

**RENO HOUSING AUTHORITY**

**AGENDA ITEM NUMBER: 1**

**August 15, 2025**

**SUBJECT:** Approval of the Agenda.

**FROM:** Executive Director

**RECOMMENDATION:** For Possible Action

---

The agenda can be found on the following page.

**NOTICE OF SPECIAL 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:     Friday, August 15, 2025**  
**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](mailto:HLopez@renoha.org). Written submission should be received by the Board on or before, August 12, 2025, 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. Discussion and possible approval of the Restated and Amended Loan Agreement, Restated and Amended Promissory Note, and related documents and construction oversight requirements for continuation of the Reno Housing Authority's \$1.75 million loan to Truckee Meadows Housing Solutions for its GenDen development located at 1100 W. 4th Street in Reno (APN 010-610-19). (For Possible Action)
  3. Additional Items:
    - a) General matters of concern to Board Members regarding matters not appearing on the agenda. (Discussion)
    - b) Reports on conferences and training. (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, August 26, 2025, and Tuesday, September 23, 2025. (For Possible Action)

4. 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.
  5. Adjournment.
- 

*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](http://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 August 12, 2025*

*Colleen Montgomery-Beltran*

---

*By: Colleen Montgomery-Beltran  
Executive Administrative Assistant*

## RENO HOUSING AUTHORITY

**AGENDA ITEM NUMBER: 2**

**July 22, 2025**

**SUBJECT:** Discussion and possible approval of the Restated and Amended Loan Agreement, Restated and Amended Promissory Note, and related documents and construction oversight requirements for continuation of the Reno Housing Authority's \$1.75 million loan to Truckee Meadows Housing Solutions for its GenDen development located at 1100 W. 4<sup>th</sup> Street in Reno (APN 010-610-19). (For Possible Action)

**FROM:** Executive Director

**RECOMMENDATION:** For Possible Action

---

### **Background:**

In June 2022, RHA's Board of Commissioners awarded \$1.75 million in unrestricted funding to Truckee Meadows Housing Solutions (TMHS) to support the development of a ten (10) unit multigenerational housing development for households with incomes at or below 50% of area median income. The development is located at 1100 W. 4<sup>th</sup> Street (previously addressed as 0 W. 4<sup>th</sup> Street) on APN 010-610-19 in Reno. The development is more commonly known as the GenDen.

In April 2023, TMHS and RHA entered into a Loan Agreement, Promissory Note, Ground Lease and related transaction documents with RHA to codify the award of funds and requirements for the development; for example, continued use as affordable housing and income targeting. TMHS also competed for funds through the State's Home Means Nevada Initiative (HMNI). These funds, if awarded, would have repaid RHA's funding. However, under the terms of the Note, since TMHS did not receive its anticipated HMNI funding, RHA has not withdrawn its funds dedicated to the project. As collateral for the funds, TMHS agreed to transfer the property, initially donated to them by the City of Reno, to RHA, and RHA is now the owner of record. The vacant land was not appraised but may currently be valued below \$1.75 million.

Since that time, TMHS encountered several issues during the plan review process which impacted their ability to move forward on their original schedule. This included the need to reroute water infrastructure and the need for potential easements with adjacent property owners. Additionally, given the delays, the contractor had to rebid the project in early 2025, and due to cost escalations over the past two years, the new bid resulted in a \$500,000 funding gap for the project.

In March 2025, THMS requested the additional \$500,000 from RHA to fill the funding gap. After thoughtful discussion and consideration of other RHA projects and needs, this request was denied. At the same time, RHA staff had worked with Ms. DuPea from TMHS to identify other potential sources of gap financing. As a result, TMHS applied to the Federal Home Loan Bank of San Francisco Affordable Housing Program (FHLBSF AHP) for a like amount of funds. At the same March board meeting, RHA's Board of Commissioners agreed to keep its initial loan in the project pending FHLBSF's funding decision. TMHS was notified in July 2025 that it received the \$500,000 in AHP funds. Based on this, there is no longer a funding gap for the project and TMHS is ready to proceed with construction. Construction is scheduled to begin by September 1, 2025.

As part of the March 2025 Board discussion, RHA's counsel noted that the current transaction documents were out of date and needed to be revised if the project moved forward. Commissioners requested that the restated documents be brought back for approval at a future meeting. Commissioners also asked that the revised documents include provisions for the below items.

- RHA participation in monthly construction progress meetings. While this provision was already included in the prior version of the Loan Agreement; holding monthly meetings was not mandatory. The revised Agreement indicates that monthly onsite construction progress meetings are required.
- RHA draw review and approval process. Provisions were already included in the prior version of the Loan Agreement but were reiterated with more detailed information on the process. The anticipated draw process was also discussed with a TMHS' representative ahead of the special board meeting.
- Review and use of construction savings. The Amended and Fully Restated Loan Agreement now outlines the process for return or potential reuse of construction savings in excess of \$50,000.
- Review of the General Contractor Agreement and schedule of values. Staff received these items and reviewed them to ensure the amounts were consistent across the documents and that the General Contractor's pricing had not changed since the rebid. Per the submitted documentation, pricing is held through the end of August 2025.
- Construction schedule and updated start and end dates. This information was submitted, and the identified timeframes are reasonable.
- Compliance with other funding requirements. TMHS has been in contact with the City of Reno and provided them with updated transaction information. TMHS has also submitted a copy of their letter of notification to the Reno Sparks Indian Colony.

The Amended and Fully Restated Loan Agreement also adds language regarding acts of God and insurance proceeds, using the federal HOME program standards to determine household income and eligibility, and various other items.

The transaction documents have been updated by RHA's counsel to account for these items and/or TMHS has submitted evidence of funding awards, revised budgets, general contractor agreements, and schedule of values. RHA staff have reviewed the submitted items and find them acceptable. TMHS' counsel and team reviewed the revised documents, and their minor changes have been incorporated into the attached versions.

Additionally, as part of TMHS' receipt of FHLBSF AHP funds, TMHS must sign a Promissory Note and record a Leasehold Deed of Trust and Rider. TMHS will work with FHLBSF and the member bank that sponsored their application, Clearinghouse CDFI, to complete these items. Funds cannot be drawn from FHLBSF until these documents are executed and recorded. RHA has not yet received these completed documents but will need to review and approve them prior to their execution and to authorize recording of the Leasehold Deed of Trust and Rider in a subordinate position to RHA's loan. In the interim, staff has separately downloaded the template Promissory Note and Rider from FHLBSF's website and attached them here for reference. However, there may be changes to these documents by TMHS or Clearinghouse CDFI. The Leasehold Deed is not a template document and therefore not available on the website.

At this time, staff is seeking the Board's approval of the revised RHA transaction documents and approval for the Executive Director to:

1. Review and approve, with counsel's assistance, the FHLBSF Promissory Note and Leasehold Deed of Trust and Rider (the FHLBSF Documents) once available.
2. Upon review and approval of the FHLBSF Documents authorize recording of the Leasehold Deed of Trust and Rider.
3. Upon execution and recordation of the FHLBSF Documents, execute RHA's revised documents to effectuate the closing and TMHS' start of construction by September 1, 2025.

The board also previously indicated that construction could occur at TMHS' risk but that RHA's funds could not be drawn until RHA's documents were in place. Staff recommends continuing with that strategy.

Attached for your reference are the following documents:

- Amended and Fully Restated Loan Agreement
- Amended and Fully Restated Promissory Note
- Construction Schedule
- Sources and Uses
- Operating Pro Forma
- Template FHLBSF Promissory Note
- Template FHLBSF Rider

**Staff Recommendation and Motion:**

Staff recommends the Board motion to approve the Amended and Fully Restated Loan Agreement and the Amended and Fully Restated Promissory Note for continuation of Reno Housing Authority's \$1.75 million loan to Truckee Meadows Housing Solutions for its GenDen development located at 1100 W. 4<sup>th</sup> Street in Reno (APN 010-610-19) and authorize the Executive Director to complete items 1-3 listed above to effectuate the closing and start of construction.

## AMENDED AND FULLY RESTATED LOAN AGREEMENT

THIS AMENDED AND FULLY RESTATED LOAN AGREEMENT, dated as of \_\_\_\_\_, 2025 (“Restated **Loan Agreement**”), is entered into by and between HOUSING AUTHORITY OF THE CITY OF RENO, a Nevada public body corporate and politic (“**Lender**”), and TRUCKEE MEADOWS HOUSING SOLUTIONS, a Nevada nonprofit corporation (“**Borrower**”).

### RECITALS

This Loan Agreement is entered into upon the basis of the following facts and circumstances:

A. **Borrower** is seeking to develop certain real property which Lender currently owns located in Reno, Nevada commonly known as 1100 West 4<sup>th</sup> Street, Reno Nevada 89523, more particularly described on Exhibit A attached hereto and incorporated by this reference as if fully set forth herein. As used herein, the “**Property**” shall mean the land, inclusive of all improvements and appurtenances thereto, described on Exhibit A.

B. **Lender** has agreed to loan **Borrower** an amount of One Million Seven Hundred Fifty Thousand and No/100 dollars (\$1,750,000.00) for the purpose of Borrower’s development of four-plex and six-plex buildings as part of the Gen Den Affordable Housing Project on the Property subject to the terms and conditions of this Agreement (“**Loan**”).

C. In consideration of the Loan, amongst all other consideration, Borrower has transferred ownership of the Property to Lender in conjunction with the execution the original Loan Agreement on April 7, 2023. The deed transferring the Property to Lender is attached hereto as Exhibit B attached hereto and incorporated herein (“**Deed**”).

D. The Loan shall be evidenced by, among any other loan documents, an Amended and Fully Restated Promissory Note (“**Note**”) in the form of Exhibit C attached hereto and incorporated herein This Restated Loan Agreement, the Note, the Deed, the Updated Ground Lease, and any and all other documents executed by **Borrower**, including the original Loan Agreement, Ground Lease, and Promissory Note, or any of **Borrower**’s owners or members with respect hereto or pursuant to the transactions contemplated hereby, shall collectively be referred to as the “**Loan Documents**.”

E. Lender is willing to make the Loan to Borrower subject to and only upon the terms, covenants and conditions set forth herein.

F. This Loan Agreement amends, fully restates, and completely supersedes the original Loan Agreement dated April 7, 2023.

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants, conditions, representations and warranties contained herein, the parties hereto agree as follows:

## **ARTICLE I**

### **THE LOAN AND SECURITY**

#### **1.1     Loan.**

A.       Lender has agreed to loan to Borrower the amount of One Million Seven Hundred Fifty Thousand and No/100 dollars (\$1,750,000.00) (the “**Loan**”) without interest provided in the Note, secured by the accompanying Deed transferring title to the subject Property to Lender for the sole purpose of completing the Project as defined below.

B.       **Note.** The Loan shall be evidenced by a Note in the form attached hereto as Exhibit C. The Note shall be tolled so long as the Loan is used to develop, construct, and operate the Gen Den Affordable Housing Project. Should Borrower fail to develop and construct the Gen Den Affordable Housing Project, or should Borrower fail to operate the Gen Den Affordable Housing Project for affordable rental housing serving households with incomes at or below 50% area median income (AMI) as published by HUD for the Reno Metropolitan area and adjusted for family size, the Ground Lease shall terminate and ownership of any improvements to the Property shall vest in the Housing Authority of the City of Reno or its successor agency.

1.2       **Recordation of Deed.** The Deed has been recorded in the Official Records of Washoe County, Nevada as Document number 5385983.

## **ARTICLE II**

### **ESCROW; CLOSING**

2.1       **Closing.** The initial escrow and property transfer closed on [REDACTED], 2023. The Restated Loan transaction shall close (the “**Loan Closing**”) on or before August 31, 2025, (the “**Revised Closing Date**”). At the time of the Restated Loan closing, Borrower shall be responsible to pay for and provide the Lender the following:

A.       Wire fees, recording fees, express mail delivery fees, courier service and all other fees directly related to Lender’s cost to fund the Loan and close the Transaction;

B.       An amount payable to Lender for Lender’s attorney’s fees incurred in connection with drafting the Revised Loan in an amount not to exceed \$2,500;

## **ARTICLE III**

### **USE OF PROCEEDS AND CONDITIONS PRECEDENT**

3.1       **Use of Loan Proceeds.** Borrower covenants and agrees that the Loan proceeds shall only be used for development of the Property as set forth above, including but not limited to,

planning, engineering, mapping, subdividing, and entitling the Property, related expenses, construction costs, and for fees and costs associated with the Loan.

3.2 **Conditions Precedent.** The obligations of Lender under this Agreement and other Loan Documents shall, in all events, be subject to the satisfaction or written waiver by Lender of the following conditions precedent (collectively, the “**Closing Conditions**”):

A. Borrower shall have executed, or cause to be executed, and delivered to Lender this Loan Agreement, Lending Closing Instructions, if any, the Restated Note, the Deed, and any other documents that Lender shall have reasonably requested in connection with this Loan Agreement.

B. Lender shall have received satisfactory evidence that Borrower has duly authorized: (i) the Loan as provided for in this Loan Agreement; and (ii) the execution and delivery of the Loan Documents and the performance of its obligations thereunder.

C. Borrower shall have obtained any insurance policies required pursuant to the Loan Agreement. Such insurance policies shall name Lender as an additional insured with applicable loss payee and mortgagee endorsements and shall be issued by an insurance company reasonably acceptable to Lender. Borrower shall have furnished Lender with a copy of each such insurance policy or a certificate of insurance evidencing each such insurance policy.

D. Lender shall have received from Borrower and approved all such documents and information relating to the Property, as Lender may have requested, including but not limited to environmental reports, engineering reports, geotechnical and soils reports, agreements with general contractors, subcontractors, and materialman providing labor or materials for the improvements and current title report.

