



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** August 4, 2022

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed resolution permitting Carson City to subordinate its interests—arising from a development agreement adopted as Ordinance No. 2021-14 (“Development Agreement”) for an affordable housing project (“Project”) planned on 2.91 acres of land along Butti Way with Assessor’s Parcel Number (“APN”) 010-037-07 (“Property”)—in the Property to Western Alliance Business Trust (“WABT”) through a subordination agreement (“Subordination Agreement”) between the City, WABT and Sierra Flats Senior LP (“Sierra Flats”). (Dan Stucky, DStucky@carson.org)

Staff Summary: The City’s Development Agreement with PalaSeek LLP, Oikos Development Corporation (“Oikos”), and Sierra Flats (collectively, “Developer”) provides that the City will convey the Property to Oikos at no cost, Developer will construct an affordable housing project on the Property and the Property must be used to provide affordable housing for at least 51 years. The City may subordinate its interest in the Property to a mortgage holder on that Property if the Board of Supervisors (“Board”) determines subordination is necessary to promote investment in the construction of the Project. WATB seeks the City’s assent to the Subordination Agreement to secure a \$2.2 million loan for the Project.

Agenda Action: Resolution **Time Requested:** 15 minutes

Proposed Motion

I move to adopt Resolution No. 2022-R-_____.

Board's Strategic Goal

Economic Development

Previous Action

January 17, 2019 - The Board directed staff to initiate due diligence to determine whether to convey approximately 6.31 acres of property, now comprising APNs 010-037-07 and 010-037-06 (and previously the western 6.31 acres of APN 010-037-04) under NRS Chapter 244 for development of affordable/workforce housing, including preparing a proposed Request for Proposals (“RFP”) to allow the Board to seek and review proposals from qualified developers through a competitive process.

September 5, 2019 - The Board reviewed and discussed the draft RFP and directed staff to publish the RFP in order to seek proposals from qualified developers through a competitive process.

December 5, 2019 - The Board held a public hearing on the RFP and selected PalaSeek to work with the City to pursue a development agreement for PalaSeek's proposed project.

November 4, 2021 – The Board reviewed and provided direction to staff on a rough draft for a development agreement between the City and Developer for development of the affordable housing project on the Property.

November 18, 2021 - The Board introduced, on first reading, a proposed ordinance approving the development agreement between Carson City and Developer for development of the affordable housing project on the Property. Additionally, the Board recognized Oikos' application for conveyance of the Property under NRS 244.287 and directed staff to perform the noticing and other diligence required by that statute.

December 16, 2021 - The ordinance seeking approval of the Development Agreement was adopted at second reading as Ordinance No. 2021-14 at the Board's meeting. The motion carried 4-1. Similarly, Resolution No. 2021-R-38 approving conveyance of the Property, and authorizing the Mayor to execute a deed when appropriate, was adopted by a 4-1 vote.

May 19, 2022 - The Board moved to extend the deadlines to commence construction of the Project from June 1, 2022, to October 1, 2022, and extended the deadline for completion of the Project from December 31, 2023, to March 31, 2024. The motion carried 4-1.

Background/Issues & Analysis

On September 12, 1960, the City acquired approximately 127.7 acres of property along Butti Way from the State of Nevada. Since this time, the property has been developed to house several City Departments and facilities including the Carson City Public Works Department and Corporate Yard, the Carson City Parks, Recreation and Open Space Department, the Nevada Humane Society and the Carson City Water Resource Reclamation Facility. Within that 127.7 acres acquired by the City is the Property.

On December 5, 2019, the Board reviewed two proposals for an affordable housing development on the Property, and the Board selected PalaSeek to form a development team and negotiate a development agreement with the City.

Since then, PalaSeek has partnered with Oikos (a tax-exempt 501(c)(3)) to form Sierra Flats, and together they have secured for the Project \$1,250,000 in annual low-income housing tax credits, \$900,000 in National Housing Trust Funds and \$1,750,000 in federal HOME funds from the Nevada Housing Division. Additionally, Developer split the proposed affordable housing project into two phases. The Project and Development Agreement concern only the first phase. Any phase 2 project would be situated on APN 010-037-06, which abuts the Property, and developed through a separate development agreement.

The City and Developer successfully negotiated a Development Agreement which was adopted as Ordinance No. 2021-14 at the Board's December 16, 2021, meeting. The Development Agreement requires that a Declaration of Restrictive Covenants ("Restrictive Covenants") be concurrently recorded with any deed conveying the Property from the City to Oikos. Both the Development Agreement and the Restrictive Covenants require that the Property be used for affordable housing during a 51-year affordability period. The Development Agreement is already in effect and currently encumbers the Property; the Restrictive Covenants will encumber the Property when the Property is conveyed to Oikos. The Development Agreement is designed to govern how the Project is developed, including providing deadlines for commencement and completion of construction, and it is designed to encumber the Property until a certificate of occupancy is issued for the Project. The Restrictive Covenants focus on the long-term use of the Property, not necessarily development of the Project and encumber the Property until the end of the 51-year affordability period.

In addition to the public funding Sierra Flats has secured, it has also applied to WABT for a \$2.2 million loan to help finance the Project. WABT intends to secure that loan against the Property and has requested that the City

subordinate the Development Agreement, but not the Restrictive Covenants, to WABT's secured interest through the Subordination Agreement. While in effect, the Subordination Agreement would prevent the City from enforcing its rights under the Development Agreement, but not the Restrictive Covenants, and it would allow WATB to take the Property (e.g. foreclose) (1) subject to the Restrictive Covenants, but (2) free of any encumbrance imposed by the Development Agreement.

Since the approval of the Development Agreement, Developer has submitted applications to the City for a parcel map, building permit and engineering permit for site improvements. The parcel map has been completed and recorded. At the time this staff report is authored, the Property is still held in the City's name, but conveyance to Developer appears to be ripe. The Property is to be conveyed at no cost under NRS 244.287, and consistent with the terms of the Development Agreement and Resolution No. 2021-R-38.

Under NRS 244.287, the Development Agreement and the Restrictive Covenants, the Board has the discretion to enter into the Subordination Agreement, and subordinate its interest in the Property to WATB's, to the extent doing so is in the City's best interests and necessary to promote investment in the Project. Specifically:

- NRS 244.287(9) provides that "[a] board of county commissioners may subordinate the interest of the county in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the board deems necessary to promote investment in the construction of affordable housing."

- The Development Agreement provides, at Section 2.3(C), "the Parties shall not cause or allow the [Restrictive Covenants] to be subordinate to any other interest in the [Property], except that CARSON CITY, though its Board of Supervisors, may subordinate the [Development] Agreement and/or [Restrictive Covenants] through enactment, and subsequent recording, of a resolution finding that the requested subordination is in CARSON CITY's best interests and necessary to promote investment in the construction of the [Project]."

- The Restrictive Covenants provide, at Section 1.03, that the Restrictive Covenants "shall not be subject to subordination without approval by the City's Board of Supervisors," and "The City's Board of Supervisors may subordinate this Declaration (1) upon finding that the requested subordination is in the City's best interests and necessary to promote investment in the construction of the Project, (2) enacting a resolution memorializing those findings, and (3) recording that resolution with the Carson City Recorder's Office."

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244.287 and 278.0201; Carson City Municipal Code Chapter 17.08

Financial Information

Is there a fiscal impact? No

If yes, account name/number: N/A

Is it currently budgeted? No

Explanation of Fiscal Impact: N/A

Alternatives

Do not adopt the proposed resolution authorizing the subordination agreement and/or provide alternative direction to staff.

Attachments:

[PROPOSED RESOLUTION.pdf](#)

[Subordination Agreement - Carson City - Sierra Flats.pdf](#)

[Ordinance 2021-14 Development agreement.pdf](#)

[RESOLUTION 2021R38.pdf](#)

[Notice of Deadline Extensions for Development Agreement.pdf](#)

[PLATT MAP 10-03.pdf](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

RESOLUTION NO. 2022-R-_____

A RESOLUTION PERMITTING CARSON CITY TO SUBORDINATE ITS INTERESTS IN 2.91 ACRES OF LAND ALONG BUTTI WAY WITH ASSESSOR'S PARCEL NUMBER ("APN") 010-037-07 ("PROPERTY") TO WESTERN ALLIANCE BUSINESS TRUST ("WABT") THROUGH A SUBORDINATION AGREEMENT BETWEEN CARSON CITY, WABT AND SIERRA FLATS SENIOR LP ("SIERRA FLATS")

WHEREAS, NRS 244.287 allows Carson City's Board of Supervisors ("Board") to convey City-owned land without consideration to a non-profit organization if the nonprofit organization demonstrates to the Board's satisfaction that it, or its assignee, will use the land to develop affordable housing;

WHEREAS, Carson City owns the Property;

WHEREAS, on December 16, 2021 the Board passed Ordinance 2021-14, which is an ordinance to approve a development agreement ("Development Agreement") between Carson City and PalaSeek LLP, Oikos Development Corporation ("Oikos"), and Sierra Flats for the conveyance of the Property to Oikos and the development of an affordable housing project on the Property ("Project");

WHEREAS, the Development Agreement requires that any conveyance to Oikos be subject to Restrictive Covenants requiring, among other things, that the Property be used for affordable housing for a period of at least 51 years;

WHEREAS, also on December 16, 2021, the Board approved Resolution 2021-R-38 allowing the Property to be conveyed to Oikos under NRS 244.287, when appropriate under the Development Agreement;

WHEREAS, Sierra Flats has pursued approximately \$2.2 million in private financing through WATB for the Project to be built on the Property through the Development Agreement;

WHEREAS, NRS 244.287(9) provides that "[a] board of county commissioners may subordinate the interest of the county in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the board deems necessary to promote investment in the construction of affordable housing";

WHEREAS, the Development Agreement, at Section 2.3(C), provides that "the Parties shall not cause or allow the [Restrictive Covenants] to be subordinate to any other interest in the [Property], except that CARSON CITY, through its Board of Supervisors, may subordinate the [Development] Agreement and/or [Restrictive Covenants] through enactment, and subsequent recording, of a resolution finding that the requested subordination is in CARSON CITY's best interests and necessary to promote investment in the construction of the [Project]";

WHEREAS, the Restrictive Covenants provide, at Section 1.03, that the Restrictive Covenants "shall not be subject to subordination without approval by the City's Board of Supervisors," and "[t]he City's Board of Supervisors may subordinate [the Restrictive Covenants] (1) upon finding that the requested subordination is in the City's best interests and necessary to promote investment in the construction of the Project, (2) enacting a resolution memorializing those findings, and (3) recording that resolution with the Carson City Recorder's Office.";

WHEREAS, as a condition to extending approximately \$2.2 million in private financing for the Project, WATB seeks Carson City’s assent to a subordination agreement, attached as Exhibit A, to partially subordinate Carson City’s interest in the Property to WATB’s;

NOW, THEREFORE, the Board hereby resolves that:

1. Subordinating Carson City’s interest in the Property to the extent described in Exhibit A is necessary to promote investment in the construction of the Project;
2. It is in the best interest of Carson City and its residents that the Property be used to develop affordable housing, and therefore, permitting subordination of the City’s interest in the Property as described in Exhibit A is also in the City’s best interest;
3. Carson City agrees to the terms of the subordination agreement attached as Exhibit A; and
4. The Mayor is authorized to execute the subordination agreement attached as Exhibit A.

