other legal proceedings instituted by Borrower, or by any third party, or should Borrower institute or be subject to any bankruptcy, reorganization, receivership or other proceeding in relation to creditors, then all attorneys' fees and costs incurred by Beneficiary or Trustee, or both, in any of those proceedings, shall be secured by this Deed of Trust and shall be paid by Borrower upon demand, and if not paid, shall be recovered from the Property.

§34. *Limitation of liability.* The City of Reno is a political subdivision of the State of Nevada and is performing a government function of providing safe, decent and affordable housing. Other than as provided by law (NRS Chapter 41), City does not waive any immunity from lawsuit or liability.

§35. *Counterparts.* This Deed of Trust may be executed in counterparts by the Borrower and Beneficiary and is effective on the date executed by Borrower.

§36. *Conflicts.* In the event that this deed of trust directly conflicts with an express provision in the Loan Agreement the specific provision in the Loan Agreement controls.

§37. *Nonrecourse provisions.* Any provisions in the Note or Loan Agreement limiting recourse to Borrower after exhaustion of the security afforded hereby are incorporated herein by reference, except to the extent provided in subparagraph 24 (b) (9).

§38. *Subordination Agreement.*

WCHC acknowledges that each Senior Lender is making a construction and/or permanent loan on this project as described on Schedule 1 on a condition that its deed of trust be in a lien position superior to this Deed of Trust. WCHC further acknowledges that one or more takeout lenders (who issue a permanent loan(s) to refinance the construction loan) (each a "Takeout Lender") will also require its lien to be in a first priority above and ahead of this Deed of Trust. WCHC irrevocably and unconditionally subordinates the lien priority of this Deed of Trust to the lien priority of the Senior Lenders' and any Takeout Lenders' security instruments. WCHC also agrees that its lien perfection in the rents and enforcement rights under NRS Chapter 107A (Assignment of Rents -- Uniform Act) is subordinate to any assignment of rents to one or more Senior Lenders or Takeout Lenders. If Beneficiary and any Senior Lender, Takeout Lender or third party enter into any written subordination agreement(s) that is contrary to this section, each such subordination agreement shall prevail. This subordination agreement does not apply to the Declaration.

§39 *Request for Notice.*

Pursuant to NRS 107.090, Beneficiary requests to be provided with all notices of default and sale at the address specified in §1 above.

////////////////////////////////nothing follows on this page////////////////////////////////

Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and
Assignment of Rents and Other Proceeds; Request for Notice of Default
(Silver Sage Court Rehabilitation; HOME Loan)

Counterpart Signature Page

Developer/Borrower:

HOUSING AUTHORITY OF THE CITY OF RENO

a Nevada Public Body Corporate and Politic

By: _____

Name: Dr. Hilary Lopez

Title: Executive Director

Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and
Assignment of Rents and Other Proceeds; Request for Notice of Default
(Silver Sage Court Rehabilitation; HOME Loan)

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 _____)
) ss.
COUNTY OF _____)

On _____, 2024 before me, _____, Notary Public, personally appeared [NAME], who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that [HE/SHE] executed the same in [HIS/HER] authorized capacity, and that by [HIS/HER] signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____ (seal)

Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and
Assignment of Rents and Other Proceeds; Request for Notice of Default
(Silver Sage Court Rehabilitation; HOME Loan)

Counterpart Signature Page

LENDER/ BENEFICIARY

Washoe County Home Consortium

By City of Reno, Lead Agency

By _____ Date _____
Jackie Bryant, Interim City Manager

STATE OF NEVADA)
)
COUNTY OF WASHOE) Acknowledgement in Representative Capacity
) (NRS 240.1665)

This Instrument was acknowledged before me on _____
by Jackie Bryant, as Interim City Manager of the City of Reno.

Notary Public

Approved as to Legal Form
KARL HALL, City Attorney

By _____
Deputy City Attorney

EXHIBIT A

LEGAL DESCRIPTION

SILVER SAGE COURT REHABILITATION / PRESERVATION

APN: 026-284-30

All that certain lot, piece or parcel of land situate in the County of Washoe, State of Nevada, described as follows:

All that certain parcel of land situate in a portion of the North one-half (N ½) of Section Six (6), Township Nineteen (19) North, Range Twenty (20) East, M.D.B.&M., Sparks, Washoe County, Nevada, and being more particularly described as follows:

Parcel 1 of Parcel Map No. 2972 for HOUSING AUTHORITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on November 22, 1995, as File No. 1944581, Official Records.