E. Borrower shall submit a final construction Schedule of Values (if any), construction schedule, and construction contract all signed by the General Contractor ahead of closing. Borrower shall also submit a copy of the total project budget and evidence of remaining funding needed to complete the project in the form of firm commitment letters or other acceptable materials. Borrower shall also submit a projected minimum 15-year operating pro forma.

F. Borrower shall submit evidence of compliance with the Reno Sparks Indian Colony Site Monitoring Artifact Agreement and acknowledge compliance with other funding agreements including, but not limited to, the City of Reno and Federal Home Loan Bank of San Francisco.

G. Lender shall have its Deed recorded in first position and must approve subordinate Deeds of Trust and/or Restrictive Covenants.

H. Each of the covenants, representations and warranties made by or on behalf of Borrower in this Loan Agreement or in any other Loan Document shall be fully performed and shall be true and correct when made and as of the Closing Date.

I. It shall not be unlawful: (i) for Lender to perform any of its agreements or obligations under any of the Loan Documents to which Lender is a party on the Closing Date; or (ii) for Borrower to perform any of its agreements or obligations under this Loan Agreement or any of the other Loan Documents on the Closing Date.

3.3 **Disbursement.** Funds will be released to Borrower on a monthly drawdown reimbursement basis for Project based upon costs incurred by Borrower in the previous month. A closing draw for expenses incurred through restated loan closing may be submitted at least ten (10) business days in advance of scheduled loan closing and pre-approved for reimbursement upon execution of the Loan Documents. As part of the monthly draw, Borrower must submit a cover letter, an approved construction draw request, prior month lien releases, and invoices and proof of payment for any requested soft costs. At all times sources and uses must stay in balance. Lender reserves the right to request additional back-up or clarifying documentation and to inspect construction progress and/or participate in monthly construction draw/review meetings, which must be held.

Borrower must notify Lender of the date, time, and location of monthly construction draw/review meetings and any special meetings. Lender will participate in meetings and receive copies of all third-party construction inspection reports. A third party construction inspector as approved by Lender, is required at Borrower's expense to ensure compliance with construction drawings. Any negative report by the independent construction inspector or failure to pass inspection shall be deemed a material breach of this Agreement by Borrower and must be cured by Borrower within sixty (60) days unless otherwise agreed upon by the Parties. Prior to any draw during construction or development of the Project, Borrower shall provide Lender with a report on any/all development activity, inclusive of the ongoing projections of the costs to complete the Project and evidence of Borrower's ability to meet those projections.

### 3.4 **Repayment.**

Borrower will notify Lender promptly upon receipt of any award from the State of Nevada or any other entity received post-closing. Any construction or project savings equal to or greater than \$50,000, shall reduce the amount of the Restated Loan on a dollar-for-dollar basis unless RHA or its successor agency, in its sole discretion, approves otherwise. RHA's Executive Director may approve potential reuse of construction and project savings, in aggregate, up to \$100,000. Potential reuse may include, but is not limited to, creation of an operating reserve, additional construction costs, and/or developer fee. Requests for reuse of funds, in aggregate, over \$100,000.01 must be approved by the RHA Board of Commissioners. Funds drawn to that date will be due and repayable to RHA or its successor agency within ten (10) business days if reuse of funds is not approved.

In the event that Borrower fails to secure financing needed to fully fund the Project, fails to commence the Project by September 01, 2025,, fails to submit proof of actual work performed within thirty (30) days of project commencement, fails to complete the Project by August 21, 2026, (unless otherwise extended by approved change order), or fails to continuously operate the Project, Borrower shall be in default and the Ground Lease shall terminate and ownership of any improvements to the Property shall vest in Lender. In event of disruption of the Project due to force majeure or acts of god, Borrower shall immediately notify Lender and Lender shall provide, in its sole discretion, reasonable time, to resolve such issues and reinstate the Project. Borrower's failure to resolve such issues and/or reinstate the Project shall be deemed a material breach hereof. Should Borrower so fail, any applicable insurance proceeds shall be paid to Lender in addition to all other remedies available to Lender. Should Borrower lease to an ineligible household, Borrower shall have 60 days to cure prior to default. Borrower shall use federal HOME program standards for household income eligibility determination.

#### **ARTICLE IV** **REPRESENTATIONS AND WARRANTIES**

4.1 **Representations and Warranties of Borrower.** In order to induce Lender to enter into this Loan Agreement and to make the Loan thereunder, Borrower represents, warrants and agrees, as of the Closing Date:

A. **Authorization and Organization.** Borrower has full power and authority to execute, deliver and perform the terms of the Loan Documents without the consent of any other person. Borrower has taken all necessary action required by law, to authorize the execution, delivery, and performance of the Loan Documents.

B. **Valid and Enforceable Obligations.** The Loan Documents constitute the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms.

C. **Due Execution and Delivery.** The execution and delivery of the Loan Documents, and the consummation of the transactions contemplated thereby, do not and will not conflict with or result in a breach of any of the terms or conditions of any mortgage, indenture, loan agreement, agreement, contract or instrument to which Borrower or any affiliated entity is a party.

D. **No Litigation.** There is not currently pending or threatened any suit, action or proceeding against or affecting Borrower or the Property.

E. **Solvency.** Borrower is solvent and free from bankruptcy, reorganization or similar proceedings or a general assignment for the benefit of creditors.

F. **Compliance With Laws.** Borrower is, and during the Term of the Loan shall remain, in compliance with all applicable statutes, codes and regulations in connection with the Property.

G. **Good Title.** Borrower shall have at close of escrow, and shall maintain, good and marketable title to the Property, which shall be free from any deed of trust, mortgage, pledge, lien, security interest, lease, encumbrance, or charge (other than those approved by Lender).

J. **Correctness of Statements.** No financial statement, or any other statement made or furnished to Lender by or on behalf of Borrower in connection with this Agreement contains or will contain any materially untrue statement of fact or omit any fact necessary to make the statements included therein not misleading. All financial statements provided to Lender, if any, have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior periods, and fairly and accurately present the financial condition and the results of operations of Borrower as of their respective dates and for the periods covered thereby. There are no facts known to Borrower which have not been disclosed in writing to Lender, which materially and adversely affect the business, properties, assets, operations, condition (financial or otherwise), affairs or prospects of Borrower.

K. **Compliance with Law.** The development of the Property and improvements to be constructed on the Property, and the use of the Property for the purposes intended, will not violate any environmental, ecological, subdivision, zoning, use, or other ordinance, law, or regulation or any agreement applicable to the Property or its intended use.

M. **Patriot Act.** Borrower and to the best of Borrower's knowledge, after having made diligent inquiry, each person owning a direct or indirect interest in Borrower: (i) is not currently identified on OFAC List, or other federally issued list of known or suspected terrorists or terrorist organizations, and (ii) is not a person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, anti-money laundering rules, or other prohibition of United States law, regulation, or executive order of the President of the United States. At all times throughout the term of the Loan, none of the funds or assets of the funds or assets of the Borrower that are used to repay the Loan shall constitute property of, or shall be beneficially owned directly or, to the knowledge of Borrower, indirectly, by any person identified on OFAC List. Borrower has implemented procedures and will consistently apply those procedures throughout the term of the Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Loan. As used herein, "**OFAC List**" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any requirements of law, including, without limitation, trade embargo, economic sanctions, or other prohibitions imposed by executive order of the President of the United States.

Q. **No Foreign Person.** Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Federal tax code.

R. **Investment Company Act; Other Regulations.** Borrower is not an "investment company" or a company "controlled" by an "investment company" within the

meaning of the Investment Company Act of 1940 and the regulations issued thereunder, each as amended. Borrower is not subject to regulations under any federal or state statute or regulation which limits its ability to incur indebtedness.

S. **ERISA.** (a) Borrower is not and will not be an “employee benefit plan,” as defined in §3(3) of ERISA, subject to Title I of ERISA, (b) none of the assets of Borrower constitute or will constitute “plan assets” of one or more such plans within the meaning of 29 C.F.R. §2510.3-101, (c) Borrower is not and will not be a “governmental plan” within the meaning of §3(3) of ERISA, and (d) transactions by or with Borrower are not and will not be subject to state statutes regulating investment of, and fiduciary obligations with respect to, governmental plans.

T. Borrower confirms it is not debarred by the US Department of Housing and Urban Development.

U. Borrower will ensure compliance with Fair Housing and will not discriminate against renters based on source of income such as Housing Choice Vouchers.

///

///

## **ARTICLE V**

### **AFFIRMATIVE COVENANTS**

Borrower covenants and agrees that from the date hereof and until payment in full of all amounts owed by Borrower to Lender, unless Lender shall otherwise consent in writing in the exercise of Lender’s sole and absolute discretion:

5.1 **Funding.** Borrower shall apply for, pursue, and do all things timely and reasonably necessary to secure funding for the Project. Upon receipt of such funds, and in accordance with the terms of this Restated Loan Agreement, Borrower shall immediately repay the Loan in accordance with the terms of the Note and as set forth herein.

5.2 **Taxes, Assessments and Other Charges.** Borrower shall duly and promptly pay and discharge, as the same become due and payable, all taxes, assessments and governmental and other charges, levies or claims levied or imposed, or which if unpaid might become a lien or charge upon Borrower properties, assets, earnings or businesses, except as such are being diligently contested in good faith and by appropriate proceedings and in respect of which an adequately funded reserve or other appropriate provision has been established to pay and discharge same and provided that no notice of lien has been filed or recorded in respect thereof. Borrower shall, if requested by Lender, deliver evidence of payment to Lender in a form acceptable to Lender. Borrower shall submit evidence of any property tax exemption on an annual basis.

5.3 **Payment of Obligations.** Borrower shall pay all liabilities and obligations when due and prior to the date on which penalties attach thereto and shall keep all existing debts current.

5.4 **Laws.** Borrower shall comply with all governmental statutes and regulations affecting the ownership of Borrower's property and conduct of Borrower's businesses, including, without limitation, all environmental laws.

5.5 **Records.** Borrower shall keep full and accurate accounts and records of Borrower's operations according to generally accepted accounting principles and, upon Lender's request, to permit Lender or its agents to examine and audit such accounts and records at any time during regular business hours.

5.6 **Recording and Filing.** Borrower shall cooperate with Lender in executing, filing and recording any documents and in taking any other actions that Lender may reasonably request in contemplation of the transaction hereunder.

5.7 **Information to Be Furnished.** Borrower shall furnish or cause to be furnished to Lender:

A. **Financial Statements.** To extent requested by Lender and as deemed necessary, by August 01 after the close of each fiscal year, statements of financial condition, including balance sheets as of the close of such fiscal year, income and expense statements, statements of changes in financial condition and retained earnings statements for such fiscal year, for Borrower, prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year (except as otherwise noted in such statements). Such statements shall be prepared and certified by Borrower or, if requested by Lender in the event of a default, certified or audited by an independent certified public accountant acceptable to Lender.

B. **Other Information.** Such other financial statements and information as Lender may reasonably request from time to time including, but not limited to, rental rates, tenant income certifications, resident demographic information, business license, permits, and maintenance plans.

5.8 **Insurance; Casualty and Condemnation.**

A. **Insurance.** Borrower shall obtain and maintain, in full force and effect at all times, all insurance with respect to Borrower and the Property as required for operation of the premises. Lender shall be named as additional insured.

B. **Obligations upon Condemnation or Casualty.** Borrower shall comply with all obligations required under the Loan Documents in the event the Property is damaged by a casualty or becomes involved in any condemnation.

5.9 **Notice of Certain Events.** Borrower shall give prompt written notice to Lender of all events of default under any other material agreement entered into with any third party, material changes in ownership, and any other matter which has resulted in or might reasonably be expected to result in an adverse change in its or their respective financial condition or business operation.

**5.10 Execution of Other Documents.** Borrower shall promptly execute and deliver all supplements and amendments hereto and all financing statements, continuation statements and such additional agreements, instruments, and assurances in connection with this Agreement as Lender may reasonably request from time to time in order to effectuate the provisions hereof.

**5.11 Notice of Litigation.** Borrower shall promptly give Lender notice in writing of all litigation and of all proceedings before any governmental or regulatory agencies which, if adversely determined, would materially affect Borrower's ability to fulfill its respective obligations under the Loan Documents.

**5.12 Access to Property.** Borrower shall permit representatives of Lender to enter upon the Property to inspect the development at all reasonable times and also to examine all books and records related to development of the Property including all detailed plans, maps, drawings, and specifications.

///

///

**5.13 Development of Property.**

A. **Development in Accordance with Plans.** Borrower will develop the Property in accordance with and all laws, rules and regulations.

B. **Interruption of Development.** Borrower shall not discontinue the planned development of the Property at any time prior to completion for more than thirty (30) consecutive days, except where the delay is caused by force majeure, which shall include, without limitation, any work stoppages required by government authorities relating to epidemics or pandemics.

**5.14 Property.** Borrower shall maintain, preserve and protect the Property as well as all property that is material to the business of the Borrower, and the same in good repair, working order and condition, normal wear and tear excepted, and from time to time as necessary make, or cause to be made, all repairs, renewals, additions, improvements, and replacements thereto as necessary in order that the business carried on in connection therewith may be properly conducted at all times in accordance with customary and prudent business practices for similar businesses.

**5.15 Payment of Costs and Expenses.** Borrower will pay all costs and expenses (including reasonable attorneys' fees and the fees of the Construction Monitor) incurred by Lender, if any, for preparation of the Loan Documents (but which, in the case of the preparation of the Loan Documents, shall not exceed the amount set forth in Section 2.1(B) of this Agreement), perfecting the security interests of Lender in the Property, whether such expenses are incurred before or after the date of this Agreement, and including all such cost and expenses as may be incurred by Lender in collecting the Loan or in any bankruptcy, insolvency or similar proceeding.