Upon motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted this 4th day of August, 2022 by the following vote.

VOTE:

AYES:

NAYS:

ABSENT:

ABSTAIN:

LORI BAGWELL, Mayor

ATTEST:

AUBREY ROWLATT, Clerk-Recorder

SUBORDINATION AGREEMENT

Among

WESTERN ALLIANCE BUSINESS TRUST,

CARSON CITY

and

SIERRA FLATS SENIOR LP

Dated as of _____, 2022

This instrument Prepared By
and after Recording Return To:

Kutak Rock LLP
Two Logan Square
100 North 18th Street, Suite 1920
Philadelphia PA 19103
Attention: Andrew P. Schmutz, Esquire

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT dated as of _____, 2022 (as amended, modified, supplemented or assigned from time to time, this “**Agreement**”) by and among WESTERN ALLIANCE BUSINESS TRUST, a Delaware business trust (together with its permitted successors and assigns, “**Lender**” or the “**Senior Lender**”), CARSON CITY, a consolidated municipality of the State of Nevada (together with its permitted successors and assigns, “**Subordinate Party**”), and SIERRA FLATS SENIOR LP, a limited partnership duly organized and validly existing under the laws of the State of Nevada (together with its permitted successors and assigns, the “**Borrower**”),

W I T N E S S E T H:

WHEREAS, the Borrower has applied to the Lender for a loan (the “**Loan**”), to finance the acquisition, construction and equipping of a multifamily apartment housing facility consisting of total of 80 units and related personal property and equipment, located in Carson City, Nevada and known as “Sierra Flats Senior Apartments” (the “**Project Facilities**”); all capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Loan Agreement (defined below);

WHEREAS, the Lender will make the Loan to the Borrower pursuant to that certain Loan Agreement, dated as of _____, 2022 (as it may be supplemented or amended, the “**Loan Agreement**”) to finance the acquisition, construction, rehabilitation, development, equipping and/or operation of the Project Facilities;

WHEREAS, to evidence its payment obligations under the Loan Agreement, the Borrower will execute and deliver to the Lender its Promissory Note dated the Closing Date (the “**Note**”) which is secured by, among other things, a first-priority mortgage lien on the Property granted pursuant to a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (with Power of Sale) dated as of the date hereof (as amended, modified or supplemented from time to time, the “**Senior Mortgage**”, which, together with the Loan Agreement, the Note and all other agreements contemplated therein or evidencing or securing the Borrower’s obligations under the Loan Agreement are hereinafter collectively referred to as the “**Senior Loan Documents**” and the indebtedness evidenced and secured by the Senior Loan Documents is hereinafter collectively referred to as the “**Senior Indebtedness**”);

WHEREAS, the Property is being acquired and constructed, in part, pursuant to a Development Agreement dated December 20, 2021 by and among Borrower, Subordinate Party, PalaSeek LLP, a Nevada limited liability partnership and Oikos Development Corporation, a Missouri nonprofit corporation and tax-exempt 501(c)(3) organization (as amended, modified or supplemented from time to time, the “**Subordinate Development Agreement**” and together with all other agreements contemplated therein or evidencing or securing the Subordinate Indebtedness are hereinafter referred to as the “**Subordinate Documents**”);

WHEREAS, contemporaneously with the Subordinate Development Agreement, Borrower and Subordinate Party will execute that certain Declaration of Restrictive Covenants by and among Borrower, Subordinate Party and Oikos Development Corporation (“**Subordinate DRC**”), but notwithstanding any term of this Agreement to the contrary, the term “Subordinate Documents” expressly excludes the Subordinate DRC, except with respect to the prohibition against amendments, modifications or supplements to any of the Subordinate Documents without the express prior written consent of Senior Lender described in Section 10 of this Agreement;

WHEREAS, it is a requirement of the Senior Loan Documents that the Senior Mortgage shall be and remain liens or charges upon the Property prior and superior to the lien or charge of the Subordinate

Documents, that the Subordinate Indebtedness be subordinated in right of payment to the Senior Indebtedness and that the Subordinate Indebtedness be payable solely from cash available after payment of operating expenses of the Property and amounts due and owing in respect of the Senior Indebtedness.

NOW, THEREFORE, in consideration of the foregoing and the mutual benefits accruing to the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged and intending to be legally bound hereby, it is hereby declared, understood and agreed by the parties as follows:

1. Subordination of Subordinate Documents. Subordinate Party declares, agrees and acknowledges that the Senior Mortgage, and any renewals or extensions thereof, and any modifications thereof or substitutions therefor which do not increase the principal balance secured thereby (except increases by reason of protective advances or payment of Senior Lender's costs or increases to which Subordinate Party has consented in accordance with Section 3(c) hereof) and all advances made pursuant to the Senior Mortgage, all costs and expenses secured thereby and interest on the foregoing, shall unconditionally be and remain at all times liens or charges on the Property prior and superior to the lien or charge of the Subordinate Documents.

2. Subordination of Subordinate Indebtedness; Remitting Subordinate Loan Payments to Senior Lender; Reinstatement.

(a) The Subordinate Indebtedness is hereby subordinated in right of payment to any and all of the Senior Indebtedness and shall be payable only from and to the extent of revenues of the Property available after payment of all amounts then due and owing under the Senior Loan Documents and all current operating expenses of the Property. Notwithstanding the foregoing, unless and until the Senior Lender gives Subordinate Party notice of the occurrence of a default, an event of default or any event which, with the giving of notice or the passage of time (or both) will constitute a default or an event of default, under the Senior Loan Documents, Subordinate Party may receive and accept regularly scheduled payments on account of principal and interest payable under the Subordinate Documents to the extent of cash flow of the Borrower available after payment of current operating expenses of the Property and amounts then due and owing under the Senior Loan Documents.

(b) If Subordinate Party shall receive any payments or other rights in any property of the Borrower or any other obligor after the Senior Lender has given Subordinate Party notice of a default, an event of default or an event which with the giving of notice or the passage of time (or both) will constitute a default or an event of default, under the Senior Loan Documents, such payment or property shall be received by Subordinate Party in trust for Senior Lender and shall immediately be delivered and transferred to Senior Lender.

(c) If at any time payment of all or any part of the Senior Indebtedness is rescinded or must otherwise be restored or returned by Senior Lender in connection with any bankruptcy, reorganization, arrangement, insolvency, liquidation or similar proceedings (a "**Proceeding**") in respect of Borrower, General Partner or any other obligor, and Subordinate Party has received payment of all or any part of the Subordinate Indebtedness, Subordinate Party shall forthwith turn over the same to, and for the account of, Senior Lender, until Senior Lender has received indefeasible payment in full of any such payments on the Senior Indebtedness that have been so rescinded, restored or returned.

3. Exercise of Remedies.

(a) Subordinate Party declares, agrees, and acknowledges that it will not, without the prior written consent of Senior Lender: (i) sue the Borrower or any other obligor under any of the

Subordinate Documents; (ii) accelerate or accept a prepayment in full or in part of the Subordinate Indebtedness; (iii) commence any action to foreclose or exercise any power of sale under the Subordinate DRC; (iv) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof; (v) seek or obtain a receiver for the Property or any part or portion thereof; (vi) take possession or control of the Property, or collect or accept any rents from the Property; (vii) take any action that would terminate any leases or other rights held by or granted to or by third parties with respect to the Property; (viii) initiate or join any other creditor in commencing any Proceeding with respect to the Borrower or any other obligor; (ix) incur any obligation to the Borrower or any other obligor other than as provided in the Subordinate Development Agreement, (x) exercise any other remedies under the Subordinate Documents; or (xi) take any other enforcement action against the Borrower or any other obligor or against the Property or any part or portion thereof.

(b) Subordinate Party agrees that Senior Lender shall have, as determined in accordance with and subject to the terms of the Senior Loan Documents, upon the occurrence of an Event of Default under and as defined in the Senior Loan Documents, the right to (i) accelerate or accept prepayment in full or in part of the Senior Indebtedness; (ii) commence any action to foreclose or exercise any power of sale under the Senior Mortgage; (iii) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof; (iv) seek or obtain a receiver for the Property or any part or portion thereof; (v) take possession or control of the Property, and collect and accept rents from the Property; (vi) sue the Borrower or any other obligor under any of the Senior Loan Documents; (vii) exercise any rights of set-off or recoupment that Senior Lender may have against the Borrower or any other obligor; (viii) exercise any other remedies under the Senior Loan Documents; or (ix) take any other enforcement action against the Property or any part or portion thereof, all without any responsibility or liability to Subordinate Party with respect to the Property, the Borrower, the General Partner or any other obligor.

(c) Subordinate Party agrees that Senior Lender shall have absolute power and discretion, without notice to Subordinate Party, to deal in any manner with the Senior Indebtedness, including interest, costs and expenses payable by the Borrower to Senior Lender, and any security and guaranties therefor, including, but not by way of limitation, release, surrender, extension, renewal, acceleration, compromise or substitution; provided that Senior Lender shall not increase the principal amount of the indebtedness to which the Subordinate Documents are subordinate (other than increases resulting from protective advances or payment of Senior Lender's costs) without the prior written consent of Subordinate Party, which consent shall not be unreasonably withheld or delayed.

(d) Subordinate Party further agrees that if at any time Subordinate Party should commence any foreclosure proceeding, or commence any action to execute on any lien obtained by way of attachment or otherwise on the Property, or otherwise take any action prohibited under Paragraph 3(a), Senior Lender shall (unless Senior Lender has consented to such action or remedy) be entitled to have the same vacated, dissolved and set aside by such proceedings at law or otherwise as Senior Lender may deem proper, and this Agreement shall be and constitute full and sufficient grounds therefor and shall entitle Senior Lender to become a party to any proceedings at law or otherwise in or by which Senior Lender may deem it proper to protect its interests hereunder.

(e) No act, omission, breach or other event under this Agreement shall defeat, invalidate or impair in any respect the absolute, unconditional and irrevocable subordination of the Subordinate Documents to the Senior Loan Documents as provided in this Agreement.

4. No Marshaling of Assets. Subordinate Party specifically waives and renounces any right which it may have under any applicable statutes, whether at law or in equity, to require Senior Lender to marshal collateral or to otherwise seek satisfaction from any particular assets or properties of the Borrower or from any third party.

5. Bankruptcy Matters.

(a) The subordination provided for in this Agreement shall apply, notwithstanding the availability of other collateral to Senior Lender or the actual date and time of execution, delivery, recordation, filing or perfection of the Senior Mortgage or the Subordinate Documents and, insofar as Subordinate Party is concerned, notwithstanding the fact that the Senior Indebtedness or any claim for the Senior Indebtedness may be subordinated, avoided or disallowed, in whole or in part, as against the Borrower or any other obligor under the Bankruptcy Code or other applicable federal or state law. In the event of any Proceeding, the Senior Indebtedness shall include all interest and fees accrued on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Proceeding, even if the claim for such interest and/or fees is not allowed as against the Borrower or any other obligor pursuant to applicable law.