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 10

November 19, 2024

SUBJECT: Discussion and possible approval of a 5-Year Capital Improvement Plan for RHA's Community Benefit Properties managed by CloudTen which includes Ala Moana Apartments, Prater Way, Colonial Court, Sarrazin Arms, and Idlewild Townhomes. (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Background:

RHA staff has developed a draft 2025-2029 Capital Improvement Plan (CIP) for the Community Benefit properties managed by CloudTen Residential: Ala Moana, Prater Way, Idlewild Townhomes, Sarrazin Arms, and Colonial Court. The plan is included as an attachment to this report.

The CIP is based on discussions with on-site management staff, visual inspections, RHA staff's knowledge of the properties, and previous discussions with the Board. RHA staff has ordered property condition assessment reports to be completed by a 3rd party. These reports will help to finalize the CIP and ensure that all capital needs are identified including necessary ADA improvements.

In the CIP, the capital needs are arranged by the staff's proposed priority per property. Items at the top of the list are highest priority. Estimated costs are included for every year. Prices start with an estimate for 2025 and are escalated by 8% for each subsequent year. The pricing highlighted in green represents staff's recommendation of when to undertake the capital improvement, assuming enough funding is available in a given year. This represents the overall prioritization of items for the community benefits property portfolio across the five years.

Currently, the CIP prioritizes five (5) capital improvements at Ala Moana, three (3) improvements at Prater Way, and two (2) improvements at Idlewild Townhomes. These improvements total approximately \$9.2M for the 2025-2029 period. No capital improvements are listed or prioritized for Sarrazin Arms or Colonial Court. Sarrazin Arms may be transferred out of RHA's ownership in the next five years; therefore, the staff is not recommending capital improvements beyond the ongoing unit rehabs that are happening at turn. RHA staff are not currently aware of any capital needs that need to be addressed by 2029 at Colonial Court.

Once the third-party reports are received, staff can update the CIP, if needed, to include any items identified as priority health and safety items or critical needs within the next five years. As the CIP is a living document, it will be updated as needed and brought back to the Board for adjustments. However, once adopted, it provides a framework for planning and authorization for projects if changes do not occur.

Through October 2024, after leaving cash on hand for operations and security deposits, there is currently a total of \$2,947,376 in unrestricted cash available across these properties' accounts. Staff are developing a procedure to routinely transfer unrestricted cash, if available, from these accounts. Based on prior performance, it is anticipated that net proceeds will be available to transfer. The specific amount of proceeds currently associated with each property is provided below; however, the proceeds do not necessarily need to be spent at that property and can be used across the portfolio or for other Board approved purposes.

	Cash on Hand for Operations (Operating Account)	Cash on Hand for Deposits (Deposits are subtracted from cash in the "Operating Reserve - Security Deposit" Account)	Remaining Cash after Security Deposits deducted from "Operating Reserve - Security Deposit" Account
Ala Moana	\$ 566,258.83	\$ 45,320.00	\$ 1,920,486.00
Prater Way	\$ 162,259.02	\$ 6,100.00	\$ 174,144.00
Idlewild	\$ 339,909.93	\$ 12,125.00	\$ 426,795.00
Sarrazin	\$ 263,295.70	\$ 24,150.00	\$ 297,616.00
Colonial Court	\$ 102,776.22	\$ 4,850.00	\$ 128,335.00
	<hr/> \$ 1,434,499.70	<hr/> \$ 92,545.00	<hr/> \$ 2,947,376.00

There are currently enough funds available to undertake the proposed Year 2025 projects.

Staff Recommendation and Motion:

Staff recommends the Board motion to approved the 5-Year Capital Improvement Plan for the Community Benefit Properties managed by CloudTen Residential, including Ala Moana Apartments, Prater Way Apartments, Idlewild, Sarrazin Arms, and Colonial Court, as presented and authorize the use of funds to enact Year 2025 priority projects.