5.16 **Property Indemnity.** Borrower shall indemnify Lender, its affiliates, subsidiaries and parent companies, and its and their respective directors, officers, agents and employees (“**Indemnified Persons**”) against, and hold them harmless against, any and all liabilities, losses and expenses (including but not limited to their reasonable attorney’s fees) and including penalties, damages and settlement amounts, if any, arising from or resulting from any claims, suits, orders, or actions, brought by any person including but not limited to any federal, state, or local governmental authorities and agencies, for any act or failure to act by any person arising from or resulting from the construction, use, or occupancy of the Property by Borrower, or any act or omission relating to any thereof or arising from or resulting from any actual or alleged violation of or noncompliance by Borrower with any applicable laws, or arising from or resulting from any claim of negligence or strict liability relating to the construction, use, or occupancy of the Property by Borrower. The Indemnified Persons shall not be liable to any person for any violation of or noncompliance with any applicable laws by Borrower. Unless not to do so would be a conflict of interest the indemnitor does not have to hire separate counsel for the Indemnified Persons.

///

///

///

## **ARTICLE VI**

### **NEGATIVE COVENANTS**

Borrower covenants and agrees that from the date hereof and until payment in full of all amounts owed by Borrower to Lender, unless Lender shall otherwise consent in writing in the exercise of Lender’s sole and absolute discretion:

6.1 **Transfer of Interests.** Borrower shall not permit any voluntary or involuntary transfers of shares of stock in Borrower or issuances of new shares of stock in Borrower resulting, in the aggregate, in a change of ownership of fifty percent (50%) or more of the outstanding and issued shares of stock in the Borrower, without the prior written consent of Lender, which may be granted or withheld in Lender’s sole discretion.

6.2 **Secondary Financing.** No secondary financing, junior encumbrances, sale, lease, or other transfer or disposition of the Property or of any interest therein shall be permitted without Lender’s prior written permission, which may be granted or withheld in Lender’s sole discretion. Lender acknowledges and approves secondary financing and junior encumbrances from the City of Reno in the amount of \$\_\_\_\_\_ and \$\_\_\_\_\_ from Federal Home Loan Bank of San Francisco.

6.3 **Security.** Borrower shall not create, assume, or suffer any deed of trust, mortgage, pledge, lien, security interest, lease, encumbrance, or charge (other than for taxes not delinquent) on the Property without the prior written consent of Lender, which may be granted or withheld in Lender’s sole discretion. Borrower shall not sell, lease, transfer, assign, exchange or otherwise dispose of any part of its interest in the Property without the prior written consent of Lender.

6.4 **Liquidation and Reorganization.** Borrower shall not liquidate, dissolve, or enter into any consolidation, merger or other combination in which Borrower's separate identity shall cease, except with the prior written consent of Lender.

## **ARTICLE VII MISCELLANEOUS**

7.1 **Notices; Service of Process.** All notices required under the terms of this Loan Agreement shall be deemed received and sufficient either (1) three days after the deposit in the United States Mail, postage prepaid, or (2) two days after their deposit in a nationally recognized overnight courier service, or (3) on the day of their personal delivery, if addressed or delivered to Borrower or Lender, Notwithstanding the foregoing, notices regarding any foreclosure proceedings shall be given as required by law. The parties' addresses for purposes of notice hereunder shall be as follows (unless subsequently changed):

If to Lender: HOUSING AUTHORITY OF THE CITY OF RENO  
Attn: Hilary Lopez  
1525 East 9<sup>th</sup> Street  
Reno, Nevada 89512  
Email: [hlopez@renoha.org](mailto:hlopez@renoha.org)  
Phone: 775-329-3630

With a copy to: Ryan Russell, Esq.  
Allison MacKenzie, Ltd.  
402 N. Division Street  
Carson City, Nevada 89703  
Email: [rrussell@allisonmackenzie.com](mailto:rrussell@allisonmackenzie.com)  
Phone: 775-687-0202

If to Borrower: TRUCKEE MEADOWS HOUSING SOLUTIONS  
Attn: Monica DuPea  
1369 Faland Way  
Reno, NV 89503  
Email: [monica.nyep@gmail.com](mailto:monica.nyep@gmail.com)  
Phone: 775-747-2073

With a copy to: Paul A. Matteoni, Esq.  
Womble Bond Dickinson US LLP  
1 East Liberty St., Ste. 300  
Reno, Nevada 89501  
Email: [pmatteoni@lewisroca.com](mailto:pmatteoni@lewisroca.com)  
Phone: 775-823-2900

7.2 **Time.** Time is of the essence hereof.

7.3 **Amendments.** No amendment, modification, termination, or waiver of any provision of this Loan Agreement or of any of the other Loan Documents nor any consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Lender and Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

7.4 **Headings.** The article and section headings in no way define, limit, extend or interpret the scope of this Loan Agreement or of any particular article or section.

7.5 **Attorneys' Fees.** The prevailing party in any arbitration, suit, or action brought against the other party to enforce the terms of this Agreement or any rights or obligations hereunder, shall be entitled to receive its costs, expenses, and reasonable attorneys' fees of bringing such arbitration, suit, or action.

7.6 **Jurisdiction and Venue.** This Loan Agreement, and its validity, enforcement, and interpretation, shall be governed by Nevada law (without regard to any conflict of laws principles). All actions, or suits arising from or surrounding this Agreement shall be appropriate only in Washoe County, Nevada Second Judicial District Court.

IN WITNESS WHEREOF, Borrower and Lender have executed this Loan Agreement as of the date first written above.

**LENDER:**

**BORROWER:**

By: \_\_\_\_\_  
Hilary Lopez, Ph.D.,  
Executive Director

By: \_\_\_\_\_  
Name:  
Title:

4904-7871-3948, v. 1  
4904-7871-3948, v. 1  
4904-7871-3948, v. 1

## AMENDED AND FULLY RESTATED LOAN AGREEMENT

THIS AMENDED AND FULLY RESTATED LOAN AGREEMENT, dated as of \_\_\_\_\_, 2025~~3~~ (“Restated Loan Agreement”), is entered into by and between HOUSING AUTHORITY OF THE CITY OF RENO, a Nevada ~~nonprofit cooperative corporation~~public body corporate and politic (“**Lender**”), and TRUCKEE MEADOWS HOUSING SOLUTIONS, a Nevada nonprofit corporation (“**Borrower**”).

### RECITALS

This Loan Agreement is entered into upon the basis of the following facts and circumstances:

A. **Borrower** is seeking to develop certain real property which ~~is~~is **Lender** currently owns located in Reno, Nevada commonly known as 11009 West 4<sup>th</sup> Street, Reno Nevada 89523, more particularly described on Exhibit A attached hereto and incorporated by this reference as if fully set forth herein. As used herein, the “**Property**” shall mean the land, inclusive of all improvements and appurtenances thereto, described on Exhibit A.

B. **Lender** has agreed to loan **Borrower** an amount of One Million Seven Hundred Fifty Thousand and No/100 dollars (\$1,750,000.00) for the purpose of Borrower’s development of four-plex and six-plex buildings as part of the Gen Den Affordable Housing Project on the Property subject to the terms and conditions of this Agreement (“**Loan**”).

C. In consideration of the Loan, amongst all other consideration, Borrower ~~shall transfer~~has transferred ownership of the Property to Lender in conjunction with the execution ~~hereof the original previous~~hereof the original previous Loan Agreement on April 7, 2023. ~~The~~A deed transferring the Property to Lender is attached hereto as Exhibit B attached hereto and incorporated herein (“**Deed**”).

~~D.~~ The Loan shall be evidenced by, among any other loan documents, an Update Amended and Fully Restated Promissory Note (“**Note**”) in the form of Exhibit C attached hereto and incorporated herein ~~and reflected in the~~ Updated Ground Lease between the Parties.

~~E.D.~~ This Updated This Restated Loan Agreement, ~~the the~~ Note, the Deed, the Updated Ground Lease, and any and all other documents executed by **Borrower**, including the previous original Loan Agreement, Ground Lease, and Promissory Note, or any of **Borrower**’s owners or members with respect hereto or pursuant to the transactions contemplated hereby, shall collectively be referred to as the “**Loan Documents**.”

E. **Lender** is willing to make the Loan to Borrower subject to and only upon the terms, covenants and conditions set forth herein.

F. This Loan Agreement amends, fully restates, and completely supersedes the original Loan Agreement dated April 7, 2023.

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants, conditions, representations and warranties contained herein, the parties hereto agree as follows:

## **ARTICLE I**

### **THE LOAN AND SECURITY**

#### **1.1 Loan.**

A. Lender has agreed to loan to Borrower the amount of One Million Seven Hundred Fifty Thousand and No/100 dollars (\$1,750,000.00) (the “**Loan**”) without interest provided in the Note, secured by the accompanying Deed transferring title to the subject Property to Lender for the sole purpose of completing the Project as defined below.

B. **Note.** The Loan shall be evidenced by a Note in the form attached hereto as Exhibit C. ~~The Note shall be due and payable upon Borrower’s receipt of funding, if any, through the American Rescue Plan Act (ARPA) of 2021 or equivalent funds provided by the State of Nevada Housing Division. Borrower will apply for future ARPA funds in subsequent application rounds, if eligible. Should Borrower fail to obtain such funding despite best efforts and in accordance with the preceding terms, so long as such failure is not due to the fault of Borrower, the~~ The Note shall be tolled so long as the Loan is used to develop, construct, and operate the Gen Den Affordable Housing Project. Should Borrower fail to develop and construct the Gen Den Affordable Housing Project, or should Borrower fail to operate the Gen Den Affordable Housing Project for affordable rental housing serving households with incomes at or below 50% area median income (AMI) as published by HUD for the Reno Metropolitan area ~~at time of occupancy~~ and adjusted for family size, the Ground Lease shall terminate and ownership of any improvements to the Property shall vest in the Housing Authority of the City of Reno or its successor agency.

1.2 **Recordation of Deed.** The Deed ~~has been~~ shall be recorded in the Official Records of Washoe County, Nevada ~~upon execution of the Loan Documents as Document number 5385983.~~

## **ARTICLE II**

### **ESCROW; CLOSING**

2.1 **Closing.** The ~~initial escrow and property transfer closed on [REDACTED], 2023. The Restated~~ Loan transaction shall close (the “Loan Closing”) on or before August 31, 2025, ~~April 30, 2023~~ (the “Revised Closing Date”) ~~at the time of Borrower’s initial distribution pursuant paragraph 3.3 below.~~ At the time of the Restated Loan closing, Borrower shall be responsible to pay for and provide the Lender the following:

A. Wire fees, recording fees, express mail delivery fees, courier service and all other fees directly related to Lender's cost to fund the Loan and close the Transaction;

B. An amount payable to Lender for Lender's attorney's fees incurred in connection with drafting the [Revised](#) Loan in an amount not to exceed \$~~72~~,500;

### **ARTICLE III**

#### **USE OF PROCEEDS AND CONDITIONS PRECEDENT**

3.1 **Use of Loan Proceeds.** Borrower covenants and agrees that the Loan proceeds shall only be used for development of the Property as set forth above, including but not limited to, planning, engineering, mapping, subdividing, and entitling the Property, related expenses, construction costs, and for fees and costs associated with the Loan.

3.2 **Conditions Precedent.** The obligations of Lender under this Agreement and other Loan Documents shall, in all events, be subject to the satisfaction or written waiver by Lender of the following conditions precedent (collectively, the "**Closing Conditions**"):

A. Borrower shall have executed, or cause to be executed, and delivered to Lender this Loan Agreement, Lending Closing Instructions, if any, the [Restated](#) Note, the Deed, and any other documents that Lender shall have reasonably requested in connection with this Loan Agreement.

B. Lender shall have received satisfactory evidence that Borrower has duly authorized: (i) the Loan as provided for in this Loan Agreement; and (ii) the execution and delivery of the Loan Documents and the performance of its obligations thereunder.

C. Borrower shall have obtained any insurance policies required pursuant to the Loan Agreement. Such insurance policies shall name Lender as an additional insured with applicable loss payee and mortgagee endorsements and shall be issued by an insurance company reasonably acceptable to Lender. Borrower shall have furnished Lender with a copy of each such insurance policy or a certificate of insurance evidencing each such insurance policy.

D. Lender shall have received from Borrower and approved all such documents and information relating to the Property, as Lender may have requested, including but not limited to environmental reports, engineering reports, geotechnical and soils reports, agreements with general contractors, subcontractors, and materialman providing labor or materials for the improvements [and current title report](#).

[E.](#) Borrower shall submit a final construction Schedule of Values (if any), construction schedule, and construction contract all signed by the General Contractor ahead of closing. Borrower shall also submit a copy of the total project budget and evidence of remaining funding needed to complete the project in the form of firm commitment letters or other acceptable materials. [Borrower shall also submit a projected minimum 15-year operating pro forma.](#)

F. Borrow shall submit evidence of compliance with the Reno Sparks Indian Colony Site Monitoring Artifact Agreement and acknowledge compliance with other funding agreements including, but not limited to, the City of Reno and Federal Home Loan Bank of San Francisco.

G. Lender shall have its Deed recorded in first position and must approve subordinate Deeds of Trust and/or Restrictive Covenants.

E.H. Each of the covenants, representations and warranties made by or on behalf of Borrower in this Loan Agreement or in any other Loan Document shall be fully performed and shall be true and correct when made and as of the Closing Date.

E.I. It shall not be unlawful: (i) for Lender to perform any of its agreements or obligations under any of the Loan Documents to which Lender is a party on the Closing Date; or (ii) for Borrower to perform any of its agreements or obligations under this Loan Agreement or any of the other Loan Documents on the Closing Date.