(b) Without the prior written consent of Senior Lender, Subordinate Party shall not, and Subordinate Party waives any and all right: (1) to request adequate protection (as that term is defined in the Bankruptcy Code) (and in the event any such adequate protection is awarded to Subordinate Party, Subordinate Party hereby assigns any adequate protection in the form of cash to Senior Lender and any adequate protection in the form of a lien on or security interest in the Property or any other Collateral is hereby subordinated to all of Senior Lender's rights, liens or security interests in or to the Property and such other Collateral), (2) to file or support any motion for dismissal or relief from the automatic stay (as defined in the Bankruptcy Code), (3) to request any post-petition interest, (4) to request any sale of Borrower's assets, or (5) to file, propose, support, accept or reject any plan of reorganization of Borrower. Subordinate Party further agrees that, with respect to any Proceeding: (1) it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action in any Proceeding by or against the Borrower or any other obligor without the prior written consent of Senior Lender; (2) Senior Lender may vote in any such Proceeding any and all claims of Subordinate Party against the Borrower or any other obligor, and Subordinate Party hereby appoints Senior Lender as its agent, and grants to Senior Lender an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to Subordinate Party in connection with any case by or against the Borrower or any other obligor in any Proceeding, including without limitation, the right to file and/or prosecute any claims, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code; and (3) Subordinate Party shall not challenge the validity or amount of any claim submitted in such Proceeding by Senior Lender in good faith or any valuations of the Property or any other Collateral, or any portion of the foregoing, or other Senior Indebtedness collateral submitted by Senior Lender in good faith, in such Proceeding or take any other action in such Proceeding, which is adverse to Senior Lender's enforcement of its claim or receipt of adequate protection (as that term is defined in the Bankruptcy Code).

(c) Subordinate Party agrees that Senior Lender does not owe any fiduciary duty to Subordinate Party in connection with the administration of the Senior Indebtedness and the Senior Loan Documents and Subordinate Party agrees not to assert any such claim. Subordinate Party acknowledges that Senior Lender shall have the sole discretion to exercise or not exercise the rights set forth in this Agreement from time to time; and that such rights may be exercised solely in the interest of Senior Lender and without regard to the interest of Subordinate Party in any action or proceeding, including in connection with any Proceeding.

6. Payment Set Aside. To the extent any payment under any of the Senior Loan Documents (whether by or on behalf of the Borrower, as proceeds of security or enforcement of any right of set-off, or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a Lender, receiver or other similar party under the Bankruptcy Code or any federal or state bankruptcy, insolvency, receivership or similar law, then if such payment is recovered by, or paid over to, such Lender, receiver or

other similar party, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

7. Casualty and Condemnation Proceeds. Subordinate Party agrees it shall have no right to participate in the adjustment of the proceeds of insurance payable as the result of any casualty to the Improvements, or to participate in any manner whatsoever in activities relating to restoration or reconstruction of the Improvements, and Senior Lender shall have the exclusive right to receive, administer and apply all such proceeds as set forth in the Senior Loan Documents. In the event Senior Lender shall release, for the purposes of restoration of all or any part of the Property, its right, title and interest in and to the proceeds under policies of insurance thereon, and/or its right, title and interest in and to any awards, or its right, title and interest in and to other compensation made for any damages, losses or compensation for other rights by reason of a taking in eminent domain, Subordinate Party shall simultaneously release for such purpose all of Subordinate Party's right, title and interest, if any, in and to all such insurance proceeds, awards or compensation. Subordinate Party agrees that the balance of such proceeds remaining after such restoration, or all of such proceeds in the event such proceeds are not released for any such restoration pursuant to the Senior Loan Documents, shall be applied to the payment of amounts due under the Senior Loan Documents until all such amounts have been indefeasibly paid in full, prior to being applied to the payment of any amounts due under the Subordinate Documents. If Senior Lender holds such proceeds, awards or compensation and/or monitors the disbursement thereof, Subordinate Party agrees that Senior Lender shall also hold and monitor the disbursement of such proceeds, awards and compensation to which Subordinate Party is or may be entitled. Nothing contained in this Agreement shall be deemed to require Senior Lender, in any way whatsoever, to act for or on behalf of Subordinate Party or to hold or monitor any proceeds, awards or compensation in trust for or on behalf of Subordinate Party.

8. Indemnification and Subrogation. If Subordinate Party or any affiliate shall acquire, by indemnification, subrogation or otherwise, any lien, estate, right or other interest in the Property, that lien, estate, right or other interest shall be subordinate to the Senior Mortgage and the other Senior Loan Documents as provided herein, and Subordinate Party or such affiliate hereby waives, until all amounts owed under the Senior Loan Documents have been indefeasibly paid in full, the right to exercise any and all such rights it may acquire by indemnification, subrogation or otherwise.

9. Subordination Effective. This Agreement, the subordination effected hereby, and the respective rights and priorities of the parties hereto in and to the Property, shall be effective as stated herein, notwithstanding any modification or amendment of any Senior Loan Document (other than any modification or amendment of any Senior Loan Document that increases the amount of indebtedness to which the Subordinate Indebtedness is subordinate for reasons other than protective advances or costs of Senior Lender), or the obtaining by Senior Lender or Subordinate Party of any additional document confirming, perfecting or otherwise affecting the Senior Loan Documents, or the Subordinate Documents, as the case may be.

10. Amendments of Subordinate Documents and Senior Loan Documents. The Borrower and Subordinate Party agree that they will not enter into any amendment, modification or supplement to any of the Subordinate Documents without the express prior written consent of Senior Lender (which consent shall not be unreasonably withheld). No consent of Subordinate Party shall be required for any amendment, modification or supplement to any of the Senior Loan Documents, provided that no amendment, modification or supplement to any of the Senior Loan Documents shall increase the amount of indebtedness to which the Subordinate Documents are subordinate other than increases resulting from protective advances or costs of Senior Lender.

11. Notice of Defaults. Subordinate Party hereby agrees to give notice to Senior Lender of any default (or event that, with the giving of notice or passage of time, or both, would constitute a default) under the Subordinate Documents.

12. Cross Default. The Borrower and Subordinate Party agree that a default under the Subordinate Documents or Subordinate Party's default hereunder shall, at the election of Senior Lender, constitute a default under the Senior Loan Documents and Senior Lender shall have the right to exercise all rights or remedies under the Senior Loan Documents in the same manner as in the case of any other default under the Senior Loan Documents. If Subordinate Party notifies Senior Lender in writing that any default under the Subordinate Documents has been cured or waived, as determined by Subordinate Party in its sole discretion, then provided that Senior Lender has not conducted a foreclosure or exercised its rights with respect to the power of sale of the Property pursuant to its rights under the Senior Loan Documents, any default under the Senior Loan Documents arising solely from such default under the Subordinate Documents shall be deemed cured, and the Senior Indebtedness shall be reinstated.

13. Further Assurances. The parties hereto shall cooperate fully with each other in order to carry out promptly and fully the terms and provisions of this Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

14. No Waiver. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

15. Equitable Remedies. Each party hereto acknowledges that, to the extent that no adequate remedy at law exists for breach of its obligations under this Agreement, in the event any party fails to comply with its obligations hereunder, the aggrieved party shall have the right to obtain specific performance of the obligations of such defaulting party, injunctive relief, or such other equitable relief as may be available, other than consequential or punitive damages.

16. Notices. Any notice to be given under this Agreement shall be in writing and shall be deemed to be given when received by the party to whom it is addressed. Notwithstanding the foregoing, if any such notice is not received or cannot be delivered due to a change in the address of the receiving party of which notice was not previously given to the sending party or due to a refusal to accept by the receiving party, such notice shall be deemed received on the date delivery is attempted. Notices shall be in writing and sent by certified U.S. mail, hand delivery, or by special courier (in each case, return receipt requested). Notices to any other party hereto shall be sent to the parties at the following addresses or such other address or addresses as shall be designated by such party in a written notice to the other parties:

If to Lender:

Western Alliance Business Trust
c/o R4 Capital Funding LLC
780 Third Avenue, 16th Floor
New York, New York 10017
Attention: Tara Nussbaum

With copies to:

R4 Servicer LLC

155 Federal Street, Suite 1400
Boston, Massachusetts 02110
Attention: Greg Doble

and

Kutak Rock LLP
Two Logan Square
100 North 18th Street, Suite 1920
Philadelphia PA 19103
Attention: Andrew P. Schmutz

If to Subordinate Party:

Carson City
City Manager's Office
Attn: City Manager
201 North Carson Street, Suite 2
Carson City, Nevada 89701

and

Carson City
Carson City Public Works Department
Attn: Real Property Manager
3505 Butti Way
Carson City, NV 89701

If to Borrower:

Sierra Flats Senior LP
c/o Oikos Development Corporation
1712 Main Street, Suite 206
Kansas City, Missouri 64108
Attention: Michael Snodgrass

With a copy to:

Ramsey Barhorst LLC
117 West 20th Street
Kansas City, Missouri 64108
Attention: Chris Barhorst

Each Notice shall be effective the day delivered if personally delivered, the next business day if sent by overnight courier or three (3) days after being deposited in the United States Mail as aforesaid. Rejection or other refusal to accept or the inability to deliver because of changed address for which no Notice was given shall be deemed to be receipt of the Notice sent. Each of the parties hereto shall have the right from time to time and at any time during the term of this Agreement to change its respective address and the right to specify as its address any other address within the United States of America.

17. No Third Party Beneficiaries. No person or entity other than the parties hereto and their respective successors and assigns shall have any rights under this Agreement. To the fullest extent permitted by applicable law, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes under this Agreement.

18. Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. To the fullest extent permitted by applicable law, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes under this Agreement.

19. Amendment, Supplement, Modification, Waiver and Termination. No amendment, supplement, modification, waiver or termination of this Agreement shall be effective unless (i) the party against whom the enforcement of such amendment, supplement, modification, waiver or termination would be asserted, has consented in writing to such amendment, supplement, modification, waiver or termination, and (ii) the Controlling Person has consented in writing to such amendment, supplement, modification, waiver or termination. All amendments shall be made in accordance with any applicable provisions of Article V of the Loan Agreement.

20. Severability. In case any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and other application thereof, shall not in any way be affected or impaired thereby.

21. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Nevada, without giving effect to its conflict of laws principles.

22. Captions. Captions and headings in this Agreement are for convenience of reference only and shall not define, expand or limit the provisions hereof.

23. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

24. Integration. This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, relating thereto.

25. Obligors Unaffected. Notwithstanding that the Borrower is a party hereto and anything to the contrary contained herein, this Agreement shall not be deemed or interpreted so as to limit or expand or otherwise modify the rights and remedies of Senior Lender under the Senior Loan Documents or Subordinate Party under the Subordinate Documents insofar as they relate to the Borrower or any other obligor, or to diminish or change the obligations of, the Borrower or any other obligor under any of the foregoing.

26. Definitions. Capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the Loan Agreement.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement as of the date and year first above written.

WESTERN ALLIANCE BUSINESS TRUST

By: _____

Name:

Title:

STATE OF _____)

) ss.