Capital Improvement Plan

2025-2029

	YEAR						
Complex	2025	2026	2027	2028	2029	Past Capital Improvements (not all inclusive)	
Ala Moana							
Exterior Siding Replacement/Painting	\$1,400,000.00	\$1,512,000.00	\$1,632,960.00	\$1,763,596.80	\$1,904,684.54	Roof	2007-2011
Parking Lot Replacement	\$1,500,000.00	\$1,620,000.00	\$1,749,600.00	\$1,889,568.00	\$2,040,733.44	Water Heaters	2011
Rebuild Second Story Balconies	\$200,000.00	\$216,000.00	\$233,280.00	\$251,942.40	\$272,097.79	Exterior Paint	2017-2018
Window/Slider Replacement	\$1,000,000.00	\$1,080,000.00	\$1,166,400.00	\$1,259,712.00	\$1,360,488.96	HVAC	2000
Retaining Wall Repairs/Replacement	\$2,500,000.00	\$2,700,000.00	\$2,916,000.00	\$3,149,280.00	\$3,401,222.40	Windows	
Asphalt Resealing	\$350,000.00	\$378,000.00	\$408,240.00	\$440,899.20	\$476,171.14	Siding (3 bldgs only)	2020
						Asphalt Maintenance	2014
						Appliance Replacement	
Total	\$2,600,000.00		\$1,749,600.00	\$3,149,280.00			
Prater Way							
Exterior Paint	\$350,000.00	\$378,000.00	\$408,240.00	\$440,899.20	\$476,171.14	Roof	
Parking Lot - Seal	\$100,000.00	\$108,000.00	\$116,640.00	\$125,971.20	\$136,048.90	Water Heaters	
Roof Replacement	\$250,000.00	\$270,000.00	\$291,600.00	\$314,928.00	\$340,122.24	Exterior Paint	2019
						HVAC	
						Windows	
						Asphalt Maintenance	2019
Total				\$440,899.20	\$476,171.14	Appliance Replacement	
Idlewild Townhomes							
Install Gutters	\$150,000.00	\$162,000	\$174,960	\$188,957	\$204,073	Roof	2014
HVAC	\$600,000	\$648,000	\$699,840	\$755,827	\$816,293	Water Heaters	
						Exterior Paint	2013
						HVAC	
						Windows	
						Exterior Stucco	2014
Total		\$810,000					
Sarrazin Arms							
							Bldg 1 - 2010 Bldg 3 - 2012
						Roof	
						Water Heaters	2014
						Exterior Paint	1996
						HVAC	
						Windows	1997
						Asphalt Maintenance	2019
						Appliance Replacement	
Total							
Colonial Court							
						Roof	
						Water Heaters	
						Exterior Paint	2016
						HVAC	
						Windows	
						Asphalt Maintenance	2019
						Appliance Replacement	
Total							
Total by year	\$2,600,000.00	\$810,000.00	\$1,749,600.00	\$3,590,179.20	\$476,171.14		
2025-2029 Cumulative	\$9,225,950.34						

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 11

November 19, 2024

SUBJECT: Discussion and possible direction to staff on proposed new MTW FY26 activities. (For Discussion Only)

FROM: Executive Director

RECOMMENDATION: For Discussion Only

Background:

On November 4, 2024, RHA staff met to brainstorm new initiatives for RHA's FY 2026 Annual MTW Plan. Following this discussion, four new activities are under consideration and two changes to existing activities are being reviewed. Prior to performing any additional research and data analysis, the staff is providing the Board with a description of each of the proposed activities for feedback. Based on this feedback, staff will take the next steps to determine the overall impact each of the proposed activities may have on the agency and the clients we serve.

New activities under consideration for the FY 2026 Annual MTW Plan:

1. *Direct Rental Assistance (DRA) pilot*

The design and evaluation of a DRA pilot as a potential Local Non-Traditional (LNT) activity was recently brought before the Board for discussion. Similar to HUD's Housing Choice Voucher (HCV) program, the DRA model would test the impact of paying a rental subsidy directly to the tenant rather than the landlord.

HUD tested rental subsidies paid directly to renters in 1970, however, a DRA model has never been directly compared to the voucher model. HUD is now interested in testing DRA to better understand and improve HUD's voucher program. For example, many of the HCV program challenges stem from landlords, including their unwillingness to accept a voucher due to the additional administrative burden. HUD anticipates that DRA could change the tenant-landlord relationship and lead to greater leasing success, but this is only one theory that needs to be tested and evaluated.

To encourage MTW agencies to consider designing DRA pilots that can be rigorously studied, HUD continues to hold monthly calls to review and discuss program design considerations. In addition to ongoing participation in HUD's monthly DRA calls, RHA continues to work closely with staff from New York University's (NYU) Furman Center to ensure that any proposal made by RHA can be readily evaluated by NYU. Areas of evaluation may include analyzing the difference between DRA and HCV participants in lease up success rates, overall landlord participation (new vs. existing), geographical spread of participants, overall quality of housing chosen, and reduced administrative burdens.

2. *Creation of an alternative inspection policy for newly constructed properties*

RHA proposes to reduce the number of inspections required at newly constructed properties by foregoing an inspection on every unit prior to allowing an HCV participant to move-in, if the following conditions have been met:

- RHA staff conducts an inspection of 10% of the units at the complex, or at a minimum, two inspections per bedroom size.
- Each of the units inspected must pass during RHA's first inspection of the complex or, if there are failed items, the landlord must certify that those failed items noted during the inspection will be addressed in any uninspected units.
- The property must certify that the units have not been previously occupied.

Staff anticipates that implementation of this activity will reduce administrative burden and provide an overall cost savings to the agency.

3. *Basic Payment Standard for LIHTC assisted units*

The Low-Income Housing Tax Credit (LIHTC) program provides funding to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. Current regulations allow HCV contract rents in LIHTC units to be greater than the rents being charged to non-voucher families if the tenant's portion of rent does not exceed the amount of rent being charged to non-voucher holders.