3.3 **Disbursement.** Funds will be released to Borrower on a monthly drawdown reimbursement basis for Project based upon-costs incurred by Borrower in the previous month. A closing draw for expenses incurred through restated loan closing may be submitted at least ten (10) business days in advance of scheduled loan closing and pre-approved for reimbursement upon execution of the Loan Documents. As part of the monthly draw, Borrower must submit a cover letter, an approved construction draw request, prior month lien releases, and invoices and- proof of payment for any requested soft costs. At all times sources and uses must stay in balance. Lender reserves the right to request additional back-up or clarifying documentation and to inspect construction progress and/or participate in monthly construction draw/review meetings, #which must be held.

Borrower must notify Lender of the date, time, and location of any-monthly construction draw/review meetings and any special meetings.- Lender will participate in meetings and receive copies of all third-party construction inspection reports. A Third party construction inspector as approved by Lender, is required at Borrower's expense but may be a project-related cost covered through the Restated Loan to ensure compliance with construction drawings. Any negative report by the independent construction inspector or failure to pass inspection shall be deemed a material breach of this Agreement by Borrower and must be cured by Borrower within sixty (60) days unless otherwise agreed upon by the Parties. Prior to any draw during construction or development of the Project, Borrower shall provide Lender with a report on any/all development activity, inclusive of the ongoing projections of the costs to complete the Project and evidence of Borrower's ability to meet those projections.

Borrower will notify Lender promptly upon receipt of any award from the State of Nevada or any other entity. Once loan documents are executed with the State of Nevada, any funds not yet drawn under this Note shall be cancelled and no longer available. Funds drawn to that date will be due

and repayable within ten (10) business days upon Borrower's receipt of funds from the State of Nevada or any other entity.

### 3.4 **Repayment.**

Borrower will notify Lender promptly upon receipt of any award from the State of Nevada or any other entity received post-closing. Any construction or project savings equal to or greater than \$50,000, shall reduce the amount of the Restated Loan on a ~~dollar for dollar~~ dollar-for-dollar basis unless RHA or its successor agency, in its sole discretion, approves otherwise. RHA's Executive Director may approve potential reuse of construction and project savings, in aggregate, up to \$100,000. Potential reuse may include, but is not limited to, creation of an operating reserve, additional construction costs, and/or developer fee. Requests for reuse of funds, in aggregate, over \$100,000.01 must be approved by the RHA Board of Commissioners. Funds drawn to that date will be due and repayable to RHA or its successor agency within ten (10) business days if reuse of funds is not approved.

~~As condition to Lender's funding of the Loan as provided for herein, Borrower shall apply for, pursue, and do all things reasonably necessary to secure funding for the Gen-Den Affordable Housing Project ("Project"), through the American Rescue Plan Act of 2021 or equivalent funds provided by the State of Nevada Housing Division. Payment hereof shall be payable thirty (30) days following Borrower's receipt of funding for the Project, as set forth above.~~

In the event that Borrower fails to ~~secure the funding described above~~ secure financing needed to fully fund the ~~p~~Project, fails to commence the Project by ~~September 01, 2025~~ May 12, 2023, fails to submit proof of actual work performed within thirty (30) days of project commencement, fails to complete the Project by ~~August 21, 2026~~ December 15, 2023, (unless otherwise extended by approved change order), or fails to continuously operate the Project, Borrower shall be in default and the Ground Lease shall terminate and ownership of any improvements to the Property shall vest in Lender. ~~In event of disruption of the Project due to force majeure or acts of god, Borrower shall immediately notify Lender and Lender shall provide, at its sole discretion, reasonable time, to resolve such issues and reinstate housing the Project. Borrower's failure to resolve such issues and/or reinstate the Project shall be deemed a material breach hereof. Should Borrower so fail, then any applicable insurance proceeds shall inure be paid to Lender in addition to all other remedies available to Lender. Should Borrower lease to an ineligible household, Borrower shall have 60 days to cure prior to default. Borrower shall use federal HOME program standards for household income eligibility determination.~~

## **ARTICLE IV** **REPRESENTATIONS AND WARRANTIES**

4.1 **Representations and Warranties of Borrower.** In order to induce Lender to enter into this Loan Agreement and to make the Loan thereunder, Borrower represents, warrants and agrees, as of the Closing Date:

A. **Authorization and Organization.** Borrower has full power and authority to execute, deliver and perform the terms of the Loan Documents without the consent of any other person. Borrower has taken all necessary action required by law, to authorize the execution, delivery, and performance of the Loan Documents.

B. **Valid and Enforceable Obligations.** The Loan Documents constitute the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms.

C. **Due Execution and Delivery.** The execution and delivery of the Loan Documents, and the consummation of the transactions contemplated thereby, do not and will not conflict with or result in a breach of any of the terms or conditions of any mortgage, indenture, loan agreement, agreement, contract or instrument to which Borrower or any affiliated entity is a party.

D. **No Litigation.** There is not currently pending or threatened any suit, action or proceeding against or affecting Borrower or the Property.

E. **Solvency.** Borrower is solvent and free from bankruptcy, reorganization or similar proceedings or a general assignment for the benefit of creditors.

F. **Compliance With Laws.** Borrower is, and during the Term of the Loan shall remain, in compliance with all applicable statutes, codes and regulations in connection with the Property.

G. **Good Title.** Borrower shall have at close of escrow, and shall maintain, good and marketable title to the Property, which shall be free from any deed of trust, mortgage, pledge, lien, security interest, lease, encumbrance, or charge (other than those approved by Lender).

J. **Correctness of Statements.** No financial statement, or any other statement made or furnished to Lender by or on behalf of Borrower in connection with this Agreement contains or will contain any materially untrue statement of fact or omit any fact necessary to make the statements included therein not misleading. All financial statements provided to Lender, if any, have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior periods, and fairly and accurately present the financial condition and the results of operations of Borrower as of their respective dates and for the periods covered thereby. There are no facts known to Borrower which have not been disclosed in writing to Lender, which materially and adversely affect the business, properties, assets, operations, condition (financial or otherwise), affairs or prospects of Borrower.

K. **Compliance with Law.** The development of the Property and improvements to be constructed on the Property, and the use of the Property for the purposes intended, will not violate any environmental, ecological, subdivision, zoning, use, or other ordinance, law, or regulation or any agreement applicable to the Property or its intended use.

M. **Patriot Act.** Borrower and to the best of Borrower's knowledge, after having made diligent inquiry, each person owning a direct or indirect interest in Borrower: (i) is not currently identified on OFAC List, or other federally issued list of known or suspected terrorists or terrorist organizations, and (ii) is not a person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, anti-money laundering rules, or other prohibition of United States law, regulation, or executive order of the President of the United States. At all times throughout the term of the Loan, none of the funds or assets of the funds or assets of the Borrower that are used to repay the Loan shall constitute property of, or shall be beneficially owned directly or, to the knowledge of Borrower, indirectly, by any person identified on OFAC List. Borrower has implemented procedures; and will consistently apply those procedures throughout the term of the Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Loan. As used herein, "**OFAC List**" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any requirements of law, including, without limitation, trade embargo, economic sanctions, or other prohibitions imposed by executive order of the President of the United States.

Q. **No Foreign Person.** Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Federal tax code.

R. **Investment Company Act; Other Regulations.** Borrower is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940 and the regulations issued thereunder, each as amended. Borrower is not subject to regulations under any federal or state statute or regulation which limits its ability to incur indebtedness.

S. **ERISA.** (a) Borrower is not and will not be an "employee benefit plan," as defined in §3(3) of ERISA, subject to Title I of ERISA, (b) none of the assets of Borrower constitute or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. §2510.3-101, (c) Borrower is not and will not be a "governmental plan" within the meaning of §3(3) of ERISA, and (d) transactions by or with Borrower are not and will not be subject to state statutes regulating investment of, and fiduciary obligations with respect to, governmental plans.

T. Borrower confirms it is not debarred by the US Department of Housing and Urban Development.

U. Borrower will ensure compliance with Fair Housing and will not discriminate against renters based on source of income such as Housing Choice Vouchers.

///

///

## **ARTICLE V**

### **AFFIRMATIVE COVENANTS**

Borrower covenants and agrees that from the date hereof and until payment in full of all amounts owed by Borrower to Lender, unless Lender shall otherwise consent in writing in the exercise of Lender's sole and absolute discretion:

5.1 **Funding.** Borrower shall apply for, pursue, and do all things timely and reasonably necessary to secure funding for the Project, ~~through the American Rescue Plan Act of 2021 (ARPA) or equivalent funds provided by the State of Nevada Housing Division.~~ Upon receipt of such funds, and in accordance with the terms of this Restated Loan Agreement, Borrower shall immediately repay the Loan in accordance with the terms of the Note and from such as set forth herein.

5.2 **Taxes, Assessments and Other Charges.** Borrower shall duly and promptly pay and discharge, as the same become due and payable, all taxes, assessments and governmental and other charges, levies or claims levied or imposed, or which if unpaid might become a lien or charge upon Borrower properties, assets, earnings or businesses, except as such are being diligently contested in good faith and by appropriate proceedings and in respect of which an adequately funded reserve or other appropriate provision has been established to pay and discharge same and provided that no notice of lien has been filed or recorded in respect thereof. Borrower shall, if requested by Lender, deliver evidence of payment to Lender in a form acceptable to Lender. Borrower shall submit evidence of any property tax exemption on an annual basis.

5.3 **Payment of Obligations.** Borrower shall pay all liabilities and obligations when due and prior to the date on which penalties attach thereto and shall keep all existing debts current.

5.4 **Laws.** Borrower shall comply with all governmental statutes and regulations affecting the ownership of Borrower's property and conduct of Borrower's businesses, including, without limitation, all environmental laws.

5.5 **Records.** Borrower shall keep full and accurate accounts and records of Borrower's operations according to generally accepted accounting principles and, upon Lender's request, to permit Lender or its agents to examine and audit such accounts and records at any time during regular business hours.

5.6 **Recording and Filing.** Borrower shall cooperate with Lender in executing, filing and recording any documents and in taking any other actions that Lender may reasonably request in contemplation of the transaction hereunder.

5.7 **Information ~~to~~ To Be Furnished.** Borrower shall furnish or cause to be furnished to Lender:

A. **Financial Statements.** To extent requested by Lender and as deemed necessary, by August 01 after the close of each fiscal year, statements of financial condition,

including balance sheets as of the close of such fiscal year, income and expense statements, statements of changes in financial condition and retained earnings statements for such fiscal year, for Borrower, prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year (except as otherwise noted in such statements). Such statements shall be prepared and certified by Borrower or, if requested by Lender in the event of a default, certified or audited by an independent certified public accountant acceptable to Lender.

B. **Other Information.** Such other financial statements and information as Lender may reasonably request from time to time including, but not limited to, rental rates, tenant income certifications, ~~and~~ resident demographic information, business license, permits, and maintenance plans.

#### 5.8 Insurance; Casualty and Condemnation.

A. **Insurance.** Borrower shall obtain and maintain, in full force and effect at all times, all insurance with respect to Borrower and the Property as required for operation of the premises. Lender shall be named as additional insured.

B. **Obligations upon Condemnation or Casualty.** Borrower shall comply with all obligations required under the Loan Documents in the event the Property is damaged by a casualty or becomes involved in any condemnation.

5.9 **Notice ~~of~~ Certain Events.** Borrower shall give prompt written notice to Lender of all events of default under any other material agreement entered into with any third party, material changes in ownership, and any other matter which has resulted in or might reasonably be expected to result in an adverse change in its or their respective financial condition or business operation.

5.10 **Execution of Other Documents.** Borrower shall promptly execute and deliver all supplements and amendments hereto and all financing statements, continuation statements and such additional agreements, instruments, and assurances in connection with this Agreement as Lender may reasonably request from time to time in order to effectuate the provisions hereof.

5.11 **Notice of Litigation.** Borrower shall promptly give Lender notice in writing of all litigation and of all proceedings before any governmental or regulatory agencies which, if adversely determined, would materially affect Borrower's ability to fulfill its respective obligations under the Loan Documents.

5.12 **Access to Property.** Borrower shall permit representatives of Lender to enter upon the Property to inspect the development at all reasonable times and also to examine all books and records related to development of the Property including all detailed plans, maps, drawings, and specifications.

///

///

Formatted: Indent: First line: 0"

### 5.13 Development of Property.

A. **Development in Accordance ~~w~~With Plans.** Borrower will develop the Property in accordance with and all laws, rules and regulations.

B. **Interruption of Development.** Borrower shall not discontinue the planned development of the Property at any time prior to completion for more than thirty (30) consecutive days, except where the delay is caused by force majeure, which shall include, without limitation, any work stoppages required by government authorities relating to epidemics or pandemics.

5.14 **Property.** Borrower shall maintain, preserve and protect the Property as well as all property that is material to the business of the Borrower, and the same in good repair, working order and condition, normal wear and tear excepted, and from time to time as necessary make, or cause to be made, all repairs, renewals, additions, improvements, and replacements thereto as necessary in order that the business carried on in connection therewith may be properly conducted at all times in accordance with customary and prudent business practices for similar businesses.

5.15 **Payment of Costs and Expenses.** Borrower will pay all costs and expenses (including reasonable attorneys' fees and the fees of the Construction Monitor) incurred by Lender, if any, for preparation of the Loan Documents (but which, in the case of the preparation of the Loan Documents, shall not exceed the amount set forth in Section 2.1(B) of this Agreement), perfecting the security interests of Lender in the Property, whether such expenses are incurred before or after the date of this Agreement, and including all such cost and expenses as may be incurred by Lender in collecting the Loan or in any bankruptcy, insolvency or similar proceeding.