COUNTY OF _____)

On _____, 20____, before me, _____, a Notary Public, personally appeared _____, _____ of Western Alliance Business Trust, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument Western Alliance Business Trust executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

SIERRA FLATS SENIOR LP, a Nevada limited partnership

By: Sierra Flats Senior LLC, a Nevada limited liability company, its general partner

By: _____
Name:
Title:

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 20____, before me, _____, a Notary Public, personally appeared _____, _____ of Sierra Flats Senior LLC, the general partner of Sierra Flats Senior LP, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument he/she executed the instrument as _____ of the _____ of, and on behalf of, Sierra Flats Senior LP.

WITNESS my hand and official seal.

Notary Public

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

EXHIBIT A
DESCRIPTION OF SIERRA FLATS – PHASE 1

A portion of Parcel 1 shown on that Record of Survey supporting a Boundary Line Adjustment for Carson City, recorded as File No. 278817 on May 30, 2002, in Book 9, Page 2454 (Map No. 2454), in the Carson City Recorder's Office, Carson City, Nevada, situate within the Southwest 1/4 of the Northwest 1/4 of Section 15, Township 15 North, Range 20 East, Mount Diablo Base & Meridian, more particularly described as follows:

BEGINNING at the Northwest corner of said Parcel 1, described as the N1/16 Cor Sec 15-16, as shown on said Record of Survey point on the southerly line of said Parcel 1;

THENCE, leaving the **POINT OF BEGINNING**, and along the North line of said Parcel 1, departing said line, South 88°59'25" East, 410.00 feet;

THENCE, leaving said North line South 00°38'21" West, 189.75 feet, to the northerly right-of-way line of Butti Way, as described in Document Number 276885 as file in the Official Records of Carson City, Nevada on April 19, 2002, to the beginning of a non-tangent curve to the left from which the radius point bears South 21°45'16" East;

THENCE, southwesterly, along the northerly right-of-way line of said Butti Way, 33.93 feet along the arc of a curve having a radius of 426.66 feet and through a central angle of 04°33'25";

THENCE, continuing along said northerly right-of-way line, South 63°41'20" West, 50.52 feet;

THENCE, continuing along said northerly right-of-way line South 55°11'12" West, 187.18 feet;

THENCE, continuing along said northerly right-of-way line South 50°08'29" West, 81.25 feet, to the easterly right-of-way line of Airport Road;

THENCE, along the easterly right-of-way line of Airport Road, North 67°54'48" West, 134.59 feet to the beginning of a tangent curve to the right;

THENCE, continuing along the easterly right-of-way line of Airport Road, 65.14 feet along the arc of a curve having a radius of 370.00 feet and through a central angle of 10°05'06", to the most westerly corner of the above-mentioned Parcel 1;

THENCE, leaving the easterly right-of-way line of said Airport Road, and along the westerly line of said Parcel 1, North 79°28'19" East, 64.85 feet;

THENCE, continuing along the westerly line of said Parcel 1, North 00°38'21" East, 300.00 feet, **POINT OF BEGINNING**.

Containing 2.91 Acres, more or less.

See Exhibit "A-1" attached hereto and made a part hereof

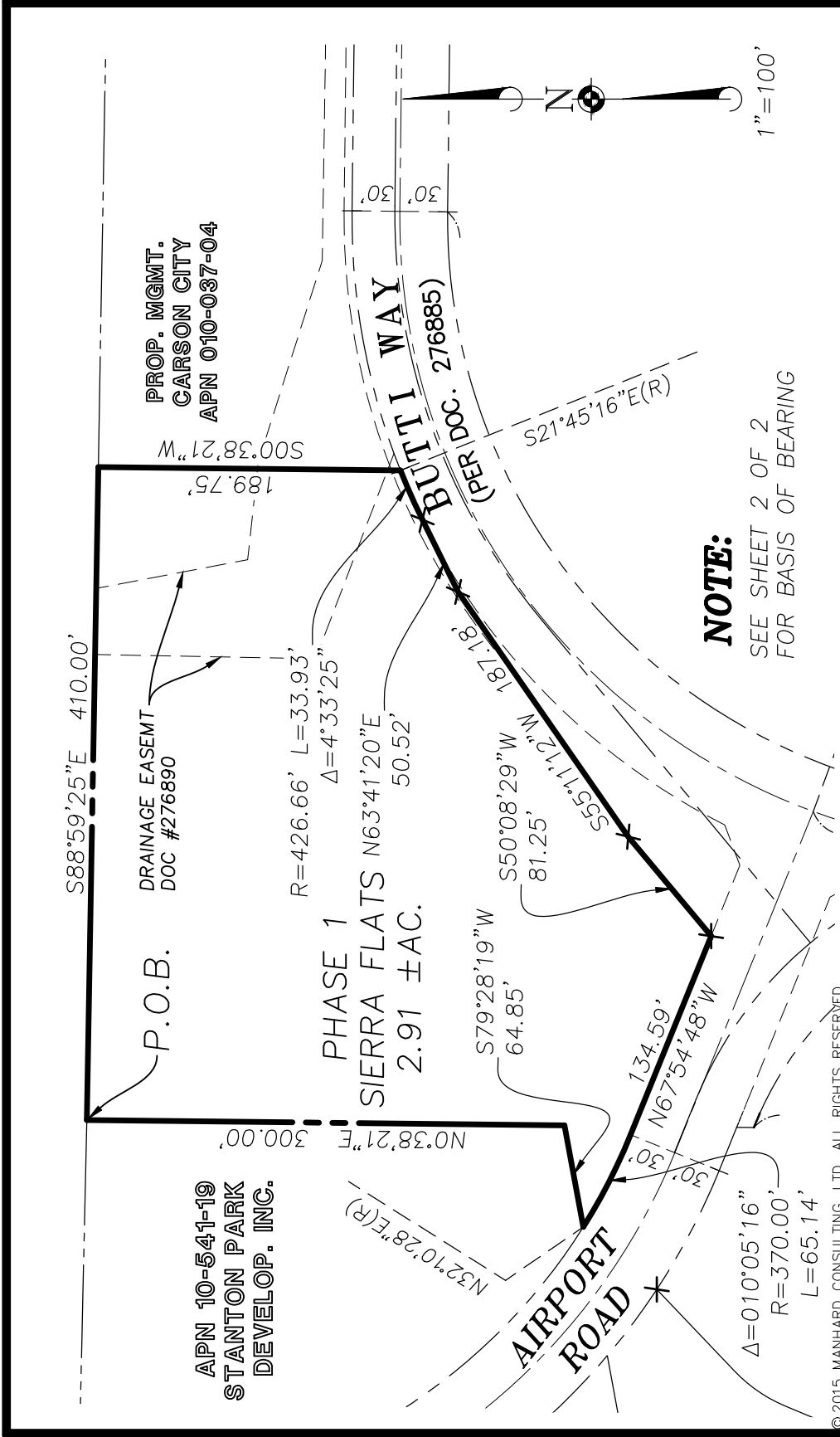
Basis of Bearings: South 10°30'31" East between Carson City Control Monuments CC013 and CC087 shown on Record of Survey Map number 2749 recorded August 11, 2010 in the Official Records of Carson City, Nevada, as File Number 403425.

Surveyor's Certificate: I hereby certify that the attached description was prepared by me or under my direct supervision and is accurate to the best of my knowledge and belief.

Lee H. Smithson
Nevada PLS 5097
For and on behalf of

 **Manhard**
CONSULTING
241 Ridge Street, Suite 400
Reno, Nevada 89501
(775) 321-6525





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ManhardTM
CONSULTING

241 Ridge Street, Suite 400, Reno, NV 89501
 ph: 775.746.3500
 Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
 Construction Managers | Environmental Scientists | Landscape Architects | Planners

fx: 775.746.3520
manhard.com

SIERRA FLATS
CARSON CITY, NEVADA

TO ACCOMPANY LEGAL DESCRIPTION

PROJECT CODE: CAACCNV01

PROJ. MGR.: LHS

DRAWN BY: _____

DATE: NOV. 2021

SCALE: 1" = 100'

SHEET 1 OF 1

OWNER'S CERTIFICATE

I, the undersigned, being the owner of the tract of land represented on this plat and that the same is executed in compliance with and subject to the provisions of N.R.S. Chapter 245, and that I declare that I execute this certificate for the purpose stated herein, in witness whereof the undersigned has caused this instrument to be signed and sealed and recorded in the office of the Registrar and Recorder of Carson City, Nevada.

CARSON CITY
MAYOR
Lois Bagwell
CLERK
Shirley Leacock
(PRINT NAME/TITLE)
DATE: 7/6/22

NOTARY CERTIFICATE
STATE OF Nevada } SS
COUNTY OF Carson City }
THE INSTRUMENT WAS ACKNOWLEDGED BEFORE ME,
ON THIS 19 DAY OF July, 2022,
OF CARSON CITY PERSONALLY APPEARED BEFORE ME A NOTARY PUBLIC,
WHO ACKNOWLEDGED THAT THEY EXECUTED THE ABOVE INSTRUMENT.
WITNESS MY HAND AND OFFICIAL SEAL.

NOTARY CERTIFICATE
STATE OF Nevada } SS
COUNTY OF Carson City }
ON THIS 20th DAY OF July, 2022,
OF CARSON CITY PERSONALLY APPEARED BEFORE ME A NOTARY PUBLIC,
WHO ACKNOWLEDGED THAT THEY EXECUTED THE ABOVE INSTRUMENT.
WITNESS MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC
Joseph J. Macias
PRINT NAME
DATE: 7/6/22

UTILITY COMPANIES CERTIFICATE

THE PUBLIC UTILITY EASEMENTS SHOWN ON THIS MAP HAVE BEEN CHECKED AND APPROVED BY:

Steve DATE: 7/6/2022
SERRA PACIFIC POWER COMPANY,
D/B/A NV ENERGY

Chris Rodriguez DATE: 7/5/22
CHRS Rodriguez Right of Way Agent
CHARTER COMMUNICATIONS

Araceli Espino DATE: 7/18/2022
CARSON CITY UTILITIES
STEPHEN POTY
SENIOR PROJECT MANAGER

Cliff Cooper DATE: 7/6/2022
CLIFF COOPER NEVADA AIRT
CLIFF COOPER, NEVADIAN PLANNER

Cliff Cooper DATE: 7/14/22
SOUTHWEST GAS CORPORATION
SOUTHWEST GAS CORPORATION

Cliff Cooper DATE: 7/14/22
SOUTHWEST GAS CORPORATION
SOUTHWEST GAS CORPORATION

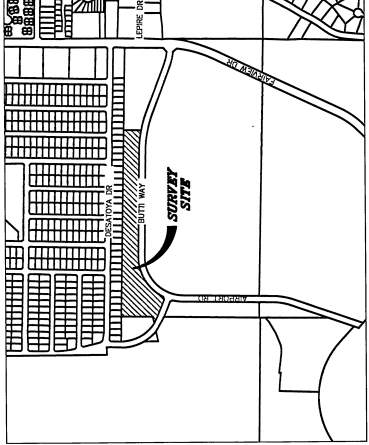
Cliff Cooper DATE: 7/14/22
SOUTHWEST GAS CORPORATION
SOUTHWEST GAS CORPORATION

Cliff Cooper DATE: 7/14/22
SOUTHWEST GAS CORPORATION
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Cliff Cooper DATE: 7/14/22
SOUTHWEST GAS CORPORATION
SOUTHWEST GAS CORPORATION