In accordance with HUD regulation, and at RHA's discretion, the Basic Voucher Payment Standard amount is set by RHA between 90 percent and 110 percent of the HUD published Fair Market Rent (FMR). RHA may also adopt Exception Payment Standards at the zip code level based on Small Area Fair Market Rents (SAFMRs), setting the Exception Payment Standard between 90 percent and 110 percent of the HUD published SAFMR.

RHA adopted Exception Payment Standards at the zip code level for several higher opportunity areas around the Truckee Meadows. While the higher payment standard has allowed HCV assisted families to find affordable units within these areas, it has also inadvertently resulted in some LIHTC properties establishing rents for HCV assisted families that exceed those of non-assisted families. Through this activity, RHA proposes to avoid additional rent burdens being placed on HCV participants, and reduce the amount of HAP being paid thereby maximizing resources, by limiting all LIHTC properties to the Basic Payment Standard regardless of the zip code the property is located in.

4. *Special Needs Direct Referral Program*

Transitional housing provides temporary housing with supportive services to individuals and families experiencing homelessness. Unfortunately, this also includes those who are working but earning too little money to afford long-term housing. Working with the Continuum of Care (CoC), RHA proposes providing an admissions preference to individuals and families currently living in transitional housing, if they are referred directly through the CoC. To further assist these households, referred applicants will be allowed to be placed on the waitlist even during times that the waitlists are closed to other applicants.

Currently, staff is researching the threshold of need for this activity based on the utilization rates of transitional housing providers and the number of their clients who are ready to successfully move to and maintain permanent housing. This need will be balanced against RHA's current waitlist numbers to determine the number of referrals that can reasonably be accepted from CoC partners each year without impacting RHA's ability to continue to serve applicants who obtained their spot on the waitlist when RHA waitlists were open.

The following amendments to previously approved activities are also under consideration:

1. *Simplify rent calculations and increase the minimum rent*

During the recertification process, RHA must verify income based on HUD's hierarchy of verification. Under current regulations, RHA must request written third-party verification from any family member who provides financial support to an assisted household. This support can vary greatly from cash assistance for childcare to paying for monthly utility bills such as cell phones.

As required, RHA must request written verification from the family member providing the support, which oftentimes results in delays to the recertification process. This required verification also places an unnecessary burden on RHA's staff. To streamline this process, RHA will require full verification of income during the Admissions process but proposes to allow clients receiving support from a family member to self-certify the amount of income received rather than going through HUD's hierarchy of verification once housed.

2. *Landlord Incentive Program*

In 2018, RHA implemented a Landlord Incentive Program to facilitate lease ups and increase landlord participation resulting in an increase in housing choice for RHA's low-income families. The program was designed to allow landlords to receive their contracted HAP payment through the end of the month for units occupied by HCV participants who vacate under certain conditions. Since then, the activity has been expanded to include bonuses and vacancy loss payments.

To facilitate the retention of current landlords, RHA recently asked them to complete an online survey. Through this survey, staff anticipates learning which incentives landlords consider to be most important to their ongoing participation and whether these current incentives should be restructured (i.e.: damage claim fund). In addition to the incentives offered through this activity, landlords were asked whether a Ready to Rent certification program would streamline the tenant selection process. Based on these survey results, an amendment to the Landlord Incentive Program may be included.

RHA's FY 2026 Annual MTW Plan will be drafted and posted for public review and comment in January 2025. The Plan will also be presented to members of the Resident Advisory Board and Resident Councils prior to Board review/approval in March 2025.

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 12

November 19, 2024

SUBJECT: Discussion and possible direction to staff on agenda items for the December 17, 2024, annual meeting. (For Discussion Only)

FROM: Executive Director

RECOMMENDATION: For Discussion Only

Topics discussed to date for the annual meeting/retreat:

- 1) Discussion and review of, and potential updates to, overarching goals and subgoals.
- 2) Proposed evaluation tool as part of the Executive Director's future performance evaluations.
- 3) Review and potential changes to the Board of Commissioner Bylaws.

RENO HOUSING AUTHORITY

AGENDA ITEM NUMBER: 13

November 19, 2024

SUBJECT: Additional Items (For Possible Action)

FROM: Executive Director

RECOMMENDATION: For Possible Action

Additional Items:

- a) General matters of concern to Board Members regarding matters not appearing on the agenda. (Discussion)
- b) Reports on conferences and trainings. (Discussion)
- c) Old and New Business. (Discussion)
- d) Request for Future Agenda Topics (Discussion)
- e) Schedule of next meeting. The following dates have been scheduled in advance but are subject to change at any time: Tuesday, December 17, 2024, and Tuesday, January 28, 2025.
(For Possible Action)