5.16 **Property Indemnity.** Borrower shall indemnify Lender, its affiliates, subsidiaries and parent companies, and its and their respective directors, officers, agents and employees ("Indemnified Persons") against, and hold them harmless against, any and all liabilities, losses and expenses (including but not limited to their reasonable attorney's fees) and including penalties, damages and settlement amounts, if any, arising from or resulting from any claims, suits, orders, or actions, brought by any person including but not limited to any federal, state, or local governmental authorities and agencies, for any act or failure to act by any person arising from or resulting from the construction, use, or occupancy of the Property by Borrower, or any act or omission relating to any thereof or arising from or resulting from any actual or alleged violation of or noncompliance by Borrower with any applicable laws, or arising from or resulting from any claim of negligence or strict liability relating to the construction, use, or occupancy of the Property by Borrower. The Indemnified Persons shall not be liable to any person for any violation of or noncompliance with any applicable laws by Borrower. Unless not to do so would be a conflict of interest the indemnitor does not have to hire separate counsel for the Indemnified Persons.

///

///

///

Formatted: Indent: Left: 0"

## **ARTICLE VI**

### **NEGATIVE COVENANTS**

Borrower covenants and agrees that from the date hereof and until payment in full of all amounts owed by Borrower to Lender, unless Lender shall otherwise consent in writing in the exercise of Lender's sole and absolute discretion:

6.1 **Transfer of Interests.** Borrower shall not permit any voluntary or involuntary transfers of shares of stock in Borrower or issuances of new shares of stock in Borrower resulting, in the aggregate, in a change of ownership of fifty percent (50%) or more of the outstanding and issued shares of stock in the Borrower, without the prior written consent of Lender, which may be granted or withheld in Lender's sole discretion.

6.2 **Secondary Financing.** No secondary financing, junior encumbrances, sale, lease, or other transfer or disposition of the Property or of any interest therein shall be permitted without Lender's prior written permission, which may be granted or withheld in Lender's sole discretion. [Lender acknowledges and approves secondary financing and junior encumbrances from the City of Reno in the amount of \\$ and \\$ from Federal Home Loan Bank of San Francisco.](#)

6.3 **Security.** Borrower shall not create, assume, or suffer any deed of trust, mortgage, pledge, lien, security interest, lease, encumbrance, or charge (other than for taxes not delinquent) on the Property without the prior written consent of Lender, which may be granted or withheld in Lender's sole discretion. Borrower shall not sell, lease, transfer, assign, exchange or otherwise dispose of any part of its interest in the Property without the prior written consent of Lender.

6.4 **Liquidation ~~a~~ And Reorganization.** Borrower shall not liquidate, dissolve, or enter into any consolidation, merger or other combination in which Borrower's separate identity shall cease, except with the prior written consent of Lender.

## **ARTICLE VII**

### **MISCELLANEOUS**

7.1 **Notices; Service of Process.** All notices required under the terms of this Loan Agreement shall be deemed received and sufficient either (1) three days after the deposit in the United States Mail, postage prepaid, or (2) two days after their deposit in a nationally recognized overnight courier service, or (3) on the day of their personal delivery, if addressed or delivered to Borrower or Lender, Notwithstanding the foregoing, notices regarding any foreclosure proceedings shall be given as required by law. The parties' addresses for purposes of notice hereunder shall be as follows (unless subsequently changed):

If to Lender: HOUSING AUTHORITY OF THE CITY OF RENO  
Attn: Hilary Lopez  
1525 East 9<sup>th</sup> Street  
Reno, Nevada 89512  
Email: [HMcKendree@renoha.org](mailto:HMcKendree@renoha.org)  
Phone: 775-329-3630

Field Code Changed

Field Code Changed

With a copy to: Ryan Russell, Esq.  
Allison MacKenzie, Ltd.  
402 N. Division Street  
Carson City, Nevada 89703  
Email: [russell@allisonmackenzie.com](mailto:russell@allisonmackenzie.com)  
Phone: 775-687-0202

If to Borrower: TRUCKEE MEADOWS HOUSING SOLUTIONS  
Attn: Monica DuPea  
1369 Faland Way  
Reno, NV 89503  
Email: [monica.nyep@gmail.com](mailto:monica.nyep@gmail.com)  
Phone: 775-747-2073

With a copy to: Paul A. Matteoni, Esq.  
~~Womble Bond Dickinson US LLP~~ [Lewis Roca](mailto:pmatteoni@lewisroca.com)  
1 East Liberty St., Ste. 300  
Reno, Nevada 89501  
Email: [pmatteoni@lewisroca.com](mailto:pmatteoni@lewisroca.com)  
Phone: 775-~~823-324~~-2900

7.2 **Time.** Time is of the essence hereof.

7.3 **Amendments.** No amendment, modification, termination, or waiver of any provision of this Loan Agreement or of any of the other Loan Documents nor any consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Lender and Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

7.4 **Headings.** The article and section headings in no way define, limit, extend or interpret the scope of this Loan Agreement or of any particular article or section.

7.5 **Attorneys' Fees.** The prevailing party in any arbitration, suit, or action brought against the other party to enforce the terms of this Agreement or any rights or obligations hereunder, shall be entitled to receive its costs, expenses, and reasonable attorneys' fees of bringing such arbitration, suit, or action.

7.6 **Jurisdiction and Venue.** This Loan Agreement, and its validity, enforcement, and interpretation, shall be governed by Nevada law (without regard to any conflict of laws principles). All actions, or suits arising from or surrounding this Agreement shall be appropriate only in Washoe County, Nevada Second Judicial District Court.

IN WITNESS WHEREOF, Borrower and Lender have executed this Loan Agreement as of the date first written above.

**LENDER:**

**BORROWER:**

By: \_\_\_\_\_  
Hilary Lopez, Ph.D.,  
Executive Director

By: \_\_\_\_\_  
Name:  
Title:

~~4904-7871-3948, v. 14910-5668-2839, v. 1~~  
~~4904-7871-3948, v. 14910-5668-2839, v. 14858-5364-1040, v. 1~~  
~~4904-7871-3948, v. 14910-5668-2839, v. 14892-1495-9707, v. 1~~

AMENDED AND FULLY RESTATED PROMISSORY NOTE

\$1,750,000.00

\_\_\_\_\_, Nevada

\_\_\_\_\_, 2025

FOR VALUE RECEIVED, the undersigned, promises to pay to HOUSING AUTHORITY OF THE CITY OF RENO, Holder, at such place and manner as the Holder hereof may designate in writing, the principal sum of One Million Seven Hundred Fifty and No/100 dollars (\$1,750,000.00), in lawful money of the United States, without interest as follows:

TRUCKEE MEADOWS HOUSING SOLUTIONS, Maker, shall apply for, pursue, and do all things reasonably necessary to secure funding for the Gen Den Affordable Housing Project located at 1100 West 4<sup>th</sup> Street, Reno, Nevada 89503 (“Project”). Maker shall provide Holder with confirmation of secured funding in an amount adequate to fully fund, the Project when paired with this loan, the project’s RHA approved budget. This Note shall be tolled so long as the Loan is used to develop, construct, and operate the Gen-Den Affordable Housing Project. Reference is further made to that certain Amended and Fully Restated Loan Agreement by and between the Parties (“Loan Agreement”) which shall govern in the event of Maker’s failure to obtain funding or otherwise fails to commence the Project by September 01, 2025, failure to submit proof of actual work performed within thirty (30) days of project commencement, failure to complete the Project by August 31, 2026, (unless otherwise extended by approved Change Order), or failure to continuously operate the Project in accordance with the Amended and Fully Restated Loan Agreement commensurate herewith. Upon Maker being legally determined to be in default, ownership of any improvements attendant to the Property shall vest in Holder, and Maker shall be bound by all default options available to Holder under the Loan Agreement.

DEFAULT: The Maker promises and agrees that upon the happening of any one of the following events, the Holder, at its option, may declare Maker in default, without demand or notice, and pursue all default options available to Holder under the Loan Agreement:

- (a) If default be made in the performance of any of the covenants, promises or agreements contained in the Loan Agreement or

(b) If the Maker becomes insolvent or makes a general assignment for the benefit of creditors, or consents to or applies for the appointment of a trustee or receiver for the property, real or personal, encumbered by the Deed of Trust and Assignment of Rents securing this note, or any part thereof; or

(c) If a trustee or receiver is appointed for said real property or any part thereof;  
or

(d) If Maker fails to commence the Project by September 01, 2025, fails to submit proof of actual work performed within thirty (30) days of project commencement, fails to complete the Project by August 31, 2026 (unless otherwise extended by approved Change Order), or fails to continuously operate the Project; or

(e) IN THE EVENT THE REAL PROPERTY, OR ANY PART THEREOF, OR ANY INTEREST THEREIN, IS SOLD, AGREED TO BE SOLD BY CONTRACT OF SALE OR OTHERWISE CONVEYED OR ALIENATED BY THE MAKER; OR

(f) IF THE MAKER SHALL FAIL TO COMPLY WITH THE LOAN AGREEMENT OR THE LOAN DOCUMENTS AT ISSUE THEREIN IN ANY MANNER OR WAY, WHETHER VOLUNTARY OR INVOLUNTARILY, OR BY THE OPERATION OF LAW OR OTHERWISE.

ATTORNEYS' FEES: The undersigned agrees that if, and as often as, this Note is placed in the hands of an attorney for collection, or to defend or enforce any of the Holder's rights hereunder, including fees incurred in any bankruptcy proceedings, the undersigned shall pay to the Holder hereof reasonable attorneys' fees, together with all court costs and other expenses paid by such Holder.

NOTICE: Presentment, notice of dishonor, and protest are hereby waived by Maker, all sureties, guarantors and endorsers hereof. Any notice or demand to be given or required

by the terms of the Note shall be served on the Maker, and on the Holder by certified mail at the following addresses:

Holder: HOUSING AUTHORITY OF THE CITY OF RENO  
Attn: Hilary Lopez  
1525 East 9<sup>th</sup> Street  
Reno, Nevada 89512

Maker: TRUCKEE MEADOWS HOUSING SOLUTIONS  
Attn: Monica DuPea  
1369 Faland Way  
Reno, NV 89503

APPLICABLE LAW: This Note shall be construed in accordance with Nevada law.

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

TRUCKEE MEADOWS HOUSING SOLUTIONS,  
a Nevada nonprofit corporation

By: \_\_\_\_\_  
\_Monica Dupea, Executive Director

4934-0430-6780, v. 1  
4934-0430-6780, v. 1  
4934-0430-6780, v. 1

UPDATED AMENDED AND FULLY RESTATED PROMISSORY NOTE

\$1,750,000.00 \_\_\_\_\_, Nevada  
\_\_\_\_\_, 2025<sup>3</sup>

FOR VALUE RECEIVED, the undersigned, promises to pay to HOUSING AUTHORITY OF THE CITY OF RENO, Holder, at such place and manner as the Holder hereof may designate in writing, the principal sum of One Million Seven Hundred Fifty and No/100 dollars (\$1,750,000.00), in lawful money of the United States, without interest as follows:

TRUCKEE MEADOWS HOUSING SOLUTIONS, Maker, shall apply for, pursue, and do all things reasonably necessary to secure funding for the Gen Den Affordable Housing Project located at 1100 West 4<sup>th</sup> Street, Reno, Nevada 89503 ("Project"), ~~through the American Rescue Plan Act of 2021 or equivalent funds provided by the State of Nevada Housing Division.~~ Maker shall provide Holder with confirmation of secured funding in an amount adequate to fully fund, the Project when paired with this loan, the project's RHA approved budget. Payment hereof shall be payable thirty (30) days following Maker's receipt of funding for the Project as set forth above. Should Maker fail to obtain such funding despite best efforts, so long as such failure is not due to the fault of Maker, this Note shall be tolled so long as the Loan is used to develop, construct, and operate the Gen-Den Affordable Housing Project. ~~Reference is further made to that certain Loan Amended and Fully Restated Loan Agreement by and between the Parties ("Loan Agreement") which shall govern in the event of Maker's failure to obtain funding or otherwise fails to commence the Project by September 01, 2025~~ May 12, 2023, failures to submit proof of actual work performed within thirty (30) days of project commencement, failures to complete the Project by August 31, 2026 ~~December 15, 2023~~, (unless otherwise extended by approved Change Order), or failures to continuously operate the Project in accordance with the Amended and Fully Restated Loan Agreement commensurate herewith. Upon Maker ~~Borrower shall be being legally determined to be~~ in default, and ownership of any improvements attendant to the Property shall vest in Holder, and Maker shall be bound by all default options available to Holder under the Loan Agreement.

DEFAULT: The Maker promises and agrees that upon the happening of any one of the following events, the Holder, at its option, may declare Maker in default, without demand or notice, and pursue all default options available to Holder under the Loan Agreement:

(a) If default be made in the performance of any of the covenants, promises or agreements contained in the Loan Agreement or

~~(b) Intentionally deleted.~~

(be) If the Maker becomes insolvent or makes a general assignment for the benefit of creditors, or consents to or applies for the appointment of a trustee or receiver for the property, real or personal, encumbered by the Deed of Trust and Assignment of Rents securing this note, or any part thereof; or

(cd) If a trustee or receiver is appointed for said real property or any part thereof; or

(de) If Maker fails to commence the Project by ~~September 01, 2025~~ May 12, 2023, ~~fails to submit proof of actual work performed withing~~ thirty (30) days of project commencement, fails to complete the Project by ~~August 31, 2026~~ December 15, 2023 (unless otherwise extended by approved Change Order), or fails to continuously operate the Project; or

(ef) IN THE EVENT THE REAL PROPERTY, OR ANY PART THEREOF, OR ANY INTEREST THEREIN, IS SOLD, AGREED TO BE SOLD BY CONTRACT OF SALE OR OTHERWISE CONVEYED OR ALIENATED BY THE MAKER; OR

(fg) IF THE MAKER SHALL FAIL TO COMPLY WITH THE LOAN AGREEMENT OR THE LOAN DOCUMENTS AT ISSUE THEREIN IN ANY MANNER OR WAY, WHETHER VOLUNTARY OR INVOLUNTARILY, OR BY THE OPERATION OF LAW OR OTHERWISE.