Cliff Cooper DATE: 7/14/22
SOUTHWEST GAS CORPORATION
SOUTHWEST GAS CORPORATION



VICINITY MAP
NOT TO SCALE

NOTES

- 1. PUBLIC UTILITY EASEMENTS GRANTED INCLUDE USE BY CABLE TELEVISION COMPANIES.
- 2. THESE PARCELS ARE SUBJECT TO CARSON CITY'S GROWTH MANAGEMENT ORDINANCE AND ALL PROPERTY OWNERS SHALL COMPLY WITH THE PROVISIONS OF SAID ORDINANCE.
- 3. ALL PARCELS WILL BE REQUIRED TO CONNECT TO CITY WATER AND SANITARY SEWER.
- 4. THERE ARE NO APPARENT WELLS OR SUBIRG SYSTEM LOCATED ON THE PROPERTY TO BE PARCELED AS OF THE DATE OF THE SURVEY.
- 5. THIS PARCEL MAP LOT CORRELATION CONFORMS TO THE CARSON CITY MUNICIPAL CODE PURSUANT TO CMC 18.04.30 AND 18.04.153.
- 6. THE CURRENT ZONING DISTRICT IS MULTI-FAMILY APARTMENT (MFA) AND PUBLIC REGIONAL (PR).
- 7. ANY FURTHER SUBDIVISION OF THE SUBJECT PARCELS MAY REQUIRE A TENTATIVE SUBDIVISION MAP IN COMPLIANCE WITH ORDINANCE 1987-25.
- 8. THE PROPERTY IS LOCATED WITHIN FLOOD ZONES X SHARED AND AO (1 FOOT DEPTH), AS SHOWN ON THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD RATE INSURANCE MAP (FIRM) PANEL 320401011H EFFECTIVE JUNE 18, 2018.
- 9. PUBLIC UTILITY AND DRAINAGE EASEMENTS ARE HEREBY GRANTED, 10 FEET IN WIDTH CENTERED ON ALL INTERIOR LOT LINES, 5 FEET IN WIDTH ADJACENT TO EXTERIOR BOUNDARIES, AND 10 FEET IN WIDTH ADJACENT TO STREET RIGHTS-OF-WAY.
- 10. AS THE PARCELS DEVELOP, EACH INDIVIDUAL LAND OWNER WILL BE RESPONSIBLE FOR MAINTAINING ANY LANDSCAPING INSTALLED IN THE PUBLIC ROAD RIGHT-OF-WAYS, INCLUDING THE DEVELOPER'S LANDSCAPE AREAS, OPEN SPACE AREAS, AND TURF AREAS ASSOCIATED WITH EACH PARCEL.
- 11. THE INGRESS AND EGRESS AS SHOWN ON SHEET 2 IS FOR THE BENEFIT OF PARCEL 2.

CITY ENGINEERS'S APPROVAL

THE UNDERSIGNED HEREBY CERTIFIES THAT HE IS THE ONLY APPOINTED CARSON CITY ENGINEER AND THAT HE HAS EXAMINED THE PARCEL MAP HEREON AND FINDS THAT ALL PROVISIONS OF THE LAWS OF THE STATE OF NEVADA AND CARSON CITY PERTAINING TO PARCELS, PLATS AND PLAT PROCEDURES HAVE BEEN COMPLIED WITH AND THAT THIS MAP IS TECHNICALLY CORRECT.

CARSON CITY ENGINEER
Lois Bagwell
DATE: 7/6/22

PARCEL MAP REVIEW COMMITTEE

THIS PARCEL MAP CONFORMS TO THE TENTATIVE PARCEL MAP (04-2022-008) REVIEWED AND APPROVED ON APRIL 5, 2022, AND ALL CONDITIONS IMPOSED ON SUCH APPROVAL HAVE BEEN SATISFIED.

CARSON CITY COMMUNITY DEVELOPMENT DEPARTMENT
HOPE SULLIVAN ACP, COMMUNITY DEVELOPMENT DIRECTOR
DATE: 7/15/2022

TREASURERS CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES THAT ALL THE PROPERTY TAXES ON THIS LAND, APRN 010-037-04, FOR THE FISCAL YEAR HAVE BEEN PAID.

CARSON CITY TREASURER
Guadalupe Mendel
DATE: July 15, 2022

SURVEYOR'S CERTIFICATE

I, LEE H. SWITSMAN, A PROFESSIONAL LAND SURVEYOR LICENSED IN THE STATE OF NEVADA, CERTIFY THAT:

- 1. THIS PLAT SURVEY IS THE RESULT OF A SURVEY CONDUCTED UNDER MY DIRECT SUPERVISION AT THE INSTANCES OF CARSON CITY.
- 2. THE PLAT IS SUBJECT TO THE PROVISIONS OF CHAPTER 245 OF THE NEVADA STATUTES AND THE LOCAL ORDINANCES IN EFFECT ON THE DATE OF THIS SURVEY.
- 3. THIS SURVEY WAS COMPLETED ON FEBRUARY 18, 2022.
- 4. THE MONUMENTS SHOWN ON THIS PLAT ARE OF THE CHARACTER SHOWN, OCCUPY THE POSITIONS INDICATED, AND ARE OF SUFFICIENT NUMBER AND DURABILITY.

LEE H. SWITSMAN P.L.S.
NEVADA CERTIFICATE NO. 5097



RECORDER'S CERTIFICATE

FILED FOR RECORD AT THE REQUEST OF,

ON THIS 20th DAY OF JULY 2022
AT 10:00 O'CLOCK A.M.
IN THE OFFICE OF THE CLERK OF CARSON, NEVADA.

RECORDING FEE: 0
BOOK: 11
PAGE: 3845
FILE NO: 233114

Richard Rowland
COUNTY RECORDER - A. A. MARY
81: Osceola Woods

PM-2022-0195

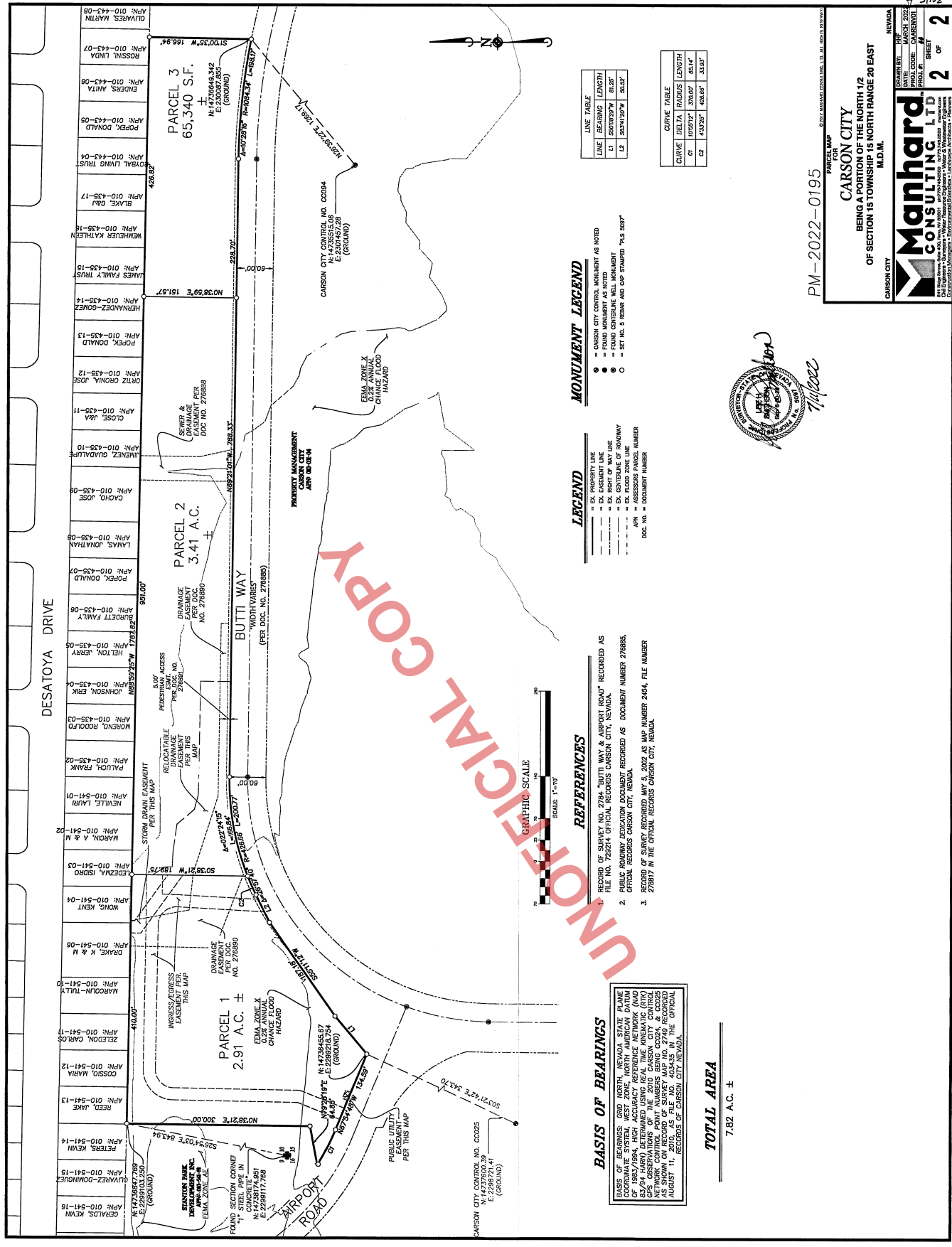
PARCEL MAP FOR
CARSON CITY

BEING A PORTION OF THE NORTH 1/2
OF SECTION 15 TOWNSHIP 15 NORTH RANGE 20 EAST
N.D.M.

RESUBMIT: MARCH 2022
SHEET 1 OF 2



PARCEL MAP 3845



DESATOYA DRIVE

PARCEL 3
65,340 S.F.

PARCEL 2
3.41 A.C.

PARCEL 1
2.91 A.C.

BUTTI WAY
(PER DOC. NO. 276888)

UNOFFICIAL COPY

LINE TABLE

LINE BEARING	LENGTH
L1	150°02'00" N 81.25'
L2	150°01'20" N 81.25'

CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	107°07'27"	270.00'	65.14'
C2	43°32'37"	426.60'	33.03'

MONUMENT LEGEND

- CARSON CITY CONTROL MONUMENT AS NOTED
- FOUND MONUMENT AS NOTED
- FOUND CENTERLINE WELL MONUMENT
- SET NO. 9 REBAR AND CAP STAMPED "PLS BOFF"

LEGEND

- EX. PROPERTY LINE
- EX. EASEMENT LINE
- EX. RIGHT OF WAY LINE
- EX. FLOOD ZONE LINE
- EX. ASSESSORS PARCEL NUMBER
- DOC. NO. = DOCUMENT NUMBER

REFERENCES

- RECORD OF SURVEY NO. 2764, "BUTTI WAY & AIRPORT ROAD" RECORDED AS FILE NO. 726214 OFFICIAL RECORDS CARSON CITY, NEVADA.
- PUBLIC ROWWAY DECISION DOCUMENT RECORDED AS DOCUMENT NUMBER 276885, OFFICIAL RECORDS CARSON CITY, NEVADA.
- RECORD OF SURVEY RECORDED MAY 3, 2002 AS MAP NUMBER 2464, FILE NUMBER 256977 IN THE OFFICIAL RECORDS CARSON CITY, NEVADA.

BASIS OF BEARINGS

USGS OF BEARINGS FROM WEST NEVADA STATE DATUM COORDINATE SYSTEM WEST ZONE, NORTH AMERICAN DATUM OF 1983/1994, HIGH ACCURACY REFERENCE NETWORK (NAD GPS OBSERVATIONS OF THE 2010 CARSON CITY CONTROL NETWORK CONTROL POINT NUMBERS BEING C0204, & C0205) WAS USED TO ESTABLISH THE BEARINGS AS FILE NO. 403435 IN THE OFFICIAL RECORDS OF CARSON CITY NEVADA.

TOTAL AREA
7.82 A.C. ±



PM-2022-0195

PARCEL MAP
CARSON CITY
 BEING A PORTION OF THE NORTH 1/2
 OF SECTION 15 TOWNSHIP 15 NORTH RANGE 20 EAST
 M.D.M.I.

Manhard CONSULTING LTD
 2 SHEET OF 2
 COUNTY: THE STATE OF NEVADA
 DATE: 08/11/2022
 PROJECT: PARCEL MAP

PARCEL MAP 2015-A

APN: 010-037-04

Doc # 528321

Recorded 12/23/2021 10:12 AM

Requested By: BOARD OF

SUPERVISORS

Carson City - NV

Aubrey Rowlett Clerk-Recorder

Pg 1 of 69 Fee: \$0.00

Recorded By:CM

FOR RECORDER'S USE ONLY

ORDINANCE 2021-14

&

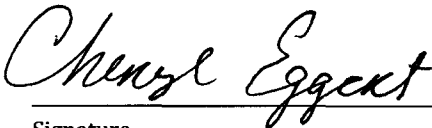
DEVELOPMENT AGREEMENT

Between Carson City and PalaSeek LLP, Oikos Development Corporation and Sierra Flats Senior LP. Concerning the conveyance of approximately 2.91 acres of City-owned land and development of an affordable housing project.

TITLE OF DOCUMENT

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain personal information of any person or persons.
(NRS 239B.030)

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain personal information of a person or persons as required by law. State specific law: (Enter Text Here)



Signature

Cheryl Eggert-Chief Deputy Clerk

Print Name & Title

WHEN RECORDED MAIL TO:

Carson City
885 E. Musser Street, suite 1032
Carson City, NV 89701

Summary: An ordinance approving a development agreement concerning the conveyance of approximately 2.91 acres of City-owned land and the development of an affordable housing project on that land, located within Assessor's Parcel Number 010-037-04.

BILL NO. 115

ORDINANCE NO. 2021-14

AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT BETWEEN CARSON CITY AND PALASEEK LLP, OIKOS DEVELOPMENT CORPORATION, AND SIERRA FLATS SENIOR LP CONCERNING THE CONVEYANCE OF APPROXIMATELY 2.91 ACRES OF CITY-OWNED LAND AND THE DEVELOPMENT OF AN AFFORDABLE HOUSING PROJECT ON THAT LAND, LOCATED WITHIN ASSESSOR'S PARCEL NUMBER ("APN") 010-037-04, AND OTHER MATTERS PROPERLY RELATED THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

WHEREAS, Carson City desires to enter into a development agreement with PalaSeek LLP, Oikos Development Corporation, and Sierra Flats Senior LP concerning the conveyance of approximately 2.91 acres of City-owned land and the development of an affordable housing project on that 2.91 acres, which is situated upon the westernmost end of Assessor's Parcel Number 010-037-04.

WHEREAS, the Carson City Board of Supervisors finds that the contents of the development agreement conform to the Carson City Municipal Code 17.08 and Nevada Revised Statutes 278.0203 and 244.287(5)-(6); and

WHEREAS, the Board finds that the provisions of the development agreement are consistent with the Carson City Master Plan.

NOW, THEREFORE, the Board hereby approves by ordinance the development agreement, attached and incorporated herein as Exhibit 1, between Carson City and PalaSeek LLP, Oikos Development Corporation, and Sierra Flats Senior LP concerning the conveyance of approximately 2.91 acres of City-owned land and the development of an affordable housing project on that land, which is situated upon the westernmost end of Assessor's Parcel Number 010-037-04.

///

///

///


The Board further directs that the City Clerk shall cause a certified copy of this ordinance and original agreement to be filed with the Carson City Recorder.

PROPOSED on November 18, 2021 by Supervisor Stacey Giomi

PASSED on December 16, 2021 by the following vote:

AYES: Supervisor Stacey Giomi
Supervisor Stan Jones
Supervisor Lisa Schuette
Mayor Lori Bagwell

NAYS: Supervisor Maurice White
ABSENT: None
ABSTAIN: None



LORI BAGWELL, Mayor
Carson City, Nevada

ATTEST:



AUBREY ROWLATT, Clerk-Recorder

This ordinance shall be in force and effect from and after the 5th day of the month of January of the year 2022.

APN 010-037-04

**RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:**

Carson City Public Works Department
c/o Real Property Manager
3505 Butti Way
Carson City, NV 89701

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into by and among PalaSeek LLP, a Nevada limited liability partnership ("PALASEEK"), Oikos Development Corporation, a Missouri nonprofit corporation and tax-exempt 501(c)(3) organization ("OIKOS"), Sierra Flats Senior, LP, a Nevada limited partnership ("SFS," together with PALASEEK and OIKOS, "DEVELOPER"), as developer of that certain project known as the 9% LOW-INCOME HOUSING TAX CREDIT DEVELOPMENT OF 3410 BUTTI WAY (APN 010-037-04) FOR AFFORDABLE/WORKFORCE HOUSING (the "SIERRA LOFTS 9% PROJECT"), and Carson City, a consolidated municipality of the State of Nevada ("CARSON CITY"). PALASEEK, SFS, OIKOS, and CARSON CITY may be individually referred to as a "Party" and collectively referred to as "Parties."

RECITALS

1. The land at issue in the Agreement (later defined herein as "9% PROPERTY") is described and shown in the legal description attached as Exhibit "A", and it is contained within 7.81 acres of land owned by CARSON CITY with Carson City Assessor's Parcel Number ("APN") 010-037-04.

2. CARSON CITY has made the western 6.31 acres of APN 010-037-04, more particularly shown in Exhibit "B," available for the development of affordable/workforce housing (the "AVAILABLE PROPERTY").
3. The easternmost 1.5-acre portion of APN 010-037-04 is not part of this Agreement, and will continue to be CARSON CITY's property.
4. Originally PALASEEK planned for a single apartment project named CARSON LOFTS to be built upon the AVAILABLE PROPERTY.
5. Since PALASEEK's original proposal, DEVELOPER has refined the development plan to include two apartment projects: the SIERRA LOFTS 9% PROJECT and a second project or phase, to be named later ("PHASE 2 PROJECT"), which will be rent restricted, and income restricted to take advantage of available low income housing tax credits.
6. The Agreement provides the terms upon which DEVELOPER will build the SIERRA LOFTS 9% PROJECT on the westernmost portion of the AVAILABLE PROPERTY, as shown in Exhibit "C" and as described and shown in the legal description attached as Exhibit "A" (the "9% PROPERTY").
7. The remainder of the AVAILABLE PROPERTY ("PHASE 2 PROPERTY") is not part of this Agreement but may be part of a future development agreement for the PHASE 2 PROJECT.
8. Therefore, this Agreement uses the following defined terms to describe portions of the approximately 7.81 acres of land owned by CARSON CITY at APN 010-037-04:
 - The AVAILABLE PROPERTY is the western 6.31 acres of APN 010-037-04, as shown in Exhibit "B". The Agreement divides the AVAILABLE PROPERTY into two categories: the 9% PROPERTY and the PHASE 2 PROPERTY.
 - The 9% PROPERTY is the westernmost portion of the AVAILABLE PROPERTY, as shown in Exhibit "A" and Exhibit "C".

- The PHASE 2 PROPERTY is the eastern portion of the AVAILABLE PROPERTY that is not included in the 9% PROPERTY, as shown in Exhibit "C"
9. On January 17, 2019, the Carson City Board of Supervisors directed staff to initiate due diligence to determine whether to convey the AVAILABLE PROPERTY under the provisions of NRS 244.287 for the development of affordable housing and to prepare a proposed Request for Proposals ("RFP") to be reviewed by the Carson City Board of Supervisors in order to seek proposals from qualified developers through a competitive process.
 10. On September 12, 2019, CARSON CITY released a RFP to invite qualified and experienced affordable housing and workforce housing development teams to submit proposals for the Development of the AVAILABLE PROPERTY.
 11. On December 5, 2019, the Carson City Board of Supervisors reviewed the submitted proposals and selected PALASEEK to develop the AVAILABLE PROPERTY. PALASEEK's proposal included one-hundred and sixty (160) mixed income affordable/workforce housing units. The Board of Supervisors directed CARSON CITY staff to work with PALASEEK to further develop the project proposal, begin the land entitlement process, conduct community outreach, and negotiate a Development Agreement.
 12. On June 26, 2020, Ordinance No. 2020-10, Bill No. 110, was recorded as Document No. 507505, effectuating a Zoning Map Amendment such that zoning for the AVAILABLE PROPERTY was changed from Public Regional (PR) to Multi-Family Apartment (MFA), which is incorporated herein by this reference. The easternmost 1.5-acre portion of APN 010-037-04 remains zoned as Public Regional (PR).
 13. On August 18, 2020, CARSON CITY and PALASEEK conducted a Major Project Review (MPR-2020-0023) of the preliminary development plans as required by CCMC 18.02.100.

14. On September 4, 2020, CARSON CITY provided PALASEEK with written Major Project Review Comments for MPR-2020-0023.
15. On March 2, 2021, CARSON CITY and PALASEEK conducted a Conceptual Map and Major Project Review (PM-2021-0049) of the preliminary development plans and proposed parcel map for PALASEEK's project. Once approved and completed, the proposed parcel map will sub-divide APN 010-037-04 into three separate parcels. The easternmost parcel (approximately 1.5 acres) created by the parcel map will be retained by CARSON CITY and will not be developed as part of the SIERRA LOFTS 9% PROJECT or the PHASE 2 PROJECT. The westernmost parcel created by the parcel map will be the 9% PROPERTY where the SIERRA LOFTS 9% PROJECT will be developed through this Agreement. The middle parcel created by that parcel map will be the PHASE 2 PROPERTY, which CARSON CITY may make available for the PHASE 2 PROJECT at a later time, through a separate development agreement.
16. On March 12, 2021, CARSON CITY provided PALASEEK with written Conceptual Map and Major Project Review Comments for PM-2021-0049.
17. On April 2, 2021, PALASEEK, together with OIKOS, caused SFS to be formed as a Nevada limited partnership by filing a certificate of limited partnership with the Secretary of State of the State of Nevada.
18. On April 15, 2021 CARSON CITY and PALASEEK entered into Exclusive Negotiating Rights Agreement providing that CARSON CITY would exclusively pursue a development agreement for affordable/workforce housing on the AVAILABLE PROPERTY with PALASEEK and its assigns through January 1, 2022.
19. SFS will be the owner of the SIERRA LOFTS 9% PROJECT, which will be built on the 9% PROPERTY.
20. PALASEEK and OIKOS have caused or will cause another entity to be formed that is intended to be the owner of the PHASE 2 PROJECT, which will be eligible to be built

on the PHASE 2 PROPERTY, upon approval of a later, separate development agreement by CARSON CITY.