ATTORNEYS' FEES: The undersigned agrees that if, and as often as, this Note is placed in the hands of an attorney for collection, or to defend or enforce any of the Holder's rights

hereunder, including fees incurred in any bankruptcy proceedings, the undersigned shall pay to the Holder hereof reasonable attorneys' fees, together with all court costs and other expenses paid by such Holder.

NOTICE: Presentment, notice of dishonor, and protest are hereby waived by Maker, all sureties, guarantors and endorsers hereof. Any notice or demand to be given or required by the terms of the Note shall be served on the Maker, and on the Holder by certified mail at the following addresses:

Holder: HOUSING AUTHORITY OF THE CITY OF RENO  
Attn: Hilary Lopez  
1525 East 9<sup>th</sup> Street  
Reno, Nevada 89512

Maker: TRUCKEE MEADOWS HOUSING SOLUTIONS  
Attn: Monica DuPea  
1369 Faland Way  
Reno, NV 89503

APPLICABLE LAW: This Note shall be construed in accordance with Nevada law.

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

TRUCKEE MEADOWS HOUSING SOLUTIONS,  
a Nevada nonprofit corporation

By: \_\_\_\_\_  
\_Monica Dupea, Executive Director

4934-0430-6780, v. 14900-0115-8743, v. 1  
4934-0430-6780, v. 14900-0115-8743, v. 14873-8187-5024, v. 1  
4934-0430-6780, v. 14900-0115-8743, v. 14887-1328-1627, v. 1

# *Truckee Meadows Housing Solutions*

## **GenDen Housing Project**

**Monday, August 11, 2025**

## **Project Summary**

# Truckee Meadows Housing Solutions

## GenDen Housing Project Updated Development Timeline

Monday, August 11, 2025

PROJECTED DATE 2025	TASK:	TASK SOURCE:	NOTES
Complete	Complete RHA Docs Update Schedule	TMHS/RHA/JFF	Complete
Complete	TMWA Easement Approval	TMHS/REC	Complete
Complete	TMWA Water Plan Approval	TMWA	Complete
Complete	All Plans approved and issuance.	TMHS/REC	Complete
Complete	City Permits Issued; Drawings to Ranger Construction for final pricing	TMHS/REC	Complete
Complete	Ranger Completes Repricing; Contract Amended	TMHS/ Ranger	Complete
Complete	TMWA Pre-Construction Meeting	TMWA/TMHS/ Ranger	Complete

Complete	Execute Construction Contract	TMHS/ Ranger	Complete
Complete	Prepare \$500K Grant Application	TMHS/PRAXIS	Complete
Complete	AHP Grant Application filed	TMHS	Complete
Complete	RHA Meeting	RHA Board/TMHS	Complete
Complete	AHP Grant Application Approval	FHL	Complete
Friday, July 18, 2025	Confirm All Funding Commitments: Public Sources Private Sources	TMHS/RHA JFF	Complete
Complete	AHP Grant Webinar	TMHS	Complete
Complete	Conference Call with RHA	TMHS/JFF RHA	Complete
Tuesday, August 5, 2025	Meeting with RHA	RHA/JFF	Complete
Friday, August 8, 2025	Submit AHP Grant Distribution Documentation	TMHS	Complete

Monday, August 11, 2025	Approve RHA Revised Documents	TMHS/RHA JFF/PM	Complete
Friday, August 15, 2025	RHA Special Board Meeting	TMHS/RHA	Scheduled
Friday, August 22, 2025	Document Closing/Filing	TMHS/RHA/ JFF/FHL	See Closing Checklist
Friday, August 22, 2025	Initial Construction Funding	TMHS/JFF	See Cash Flow Summary; future draw requests to be on or about the 15th of each month.
Monday, August 25, 2025	Commence Construction of Building	Ranger	Per contract, price subject to change if not commenced by 8/31/25
Friday, September 12, 2025	Water Line to be relocated and connection in 4th street completed.	Ranger	Sidewalk, curb and surface work (other than street paving to cover pipe) to be conducted in the spring.
Wednesday, October 15, 2025	AHP Grant Funded	TMHS/FHL	
Friday, October 31, 2025	Foundations poured; weather factor	Ranger	Key date; weather becomes a factor.
November 1-15, 2025	Initial Draw from RHA	TMHS/RHA	

Friday, December 19, 2025	Rough Site Work Completed	Ranger	
<b>PROJECTED DATE 2026</b>	<b>TASK:</b>	<b>TASK SOURCE:</b>	<b>NOTES</b>
Friday, February 27, 2026	Building Under Roof	Ranger	
Friday, July 17, 2026	Sidewalk and related work completed.	Ranger	
Friday, July 17, 2026	Substantial Completion of Building	Ranger	Projected 10 months construction
Saturday, July 25, 2026	Complete Punchlist	TMHS/ Ranger	
Saturday, July 25, 2026	Grand Opening	TEAM	Target Date

# Truckee Meadows Housing Solutions

GenDen Housing Project  
Cash Flow Summary  
8/11/2025

## DRAWS 2025

<u>USES OF FUNDS</u>	Amount	Paid to Date	Balance	August	September	October	November	December	Balance 12/31/25	
Land \$1 purchase (stipulated value)	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Construction and Site Work	2,325,533	39,554	2,285,979	46,000	186,665	186,665	186,665	186,665	\$ 1,493,319	
Personal Property	30,420	-	30,420	-	-	-	-	-	\$ 30,420	
Permit Costs and Fees	147,926	147,926	-	-	-	-	-	-	\$ -	
Due Diligence	96,420	96,420	-	-	-	-	-	-	\$ -	
Architectural & Engineering	138,823	78,287	60,536	-	-	-	60,536	-	\$ -	
Financing & Legal Costs	63,902	19,560	44,342	44,342	-	-	-	-	\$ -	
Project Contingency	75,869	-	75,869	-	-	-	-	37,935	\$ 37,935	
<i>ESTIMATED USES OF FUNDS</i>	<i>TRUE</i>	<i>\$ 2,928,893</i>	<i>\$ 431,747</i>	<i>\$ 2,497,146</i>	<i>\$ 90,342</i>	<i>\$ 186,665</i>	<i>\$ 186,665</i>	<i>\$ 247,201</i>	<i>\$ 224,599</i>	<i>\$ 1,561,674</i>
<i>SOURCES OF FUNDS</i>										
Jacobs Family Foundation Contribution	\$ 350,000	\$ 31,190	\$ 318,810	\$ 90,342	\$ 186,665	\$ -	\$ -	\$ -	\$ 41,803	
Jacobs Family Foundation (legal)	53,893	53,893	-	-	-	-	-	-	\$ -	
Joseph Foundation	100,000	100,000	-	-	-	-	-	-	\$ -	
Lifestyle Homes Foundation	50,000	50,000	-	-	-	-	-	-	\$ -	
Land Contribution	50,000	50,000	-	-	-	-	-	-	\$ -	
Affordable Housing Trust Fund	75,000	75,000	-	-	-	-	-	-	\$ -	
TMHS Advance of AHP Grant	-	71,664	(71,664)	-	-	-	-	-	\$ -	
AHP Grant	500,000	-	428,336	-	-	186,665	241,671	-	\$ -	
RHA	1,750,000	-	1,750,000	-	-	-	5,530	224,599	\$ 1,519,871	
<i>ESTIMATED SOURCES OF FUNDS</i>	<i>\$ 2,928,893</i>	<i>\$ 431,747</i>	<i>\$ 2,425,482</i>	<i>\$ 90,342</i>	<i>\$ 186,665</i>	<i>\$ 186,665</i>	<i>\$ 247,201</i>	<i>\$ 224,599</i>	<i>\$ 1,561,674</i>	

## DRAWS 2026

<u>USES OF FUNDS</u>	January	February	March	April	May	June	July	August	Balance of Work (Including Retainage)
Land \$1 purchase (stipulated value)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction and Site Work	\$ 186,665	186,665	186,665	186,665	186,665	186,665	186,665	186,665	\$ -
Personal Property	\$ -	-	-	30,420	-	-	-	-	\$ -
Permit Costs and Fees	\$ -	-	-	-	-	-	-	-	\$ -
Due Diligence	\$ -	-	-	-	-	-	-	-	\$ -
Architectural & Engineering	\$ -	-	-	-	-	-	-	-	\$ -
Financing & Legal Costs	\$ -	-	-	-	-	-	-	-	\$ -
Project Contingency	\$ -	-	-	37,935	-	-	-	-	\$ -
<b><i>ESTIMATED USES OF FUNDS</i></b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ 255,019</b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ -</b>
<i>TRUE</i>									
<b><i>SOURCES OF FUNDS</i></b>									
Jacobs Family Foundation Contribution	\$ -	-	-	-	-	-	-	41,803	\$ -
Jacobs Family Foundation (legal)	\$ -	-	-	-	-	-	-	-	\$ -
Joseph Foundation	\$ -	-	-	-	-	-	-	-	\$ -
Lifestyle Homes Foundation	\$ -	-	-	-	-	-	-	-	\$ -
Land Contribution	\$ -	-	-	-	-	-	-	-	\$ -
Affordable Housing Trust Fund	\$ -	-	-	-	-	-	-	-	\$ -
TMHS Advance of AHP Grant	\$ -	-	-	-	-	-	-	-	\$ -
AHP Grant	\$ -								\$ -
RHA	\$ 186,665	\$ 186,665	\$ 186,665	\$ 255,019	\$ 186,665	\$ 186,665	\$ 186,665	\$ 144,862	\$ -
<b><i>ESTIMATED SOURCES OF FUNDS</i></b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ 255,019</b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ 186,665</b>	<b>\$ -</b>

# Truckee Meadows Housing Solutions

GenDen Housing Project

Closing Checklist

Monday, August 11, 2025

	<u>Documents</u>	<u>Responsible Party</u>	<u>Status</u>
<b>1</b>	<u>RHA Loan Documents</u>		
	A. Note	TMHS/RHA	In Process
	B. Mortgage	TMHS/RHA	In Process
	C. Loan approval confirmation	TMHS/RHA	In Process
	D. Agreement with NYEP	TMHS/RHA	In Process
	E. Title Report	TMHS/RHA	In Process
<b>2</b>	<u>AHP Grant Documents</u>		
	A. Rider Deed of Trust	TMHS/RHA	In Process
	B. Promissory Note	TMHS/RHA	In Process
<b>3</b>	<u>JFF Contribution Documents</u>		
	A. Original Agreement	TMHS/JFF	Complete
	B. Amendment	TMHS/JFF	Complete
<b>4</b>	<u>Ranger Construction Contract</u>		
	A. Original	Ranger/TMHS	Complete
	B. Amendment, 2025	Ranger/TMHS	Complete
	D. Insurance Certificate	Ranger/TMHS	Complete
<b>5</b>	<u>City of Reno Permits</u>		
	A. Site Plan	REC/TMHS	Complete
	B. Building 1	REC/TMHS	Complete
	C. Building 2	REC/TMHS	Complete
	D. Proof of Permit Fees	REC/TMHS	Complete

<b>6</b>	<u>TMWA Approval/Will Serve</u>		
	A. Easement with NYEP	REC/TMHS	Complete
<b>7</b>	<u>Health Department Approval</u>		
	A. Water system	REC/TMHS	Complete
<b>8</b>	<u>Fire Department Approval</u>		
	A. Hydrant	REC/TMHS	Complete
<b>9</b>	<u>NV Energy</u>		
	A. Drawings	Ranger/TMHS	In Process
	B. Approval	Ranger/TMHS	In Process
	C. Agreement with NYEP	Ranger/TMHS	In Process
<b>10</b>	<u>Final Approved Drawings</u>		
	<u>Site/Landscaping Drawings</u>		
	A. Architectural	REC/TMHS	In Process
	B. Civil	REC/TMHS	In Process
	<u>Building 1</u>		
	A. Architectural	REC/TMHS	Complete
	B. Civil	REC/TMHS	Complete
	<u>Building 2</u>		
	A. Architectural	REC/TMHS	Complete
	B. Civil	REC/TMHS	Complete
<b>11</b>	<u>Construction Inspection</u>		
	A. BCM Contract	WBD/TMHS	Complete

## Truckee Meadows Housing Solutions

### GenDen Housing Project

### Updated Sources and Uses of Funds

Tuesday, July 29, 2025

<b><u>USES OF FUNDS</u></b>			<b>BUDGET</b>	<b>PAID TO DATE</b>	<b>BALANCE</b>
<i><u>Acquisition Costs</u></i>	<i><u>Notes</u></i>	<i><u>Entity</u></i>			
Land Purchase (\$1.00 stipulated value)		City of Reno	\$ 50,000	\$ 50,000	\$ -
<i>Sub-Total</i>			<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
<i><u>Construction Costs</u></i>					
Construction and Site Work			\$ 2,302,353	\$ 39,554	2,262,799
Bike Lockers/Tables			23,180	-	23,180
<i>Sub-Total</i>			<u>\$ 2,325,533</u>	<u>\$ 39,554</u>	<u>\$ 2,285,979</u>
<i><u>Personal Property</u></i>					
Personal Property					
Trash Receptical			\$ 15,500	-	15,500
Appliances			14,920	-	14,920
<i>Sub-Total</i>			<u>\$ 30,420</u>	<u>\$ -</u>	<u>\$ 30,420</u>
<i><u>Permit Fees &amp; Expenses</u></i>					
Building/Site Permit/Grading		City of Reno	\$ 107,087	\$ 107,087	\$ -
Parking Impact Fee		City of Reno	<i>Included</i>	<i>Included</i>	-
Road Impact Fee		City of Reno	<i>Included</i>	<i>Included</i>	-
Sewer System		Reno Utility	<i>Included</i>	<i>Included</i>	-
Building Permit		Washoe Co.	3,539	3,539	-
Water Rights		TMWA	34,300	34,300	-
NV Energy (pre-billings)		NV Energy	3,000	3,000	-
<i>Sub-Total</i>			<u>147,926</u>	<u>147,926</u>	<u>-</u>