21. The Parties believe that it is mutually beneficial to enter into this Agreement and each mutually desire that the SIERRA LOFTS 9% PROJECT be developed in accordance with this Agreement.
22. CARSON CITY, PALASEEK, OIKOS, and SFS desire to hereinafter have the provisions of this Development Agreement govern the development activities concerning the SIERRA LOFTS 9% PROJECT.

NOW THEREFORE, for good and valuable consideration, and the mutual covenants, conditions and promises herein contained, the Parties do agree as follows:

I.

PROJECT CHARACTERISTICS AND TENANCY REQUIREMENTS

This Agreement governs only the SIERRA LOFTS 9% PROJECT. References to the PHASE 2 PROJECT and PHASE 2 PROPERTY are intended only to provide context for the rights and obligations this Agreement creates in regard to the SIERRA LOFTS 9% PROJECT. Unless this Agreement expressly states otherwise, it creates no rights or obligations for any Party in regard to the PHASE 2 PROJECT and PHASE 2 PROPERTY.

The AVAILABLE PROPERTY encompasses 6.31 acres of real property, more or less, and is zoned Multi-Family Apartment (MFA). Although the PHASE 2 PROJECT is not yet finalized, based on the lot shape and the current plan, it is envisioned that the SIERRA LOFTS 9% PROJECT and PHASE 2 PROJECT will consist of four 3-story buildings with a total of one hundred and sixty (160) units of mixed income affordable/workforce housing available for rent to income-qualified individuals. Each building will have 40 units. One of the buildings will be reserved as senior housing for households age 55 years or older. The other buildings will be targeted to families. It is envisioned that sixty-three (63) of the total units will be 1-bedroom units (approximately 650 square feet in size), sixty-seven (67) of the total units will be 2-bedroom units (approximately 850 square feet in size), and up to thirty (30) units may be 3-bedroom units (approximately 1150 square feet in size).

The SIERRA LOFTS 9% PROJECT and PHASE 2 PROJECT are intended to primarily house seniors and families whose income does not exceed sixty percent (60%) of the median gross income (as determined by the Department of Housing and Urban Development “HUD” for Carson City), compared to other families residing in Carson City; however, sixteen (16) of the eighty (80) units making up the SIERRA LOFTS 9% PROJECT are not income restricted. The SIERRA LOFTS 9% PROJECT will provide a ten percent preference for veteran households. The SIERRA LOFTS 9% PROJECT will be financed through a mix of 9% Low Income Housing Tax Credits, HOME, National Housing Trust Funds, and/or other public sources and conventional sources. The specific funding mechanisms for the PHASE 2 PROJECT are not yet settled. The SIERRA LOFTS 9% PROJECT will receive a property tax exemption to contribute to the financial viability of the projects.

The SIERRA LOFTS 9% PROJECT will provide affordable housing units through income and rent targets at least as low as indicated in the two Area Median Income (“AMI”) target tables below:

Sierra Flats Senior (40 units of senior housing) – Part of the SIERRA FLATS 9% PROJECT

Targeted Population	Unit Size	# of Units	Income Target	Rent Target
Senior	1-bedroom	11	50% AMI	30% AMI
Senior	1-bedroom	16	50% AMI	40% AMI
Senior	1-bedroom	5	50% AMI	50% AMI
Senior	2-bedroom	1	50% AMI	30% AMI
Senior	2-bedroom	1	50% AMI	40% AMI
Senior	2-bedroom	6	50% AMI	50% AMI

Sierra Flats Family One (40 units of family housing) – Part of the SIERRA FLATS 9% PROJECT

Targeted Population	Unit Size	# of Units	Income Target	Rent Target
Family	1-bedroom	4	50% AMI	30% AMI

Family	1-bedroom	10	50% AMI	40% AMI
Family	1-bedroom	4	50% AMI	50% AMI
Family	1-bedroom	10	Non-restricted	Non-restricted
Family	2-bedroom	2	50% AMI	40% AMI
Family	2-bedroom	4	50% AMI	50% AMI
Family	2-bedroom	6	Non-restricted	Non-restricted

The PHASE 2 PROJECT is anticipated to provide an additional eighty (80) units of family housing on the PHASE 2 PROPERTY, which would require a separate development agreement with CARSON CITY.

II.

ADMINISTRATION OF THE PROJECT

The SIERRA LOFTS 9% PROJECT shall be developed in accordance with this Agreement, with the following characteristics and requirements:

2.1 PHASING. The SIERRA FLATS 9% PROJECT is the subject of this Agreement, it is expected to start in April 2022 with completion anticipated in July 2023, and it will be constructed on the 9% PROPERTY. The PHASE 2 PROJECT is not part of the Agreement and, if pursued, will be covered by a separate development agreement; however, DEVELOPER believes construction on the PHASE 2 PROJECT could start as early as July 2023 with completion anticipated in November of 2024. A Phasing Map showing the location of the SIERRA FLATS 9% PROJECT on the AVAILABLE PROPERTY, and the proposed location of the PHASE 2 PROJECT, if pursued, is attached hereto as Exhibit "C". The Parties agree that this Agreement must be fully executed prior to issuance of any construction permits for the SIERRA FLATS 9% PROJECT.

2.2 TERM OF AGREEMENT. This Agreement shall be effective upon the date that a fully executed original of this Agreement is recorded in the Carson City Clerk-Recorder's office ("Effective Date"). Pursuant to this Agreement, DEVELOPER agrees that the SIERRA FLATS 9% PROJECT must be diligently pursued. DEVELOPER further agrees that unless CARSON CITY agrees in writing

to some modification, the Agreement shall expire if DEVELOPER fails to:

- A. Commence construction of the SIERRA FLATS 9% PROJECT on the 9% PROPERTY on or before June 1, 2022.
- B. Secure a certificate of occupancy for the SIERRA FLATS 9% PROJECT on or before December 31, 2023.

If DEVELOPER timely commences and completes the SIERRA FLATS 9% PROJECT within the timeframes described in subparts A and B of Section 2.2, and the 9% PROPERTY is encumbered by a Declaration of Restrictive Covenants that is the same as or substantially similar to Exhibit "E" to the Agreement, then PALASEEK, SFS, and/or OIKOS may invoke subpart H of Section 2.3 of the Agreement and, if appropriate under subpart H of Section 2.3, CARSON CITY shall record a release and reconveyance for this Agreement.

2.3 LAND TRANSFER. Upon execution of the Agreement and completion of the parcel map described in Recital 15 above, CARSON CITY will convey the 9% PROPERTY to OIKOS, a tax-exempt organization under 26 U.S.C. § 501(c)(3) under NRS 244.287. That conveyance shall be accomplished through a Deed that is the same as or substantially similar to Exhibit "D", and that conveyance shall be restricted as follows:

- A. If, 5 years after the 9% PROPERTY is conveyed, one or more of OIKOS, SFS, or PALASEEK, or any of their lawful assignees, have not commenced construction of affordable housing, or entered into such contracts as are necessary to commence the construction of affordable housing, the 9% PROPERTY automatically reverts to CARSON CITY.
- B. If the Agreement expires under Section 2.2(A) or 2.2(B) because construction on the SIERRA FLATS 9% PROJECT did not commence on or before June 1, 2022 or because DEVELOPER failed to secure a certificate of occupancy for the SIERRA FLATS 9% PROJECT on or before December 31, 2023 (and CARSON CITY has granted no extension), CARSON CITY may declare a default consistent with NRS 278.0205, NRS 278.02053, and Section 3.2 of

this Agreement, and shall have the right to reenter and reclaim the 9% PROPERTY and/or exercise its rights under NRS 278.0205 or NRS 278.02053 to cancel this Agreement.

- C. In addition, the 9% PROPERTY shall be encumbered by a restrictive covenant requiring that the 9% PROPERTY be used for affordable housing as described in Section I of the Agreement until either (1) December 31, 2074; or (2) the passage of fifty-one (51) years from the date a certificate of occupancy is issued for the SIERRA FLATS 9% PROJECT, whichever occurs later ("AFFORDABILITY PERIOD"). Therefore, concurrent with conveyance of the 9% PROPERTY from CARSON CITY to OIKOS, a Declaration of Restrictive Covenants that is the same as or substantially similar to Exhibit "E" to the Agreement shall be recorded to encumber the 9% PROPERTY such that it may only be used for affordable housing that meets the requirements of this Agreement during the AFFORDABILITY PERIOD. Any remedies provided in this Agreement shall be in addition to any remedies CARSON CITY is entitled to for breach of the Declaration of Restrictive Covenants. The Parties shall not cause or allow the Declaration of Restrictive Covenants to be subordinate to any other interest in the 9% PROPERTY, except that CARSON CITY, through its Board of Supervisors, may subordinate the Agreement and/or Declaration of Restrictive Covenants through enactment, and subsequent recording, of a resolution finding that the requested subordination is in CARSON CITY's best interests and necessary to promote investment in the construction of the 9% PROJECT. Presently, DEVELOPER anticipates that its construction lender, permanent lender, the Nevada Housing Division, or some combination thereof may decline to participate in the SIERRA FLATS 9% PROJECT unless the Agreement and/or Declaration of Restrictive Covenants are subordinated to some other interest.

- D. As a condition precedent to CARSON CITY's obligation to convey the 9% PROPERTY to OIKOS, DEVELOPER will provide CARSON CITY with an updated Exhibit "F," which lists all entities with an interest in SFS, each such entity's share of ownership in SFS, and all entities making up DEVELOPER's team for the SIERRA FLATS 9% PROJECT. This condition precedent for an updated Exhibit "F" also allows CARSON CITY, at its sole option and discretion, to demand the following information from DEVELOPER about entities with an interest in SFS: (1) For owners that are natural people, CARSON CITY may demand that Exhibit "F" contains the individuals' full name and ownership interest; (2) For any owner that is an artificial entity and a general partner of or a constituent of the general partner of SFS, CARSON CITY may demand that Exhibit "F" disclose ownership interests until all ownership interest can be traced to an identifiable natural person.
- E. The DEVELOPER agrees to pay all title and other transfer costs associated with conveyance of the 9% PROPERTY.
- F. The DEVELOPER shall pay all taxes imposed, including future and back taxes and liens (if any).
- G. OIKOS may assign its interest in the 9% PROPERTY to SFS, provided such assignment is subject to the limitations, re-entry rights, encumbrances, disclosures, and other terms set forth in Section 2.3 of this Agreement.
- H. PALASEEK, SFS, and/or OIKOS may request, in writing, that CARSON CITY record a release and reconveyance for this Agreement, provided that (1) the Parties have fully executed and recorded a Declaration of Restrictive Covenants that is the same as or substantially similar to Exhibit "E" of the Agreement; (2) a certificate of occupancy for the SIERRA FLATS 9% PROJECT has been issued by CARSON CITY; and (3) the requesting Party provides CARSON CITY with a proposed release and reconveyance for the

Agreement which expressly states that the release and reconveyance does not apply to, or in any way impact, the aforementioned recorded Declaration of Restrictive Covenants. DEVELOPER may request that CARSON CITY record a release and reconveyance for the Agreement, and if the three prerequisites above are fulfilled, CARSON CITY shall record the requested document within thirty (30) days of receiving it from the requesting Party.