Due Diligence Expenses

Survey/Topo/Title Rep. Review/BLA	<i>Alpine/Odyssey</i>	\$ 5,800	\$ 5,800	-
City of Reno/Washoe County	<i>City of Reno</i>	1,340	1,340	-
TICOR	<i>TICOR</i>	7,320	7,320	-
Compaction Testing/Final Plans	<i>CME</i>	4,975	4,975	-
Legal & Professional Fees	<i>Lewis Roca</i>	53,893	53,893	-
Legal & Professional	<i>RHA</i>	3,360	3,360	-
Phase 1/2	<i>McGinley</i>	19,732	19,732	-
<i>Sub-Total</i>		<u>96,420</u>	<u>96,420</u>	<u>-</u>

A&E

Architectural Final	<i>Carlson</i>	15,690	15,690	-
Engineering-Civil	<i>REC</i>	40,162	40,162	-
Engineering-Civil (Revisions)	<i>REC</i>	60,536	-	60,536
Engineering-Structural	<i>Wilcox-Nelson</i>	8,500	8,500	-
Engineering-Mechanical & Elec.	<i>SGF</i>	11,560	11,560	-
Landscaping Plan	<i>JA Design</i>	2,375	2,375	-
<i>Sub-Total</i>		<u>\$ 138,823</u>	<u>\$ 78,287</u>	<u>\$ 60,536</u>

Contingency

Project Contingency		75,869	-	75,869
<i>Sub-Total</i>		<u>\$ 75,869</u>	<u>\$ -</u>	<u>\$ 75,869</u>

Financing & Legal Costs

Draw Inspections/Certifications	<i>EST</i>	12,000	-	12,000
Control Account Fees	<i>EST</i>	12,000	-	12,000
Builder's Risk Insurance	<i>Initial Pmt</i>	9,660	9,660	-
Builder's Risk Insurance	<i>Quote</i>	4,862	-	4,862
Temporary Fencing		2,400	2,400	-
AHP Grant Consultant		7,500	7,500	-
Loan Fees & Expenses		15,480	-	15,480
<i>Sub-Total</i>		<u>\$ 63,902</u>	<u>\$ 19,560</u>	<u>\$ 44,342</u>

**ESTIMATED USES OF FUNDS**

<b>\$ 2,928,893</b>	<b>\$ 431,747</b>	<b>\$ 2,497,146</b>
---------------------	-------------------	---------------------

***SOURCES OF FUNDS***

Jacobs Family Foundation Contribution	\$	350,000	\$	31,190	\$	318,810
Jacobs Family Foundation. Contributions (legal)		53,893		53,893		-
Joseph Foundation		100,000		100,000		-
Lifestyle Homes Foundation		50,000		25,000		25,000
Land Contribution		50,000		50,000		-
Affordable Housing Trust Fund		75,000		75,000		-
TMHS Advance		-		96,664		(96,664)
	\$	678,893	\$	431,747	\$	247,146
<hr/>						
AHP Grant		500,000		-		500,000
Contributions from Reno Housing Authority		1,750,000		-		1,750,000
<hr/>						
<b><i>ESTIMATED SOURCES OF FUNDS</i></b>	<b><i>TRUE</i></b>	<b>\$ 2,928,893</b>	<b>\$</b>	<b>431,747</b>	<b>\$</b>	<b>2,497,146</b>
		<hr/>				

Project Name			The Gen Den Intergeneration		Total Units		10	Project Based Rental Subsidy (Indicate "Yes" or "No")								No	If Yes, v
			Rate of Increase	2.0%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11		
Income Assumptions																	
Gross Residential Rents-Restricted Income Units					84,000	85,680	87,394	89,141	90,924	92,743	94,598	96,490	98,419	100,388	102,396		
Gross Residential Rents-Restricted Income Units Subsidy					-	-	-	-	-	-	-	-	-	-	-		
Gross Residential Rents-Non-restricted Income Units					-	-	-	-	-	-	-	-	-	-	-		
Less Vacancy			% of Gross Rents =	5.0%	(4,200)	(4,284)	(4,370)	(4,457)	(4,546)	(4,637)	(4,730)	(4,824)	(4,921)	(5,019)	(5,120)		
Commercial Income					-	-	-	-	-	-	-	-	-	-	-		
Laundry, Parking						-	-	-	-	-	-	-	-	-	-		
Other						-	-	-	-	-	-	-	-	-	-		
Other						-	-	-	-	-	-	-	-	-	-		
Total Effective Gross Income					79,800	81,396	83,024	84,684	86,378	88,106	89,868	91,665	93,498	95,368	97,276		
Expense Assumptions			Rate of Increase	3.0%													
Management Fee			Dollars per Unit/Mo. =	\$ 68	8,160	8,405	8,657	8,917	9,184	9,460	9,743	10,036	10,337	10,647	10,966		
Legal & Audit					1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016		
Advertising					500	515	530	546	563	580	597	615	633	652	672		
Gas & Electric					10,800	11,124	11,458	11,801	12,155	12,520	12,896	13,283	13,681	14,092	14,514		
Water, Sewer, Waste Removal					6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063		
Supplies					1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344		
Payroll						-	-	-	-	-	-	-	-	-	-		
Insurance					9,660	9,950	10,248	10,556	10,872	11,199	11,535	11,881	12,237	12,604	12,982		
Pest Control					750	773	796	820	844	869	896	922	950	979	1,008		
Maintenance / Repair					12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	16,127		
Operating Reserves			Dollars per Unit =	\$ 100	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344		
Replacement Reserves			Dollars per Unit =	\$ 300	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000		
Real Estate Taxes					-	-	-	-	-	-	-	-	-	-	-		
Local & State Assessments					1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344		
Mandatory Debt Fee Payments						-	-	-	-	-	-	-	-	-	-		
Commercial Expenses					-	-	-	-	-	-	-	-	-	-	-		
Other						-	-	-	-	-	-	-	-	-	-		
Other						-	-	-	-	-	-	-	-	-	-		
Other						-	-	-	-	-	-	-	-	-	-		
Resident Services						-	-	-	-	-	-	-	-	-	-		
Total Expenses (excluding Resident Services)			Operating Cost/Unit	\$ 5,537	55,370	56,941	58,559	60,226	61,943	63,711	65,533	67,408	69,341	71,331	73,381		
Total Expenses (including Resident Services)			Operating Cost/Unit	\$ 5,537	55,370	56,941	58,559	60,226	61,943	63,711	65,533	67,408	69,341	71,331	73,381		
Net Operating Income					24,430	24,455	24,465	24,458	24,435	24,394	24,335	24,257	24,158	24,037	23,895		
Debt Service (Hard Debt Only from S&U Statement)					-	-	-	-	-	-	-	-	-	-	-		
Debt Service Coverage Ratio					-	-	-	-	-	-	-	-	-	-	-		
Cash Flow					24,430	24,455	24,465	24,458	24,435	24,394	24,335	24,257	24,158	24,037	23,895		
Operating Grant/Reserve																	
Operating Grant/Reserve																	
Residual Receipts Payment to																	
Residual Receipts Payment to																	
Residual Receipts Payment to																	
Net Cash Flow					24,430	24,455	24,465	24,458	24,435	24,394	24,335	24,257	24,158	24,037	23,895		

Project Name	The Gen Den Intergeneration		what is the status?			
	Rate of Increase	2.0%	Year 12	Year 13	Year 14	Year 15
<b>Income Assumptions</b>						
Gross Residential Rents-Restricted Income Units			104,443	106,532	108,663	110,836
Gross Residential Rents-Restricted Income Units Subsidy			-	-	-	-
Gross Residential Rents-Non-restricted Income Units			-	-	-	-
Less Vacancy	% of Gross Rents =	5.0%	(5,222)	(5,327)	(5,433)	(5,542)
Commercial Income			-	-	-	-
Laundry, Parking			-	-	-	-
Other			-	-	-	-
Other			-	-	-	-
<b>Total Effective Gross Income</b>			99,221	101,206	103,230	105,294
<b>Expense Assumptions</b>						
	Rate of Increase	3.0%				
Management Fee	Dollars per Unit/Mo. =	\$ 68	11,295	11,634	11,983	12,343
Legal & Audit			2,076	2,139	2,203	2,269
Advertising			692	713	734	756
Gas & Electric			14,950	15,398	15,860	16,336
Water, Sewer, Waste Removal			8,305	8,555	8,811	9,076
Supplies			1,384	1,426	1,469	1,513
Payroll			-	-	-	-
Insurance			13,372	13,773	14,186	14,612
Pest Control			1,038	1,069	1,101	1,134
Maintenance / Repair			16,611	17,109	17,622	18,151
Operating Reserves	Dollars per Unit =	\$ 100	1,384	1,426	1,469	1,513
Replacement Reserves	Dollars per Unit =	\$ 300	3,000	3,000	3,000	3,000
Real Estate Taxes			-	-	-	-
Local & State Assessments			1,384	1,426	1,469	1,513
Mandatory Debt Fee Payments			-	-	-	-
Commercial Expenses			-	-	-	-
Other			-	-	-	-
Other			-	-	-	-
Other			-	-	-	-
Resident Services			-	-	-	-
<b>Total Expenses (excluding Resident Services)</b>	Operating Cost/Unit	\$ 5,537	75,492	77,667	79,907	82,214
<b>Total Expenses (including Resident Services)</b>	Operating Cost/Unit	\$ 5,537	75,492	77,667	79,907	82,214
<b>Net Operating Income</b>			23,729	23,539	23,323	23,080
<b>Debt Service</b> (Hard Debt Only from S&U Statement)			-	-	-	-
<b>Debt Service Coverage Ratio</b>			-	-	-	-
<b>Cash Flow</b>			23,729	23,539	23,323	23,080
<b>Operating Grant/Reserve</b>						
<b>Operating Grant/Reserve</b>						
<b>Residual Receipts Payment to</b>						
<b>Residual Receipts Payment to</b>						
<b>Residual Receipts Payment to</b>						
<b>Net Cash Flow</b>			23,729	23,539	23,323	23,080

**Do not include this cover page in the use of this Note.**

**Affordable Housing Program – Rental Projects  
Promissory Note**

This form document has been prepared to address the minimum retention requirements of the AHP Regulations. The Federal Home Loan Bank of San Francisco makes no representation or warranty that a court will enforce these form documents in accordance with applicable state law. We strongly recommend that each member have its legal counsel review the documents to address any state law requirements, including but not limited to consumer credit laws, notary requirements, usury laws, recording procedures and requirements, and requirements for mortgage states. The final note and rider to the deed of trust must meet the requirements of your jurisdiction.

**Notes to Sections**

Section 3: Repayment

The text in Section 3 may raise tax issues in projects utilizing low-income housing tax credits. Parties should consult their tax advisers concerning appropriate revisions to address such issues. The Bank will not object to modifications or deletions intended to preserve the benefit of low-income housing tax credits so long as the Income and Affordability Restrictions remain in place for the Retention Period and repayment is required under the circumstances prescribed in the AHP regulations, which are generally those circumstances set forth in Sections 5 and 6.

Delete Section 3 if not applicable and state "This section left intentionally blank".

Section 7: Cure Rights

The Bank understands that notice and cure rights of the kind described in this section may be requested for tax credit projects, but they are not required by AHP Regulations and the Bank has no objection to modification or deletion of this section.

Delete Section 7 if not applicable and state "This section left intentionally blank".

Section 14: Governing Laws

Delete the following text in this section if not applicable: [FOR FEDERALLY CHARTERED INSTITUTIONS: or to the extent such law restricts activities otherwise permitted to federally chartered savings banks in which event the laws, rules and regulations of the United States shall govern].

**PROMISSORY NOTE**  
(AHP Rental Project: General Fund and Nevada Targeted Fund)

---

\$		, 20
		, [state]

---

FOR VALUE RECEIVED, [borrower], a [form of entity] ("Borrower"), promises to pay to [lender], a [form of entity] or its successor as holder of this Note ("Lender"), or order, the principal sum of            Dollars (\$            ), or so much thereof as may be advanced hereunder as provided below. The funds disbursed by Lender to Borrower under this Promissory Note ("Note") were advanced to Lender by the Bank pursuant to the Regulations governing the AHP.

**1. Definitions.** As used in this Note, the following capitalized terms have the following meanings:

**"AHP"** means the Federal Home Loan Bank Affordable Housing Program.

**"AHP Application"** means the AHP application submitted to the Bank for Project No.            , Project Name:            .

**"AHP Policies and Procedures"** means the Bank's policies, procedures, guidelines and instructions covering, among other things, feasibility, disbursement, monitoring and modifying affordable housing projects participating in the AHP, all as amended from time to time.

**"AHP Regulations"** means the regulations set forth at 12 C.F.R. Part 1291, as amended from time to time, of the FHFA governing the AHP.

**"Borrower"** is the maker of this Note and, the owner of the Project.

**"Deed of Trust"** means the deed of trust, mortgage or similar instrument dated on or about the date of this Note, in favor of Lender, securing this Note and encumbering the Project.

**"FHFA"** means the Federal Housing Finance Agency.

**"Bank"** means the Federal Home Loan Bank of San Francisco.

**"Implementation Plan"** means the Affordable Housing Program Implementation Plan established by the Bank, as amended from time to time.

**"Income-Eligibility and Affordability Restrictions"** means income limitations as amended or modified or adjusted annually according to the current applicable median income data from time to time with the approval of the Bank and rent limitations such that the Project units are affordable for households with incomes at or below the levels committed to be served in the AHP Application.

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

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

**"Maturity Date"** means the later of the end of the Retention Period or the following date:            .

**"Project"** means the real property identified in the AHP Application and the improvements and tangible and intangible personal property associated or connected therewith, all of which is encumbered by the Deed of Trust.

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

**"Project Sponsor"** means an organization or public entity that has ownership interest in the Project (including any leasehold, partnership or control of a nonprofit affiliate that has a direct ownership interest in the Project), and is a party to the Subsidy Agreement. A Project Sponsor may be the Borrower.

**"Subsidy Agreement"** means the Affordable Housing Program Direct Subsidy Agreement Rental Project, executed by and among the Project Sponsor, Lender and Bank.

2. **Interest.** The indebtedness evidenced by this Note shall not bear any interest except as provided below.
3. **Repayment.** The Loan will not amortize. Except as provided below, payment of the principal balance of and any accrued interest under this Note will be due and payable in full on the Maturity Date; provided, however, that no payment shall be required under this Section 3 on the Maturity Date if no default or breach has occurred and is continuing under this Note, the Deed of Trust, the Subsidy Agreement, the other Loan Documents, the AHP Application, the AHP Regulations or the AHP Policies and Procedures as of the end of the Retention Period, or on such earlier date as provided in the Rider to the Deed of Trust or the terms and conditions of the Subsidy Agreement.
4. **Optional Prepayment.** Borrower shall have the right to prepay all or a portion of the principal due under this Note without any charge or penalty being made therefor.
5. **Acceleration.** Subject to the nonrecourse provisions in the section below entitled "Security; Nonrecourse Provision and Exceptions," the Loan (or any portion of the Loan determined by Lender) plus interest in an amount determined by the Bank, will become immediately due and payable in full, at the option of Lender, if:
- (a) any portion of the Loan proceeds was not used in compliance with:
    - (i) the commitments made in the AHP Application, or
    - (ii) the requirements of the AHP Regulations, or
    - (iii) the AHP Policies and Procedures or the Implementation Plan; or
    - (iv) the Subsidy Agreement; or
  - (b) Borrower or Project Sponsor fails to perform or keep any obligation or agreement of Borrower or Project Sponsor provided in the AHP Application, the AHP Regulations, the AHP Policies and Procedures, the Implementation Plan, Subsidy Agreement, the Loan Documents or any certification, report or other agreement now or hereafter provided by Borrower or the Project Sponsor to Lender or the Bank in connection with the AHP Application or the Loan; or
  - (c) any representations and warranties made by Borrower or Project Sponsor to Lender or the Bank are untrue in any material respect.
- Lender's right to accelerate payment of this Note on account of the above provisions is subject to the notice and cure provisions, if any, set forth below. If any of the events enumerated in the preceding subparagraphs occurs and if Lender consents to the same or fails to exercise its right to declare all sums secured hereby due and payable, such consent or failure shall not be deemed or construed as a waiver, and the express consent of Lender shall be required on all successive occurrences.
6. **Other Repayment Events.** Subject to the nonrecourse provisions of the section below entitled "Security; Nonrecourse Provision and Exceptions," the Loan will become immediately due and payable in full, at the option of Lender, in the following cases:
- (a) if, during the Retention Period, the Project is sold, transferred, assigned, or refinanced and the Project ceases to be subject to a deed restriction, retention agreement or similar instrument imposing the Income-Eligibility and Affordability Restrictions on the Project; and,
  - (b) if during the Retention Period, the Project Sponsor or Borrower sells, assigns, or transfers ownership in the real property associated with the Project to any entity other than as specified in the representations made by the Member and Project Sponsor in the approved AHP Application.
  - (c) to the extent provided in Section 15 of the Subsidy Agreement entitled "Repayment and Recovery Provisions" and any successor section or provision, which provides for liability of Project Sponsor to Lender for amounts, including interest, that Lender is required to repay to the Bank if as a result of the actions or omissions of the Project Sponsor or the Borrower the Project is not used in compliance with the terms of the AHP Application or the AHP Regulations.
7. **Cure Rights.** Notwithstanding anything to the contrary in the Note or Deed of Trust:

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

- 8. No Offset.** Borrower hereby waives any rights of offset it now has or may hereafter have against Lender, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.
- 9. Expenses of the Bank.** Borrower hereby agrees that if Borrower or Project Sponsor brings any action or proceeding against the Bank seeking to obtain any legal or equitable relief under or arising out of this Note, the Subsidy Agreement between Lender and the Bank pertaining to the Note, the subsidy represented by the Note or any transaction contemplated in connection therewith, and such relief is not granted by a final decision, after any and all appeals of court of competent jurisdiction, Borrower will pay the attorneys' fees and other costs incurred by the Bank in connection therewith. The Bank shall be a third party beneficiary of the terms and provisions of this paragraph and shall be entitled to take any and all remedies available under applicable law to enforce this provision against Borrower.
- 10. Waiver, Attorneys' Fees.** Borrower waives diligence, presentment, protest, and demand, and notice of protest, dishonor and non-payment of this Note, and waives the right to plead any and all statutes of limitations as a defense to any demand on this Note or agreement to pay the same. If an action is instituted on this Note, the undersigned promises to pay, in addition to the costs and disbursements allowed by law, such sum as a court may adjudge reasonable as attorneys' fees in such action.
- 11. Security; Nonrecourse Provision and Exceptions.**
- (a) This Note is secured by the Deed of Trust. The Deed of Trust contains certain additional provisions for acceleration of the maturity of the Note.
  - (b) Subject to the exceptions set forth below, repayment of amounts due under this Note shall be nonrecourse to Borrower and its partners, and Lender shall look solely to the security described in the Deed of Trust and any other security agreement for repayment in the event of default hereunder. The foregoing provision shall not relieve Project Sponsor or Borrower and, if Borrower is a partnership, any general partner of Borrower of liability, subject to applicable antideficiency laws, for:
    - (i) repayment of amounts due under this Note in case of misuse of Loan proceeds as described in Section 5 or as otherwise repayable in accordance with Section 15 of the Subsidy Agreement;
    - (ii) repayment of amounts due under this Note if Borrower sells, transfers or refinances the Project and causes the Project to be released from the burden of the instrument imposing the Income and

Affordability Restrictions on the Project, except for release by reason of a foreclosure against the Project;

- (iii) fraud or willful misrepresentation;
- (iv) failure to pay taxes, assessments or similar charges that are, or are secured by, a prior lien on the Project, except to the extent this provision would result in all or any portion of the indebtedness evidenced by this Note being treated as a recourse liability under applicable Treasury Regulations;
- (v) the retention of any rental income or other income arising with respect to the Project collected by Project Sponsor or Borrower after the holder hereof has given any notice that Borrower is in default and not applied such income to indebtedness secured by a prior lien on the Project or to expenses of ordinary operation or maintenance of the Project, to the full extent of the rental income or other income so collected and retained by Project Sponsor or Borrower;
- (vi) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Project;
- (vii) commission of waste with respect to the Project; and
- (viii) breach of any environmental covenant or representation made by the Project Sponsor or Borrower relating to the Project.

**12. Assignment.** Lender may assign this Note without the consent of Borrower or Project Sponsor.

**13. Modifications and Waivers.** No provision of this Note may be waived, modified, discharged or canceled orally, but only in writing and signed by the party against whom enforcement of any waiver, modification, discharge or cancellation is sought. In case any one or more of the provisions contained in this Note shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and this Note shall be construed as if such invalid, illegal or unenforceable provision(s) had never been included. No provision herein shall impair any obligation of the Project Sponsor under the Subsidy Agreement.

**14. Governing Law.** The provisions of this Note shall be governed by the laws of the jurisdiction in which the real property which is subject to the Deed of Trust securing this Note is located except to the extent such law is contrary to or inconsistent with the laws, rules or regulations of the United States [FOR FEDERALLY CHARTERED INSTITUTIONS ADD or delete if not applicable);] or to the extent such law restricts activities otherwise permitted to federally chartered savings banks in which event the laws, rules and regulations of the United States shall govern.

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

**Signature page to Promissory Note (AHP Program-Rental)**

Borrower

, a  
[state] [form of entity]

By ,  
[if applicable]

Its  
[capacity]

By:

\_\_\_\_\_

Name:

Title:

**Do not include this cover page in the use of this Rider to Deed of Trust.**

**Affordable Housing Program – Rental Projects  
Rider to Deed of Trust**

This Rider to Deed of Trust is to be attached to a deed of trust prepared by the member that secures only the obligation evidenced by the AHP Promissory Note. The AHP Rider must not be attached to a deed of trust that secures loan(s) on the AHP project other than the obligation evidenced by the AHP Promissory Note.

This form document has been prepared to address the minimum retention requirements of the AHP Regulations. The Federal Home Loan Bank of San Francisco makes no representation or warranty that a court will enforce these form documents in accordance with applicable state law. We strongly recommend that each member have its legal counsel review the documents to address any state law requirements, including but not limited to consumer credit laws, notary requirements, usury laws, recording procedures and requirements, and requirements for mortgage states. The final note and rider to the deed of trust must meet the requirements of your jurisdiction.

**Notes to Sections**

Section 4: Cure Rights

The Bank understands that notice and cure rights of the kind described in this section may be requested for tax credit projects, but they are not required by AHP Regulations and the Bank has no objection to modification or deletion of this section.

Delete Section 4 if not applicable and state "This section left intentionally blank".

Section 8: Three-Year Tax Credit Period

The Bank understands this section may be required for tax credit projects but has no objection to its modification or deletion.

Delete Section 8 if not applicable and state "This section left intentionally blank".

Section 9: Permitted Transfers

This section is not required by AHP Regulations, and the Bank has no objection to modification or deletion of this section to conform to Lender's policies, procedures or underwriting requirements except that any replacement of a general partner requires approval by the Bank.

Delete Section 9 if not applicable and state "This section left intentionally blank".

## RIDER TO DEED OF TRUST

### AFFORDABLE HOUSING PROGRAM RETENTION AGREEMENT AND RESTRICTIVE COVENANTS

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

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

#### RECITALS:

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

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

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

“**Income-Eligibility and Affordability Restrictions**” means income limitations as amended or modified or adjusted annually according to the current applicable median income data from time to time with the approval of the Bank and rent limitations such that the Project units are affordable for households with incomes at or below the levels committed to be served in the AHP Application.

**“Loan”** means the advance of funds evidenced by the Note.

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

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

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

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

### 3. Covenants.

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

or the Bank, or both, as the case may be, information and requested documentation concerning the Project and the Loan.

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

- 5. Expenses of the Bank.** Borrower hereby agrees that if Borrower brings any action or proceeding against the Bank seeking to obtain any legal or equitable relief under or arising out of the Note, the Subsidy Agreement between the Project Sponsor, Lender and the Bank pertaining to the Note, the AHP Subsidy represented by the Note or any transaction contemplated in connection therewith, and such relief is not granted by a final decision, after any and all appeals of court of competent jurisdiction, Borrower will pay the attorneys' fees and other costs incurred by the Bank in connection therewith. The Bank shall be a third-party beneficiary of the terms and provisions of this paragraph and shall be entitled to take any and all remedies available under applicable law to enforce this provision against Borrower.
- 6. Inconsistent Provisions.** The provisions of this Rider shall supersede any conflicting provision contained in the Deed of Trust, but only to the extent of such inconsistency. No provision herein shall impair any obligation of the Project Sponsor under the Subsidy Agreement.
- 7. Nonrecourse Provisions and Exceptions.** Subject to the exceptions set forth below, repayment of amounts due under the Note or the Deed of Trust, including this Rider, shall be nonrecourse to Borrower and its partners, and Lender shall look solely to the security described in the Deed of Trust and any other security agreement for repayment in the event of default hereunder. The foregoing provision shall not relieve Project Sponsor, Borrower and, if Borrower is a partnership, any general partner of Borrower of liability, subject to applicable antideficiency laws, for:
- (a) repayment of amounts due from Borrower under the Note in case of misuse of Loan proceeds as described in Section 5 of the Note or as otherwise repayable by the Project Sponsor in accordance with Section 15 of the Subsidy Agreement;
  - (b) repayment of amounts due under the Note if the Project is sold, transferred or refinanced prior to the end of the Retention Period and the Project is no longer subject to the Income-Eligibility and Affordability Restrictions;
  - (c) fraud or willful misrepresentation;
  - (d) failure to pay taxes, assessments or similar charges that are, or are secured by, a prior lien on the Project, except to the extent this provision would result in all or any portion of the indebtedness evidenced by the Note being treated as a recourse liability under applicable Treasury Regulations;

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



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

Borrower/Trustor

, a  
[state] [form of entity]  
By ,  
[if applicable]  
Its  
[capacity]

By: \_\_\_\_\_

Name:  
Title:

ACKNOWLEDGMENTS

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.

**[INSERT APPROPRIATE NOTARY LANGUAGE FOR APPLICABLE STATE]**

**RENO HOUSING AUTHORITY**

**AGENDA ITEM NUMBER: 3**

**August 15, 2025**

SUBJECT: Additional Items

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 training. (Discussion)
- c) Old and New Business. (Discussion)
- d) Request for Future Agenda Topics (Discussion)
- e) Schedule of next meetings. The following dates have been scheduled in advance but are subject to change at any time: Tuesday, August 26, 2025, and Tuesday, September 23, 2025. (For Possible Action)