2.4 MUTUAL COOPERATION. CARSON CITY shall cooperate with DEVELOPER to obtain all necessary approvals, permits or to meet other requirements which are or may be necessary to implement the intent of this Agreement. Nothing contained in this paragraph, however, shall require CARSON CITY or its employees to function on behalf of DEVELOPERS nor shall this Agreement be construed as an implicit pre-approval of any further actions required by CARSON CITY.

Further, CARSON CITY may—through its Board of Supervisors, Development Engineering Division, Planning Division, or other City departments—require DEVELOPER to make improvements related to the SIERRA FLATS 9% PROJECT. Any such improvements shall be completed by DEVELOPER at its own expense and within the specified time, which must in all instances be at least before issuance of any certificate of occupancy for the SIERRA FLATS 9% PROJECT.

2.5 CONSTRUCTION. All construction will be performed by a general contractor (or a hired sub-contractor) possessing the appropriate licensure in the State of Nevada. Any contractors, or sub-contractors, employed during the project shall be in good standing with the Nevada State Contractor's Board, or other appropriate licensing authority. Additionally, all contractors or sub-contractors performing work in Carson City must have or obtain a Carson City business license if required by the CCMC.

2.6 FUNDING. SFS, and its agents, shall at all times be in good standing with all applicable federal funding entities. Should any concerns arise during the project, SFS shall immediately make corrective actions to comply with the requesting funding entity.

2.7 TIMELINESS. Time is of the essence for this Agreement. DEVELOPER shall timely and diligently cause construction of the SIERRA FLATS 9% PROJECT. If certificates of occupancy for the SIERRA FLATS 9% PROJECT are not completed by the date specified in Section 2.2(B), then CARSON CITY shall have the right to the remedies set forth in this Agreement or the Declaration of Restrictive Covenants, or both. Any costs incurred by DEVELOPER, such as title transfer costs, will not be reimbursed by CARSON CITY if its right to reenter and reclaim the 9% PROPERTY is triggered.

III.

DEFAULTS, REMEDIES, TERMINATION

3.1 GENERAL PROVISIONS. Failure or unreasonable delay in performing any term or provision of this Agreement shall constitute a default.

3.2 NOTICE OF DEFAULT OR BREACH & CURE PERIOD. Unless NRS 278.0205 and NRS 278.02053 apply, in the event of alleged default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party not less than thirty (30) days' notice in writing, specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the Party charged shall not be considered in default for purposes of termination, or institution of legal proceedings, or issuances of any building or improvement permit. The Parties may mutually agree, in writing, to provide more than thirty (30) days to the Party allegedly in default to cure that alleged default or breach ("CURE PERIOD"). Any lender or partner or member of DEVELOPER may, but shall not be obligated to, cure any alleged default. No default by DEVELOPER under this Agreement shall constitute a default under any subsequent agreement by CARSON CITY regarding the PHASE 2 PROJECT. The Parties covenant and agree that the SIERRA FLATS 9% PROJECT and PHASE 2 PROJECT shall be considered separate projects with separate owners and no cross default shall ensue, provided the non-defaulted project remains in compliance with its development agreement.

After notice of default or breach and expiration of the CURE PERIOD, the non-defaulting Party to this Agreement, at its option, may pursue any remedies permitted by the Agreement, Deed,

Declaration of Restrictive Covenant, or any other lawful remedy, including proceedings to terminate or amend this Agreement.

If CARSON CITY elects to terminate or amend this Agreement after PALASEEK, OIKOS, SFS, a lawful assignee or agent of any such Party, or some combination thereof has failed to timely cure any breach or default under this Agreement, such termination or amendment shall conform with NRS 278.0205 and NRS 278.02053, including the notice and public hearing requirements set forth in those statutes.

In the event CARSON CITY does not accept, review, approve or issue necessary permits for use in a timely fashion, or as otherwise agreed by the Parties, CARSON CITY agrees that DEVELOPER shall not be obligated to proceed with or complete the SIERRA FLATS 9% PROJECT, nor shall resulting delays in DEVELOPER performance constitute grounds for default, termination, or cancellation of this Agreement.

3.3 FORCE MAJEURE. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walk-outs, riots, floods, earthquakes, avalanches, inclement weather, fires, casualties, acts of God, pandemics or epidemics, governmental restrictions imposed or mandated by other governmental entities, not parties to this Agreement, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, or similar bases for excused performance.

If written notice of such delay is given by one Party to the other Party within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, as may be mutually agreed upon.

3.4 LIMITATIONS ON LIABILITY. CARSON CITY does not waive, and intends to assert, any and all immunity defenses available under NRS chapter 41, in all cases.

In addition to any other rights or remedies, any Party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation; nevertheless, in no event will CARSON CITY be liable to any Party for damages

(actual, incidental, or otherwise) as a result of its failure to review or approve permits and entitlements in a timely manner.

3.5 WAIVER OF RIGHTS. No waiver of any right or remedy shall be effective unless in writing. A waiver of any right or a Party's failure to insist on strict compliance with the terms of this Agreement shall not operate as a waiver of any other right or remedy.

IV.

MISCELLANEOUS

4.1 CONFLICTS WITH THIS AGREEMENT. Should any provision of this Agreement be deemed to be in conflict with any exhibit or attachment to this Agreement, or the RFP, PALASEEK's proposal, or the Exclusive Negotiating Rights Agreement, then the terms in this Agreement shall prevail. In the event a conflict exists between the rights and obligations set forth in the Agreement and the fully executed and recorded Declaration of Restrictive Covenants, the conflicting provisions must be interpreted harmoniously to give the fullest effect possible to both provisions. If no such harmonious interpretation is possible, the interpretation which better protects CARSON CITY's interest in seeing the 9% PROPERTY used for affordable housing during the full AFFORDABILITY PERIOD shall govern.

4.2 CARSON CITY CODE. The SIERRA FLATS 9% PROJECT shall be built and maintained in accordance with all ordinances adopted by CARSON CITY, applied on a uniform basis to all development projects in CARSON CITY, including, but not limited to Chapter 17.08 of the CCMC.

4.3 APPLICABLE LAW AND ATTORNEYS' FEES. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. The Parties consent to the jurisdiction of, and agree that disputes will be resolved by, the courts of the First Judicial District Court of the State of Nevada in Carson City. Should any legal action be brought by a Party against another Party relating to this Agreement, the 9% PROPERTY, or the SIERRA FLATS 9% PROJECT, that legal action will be brought pursuant to the choice of law and choice of forum provisions provided in this Section. The prevailing party of such action shall be entitled to reasonable attorney's fees, court costs, and such other costs as may be fixed by the court; however, in the event that a Party is awarded

attorneys' fees, the Parties agree the reasonable rate for such attorneys' fees shall not exceed \$125 per hour.

4.4 SUCCESSORS AND ASSIGNS. The Parties hereto agree that the terms and conditions of this Agreement shall bind and inure to the benefits of the Parties' successors and assigns. No Party may assign, transfer, or delegate any rights, obligations, or duties under this Agreement without the prior written consent of the other Parties. CARSON CITY's consent may be given only by the Carson City Board of Supervisors.

4.5 ENTIRE AGREEMENT. This Agreement, together with any Exhibits, constitutes the entire understanding between the Parties with respect to the subject matter hereof, and supersedes all other agreements, written or oral, between the Parties with respect to such subject matter. The Parties understand and intend that, subsequent to this Agreement, the Parties will execute and record a Declaration of Restrictive Covenants that will be the same or substantially similar to Exhibit "E" of this Agreement. The Agreement does not supersede the fully executed and recorded Declaration of Restrictive Covenants, and the Agreement and Declaration of Restrictive Covenants must be construed in accordance with Section 4.1 of the Agreement.

4.6 HOLD HARMLESS AND INDEMNIFICATION.

4.6.1 To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, each Party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other Party (including the Parties' agents, employees, representatives, appointed boards, commissions, and officers) from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this Section. However, in no event shall CARSON CITY indemnify DEVELOPER or hold it harmless in a dispute arising under a sub-contract for the SIERRA FLATS 9% PROJECT.

4.6.2 Except as otherwise provided in Subsection 4.6.4 below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

4.6.2.1 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

4.6.2.2 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

4.6.3 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

4.6.4 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorneys' fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

4.7 **PROJECT AS PRIVATE UNDERTAKING.** It is specifically understood and agreed by and between the Parties hereto that the SIERRA FLATS 9% PROJECT is a private development and no partnership, joint venture or other association of any kind is formed, except as defined by this Agreement.

4.8 **FURTHER ASSURANCES.** In the event of any legal action instituted by any third party or other government entity or official challenging this Agreement, CARSON CITY and DEVELOPER shall cooperate and use their best efforts in defending any such action.

4.9 MODIFICATION. Unless otherwise expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement is binding upon the Parties unless the same is in writing, signed by the Parties, and approved by the Carson City Board of Supervisors.

4.10 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which, taken together, shall constitute one and the same Agreement.

4.11 SEVERABILITY. If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement will be construed as if the provision did not exist, the provisions will not be construed to render any other provision or provisions of this Agreement unenforceable, and the remaining terms of this Agreement will continue in full force and effect.

4.12 PUBLIC RECORDS REQUESTS MADE TO CITY. Pursuant to NRS 239.010, information or documents may be open to public inspection and copying. CARSON CITY will have the duty to disclose particular information or documents unless they are made confidential by law or a common law balancing of interest.

4.13 EFFECTIVE DATE. This Agreement is effective on the 20th day of December, 2021.

EXHIBITS:

- A. Legal Description for 9% PROPERTY
- B. Vicinity Map for AVAILABLE PROPERTY
- C. Phasing Map for AVAILABLE PROPERTY
- D. Deed for 9% PROPERTY
- E. Declaration of Restrictive Covenant for 9% PROPERTY
- F. Development Team Organization Chart

[Counterpart Signature Pages Follow]

DEVELOPER – PALASEEK

PALASEEK:

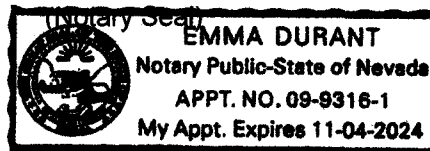
PALASEEK LLP, a
Nevada limited liability partnership

By: Michael A. Schneider, MANAGING PARTNER
Michael A. Schneider, Managing Partner

STATE OF NEVADA)
) ss.
COUNTY OF Clark)

This instrument was acknowledged before me on 12/20, 2021 by Michael Schneider as
Managing Partner of PalaSeek LLP.

Notary Signature: Emma Durant



DEVELOPER – SFS & OIKOS

SFS:

SIERRA FLATS SENIOR, LP, a Nevada limited partnership


By: Sierra Flats Senior LLC, a Nevada limited liability company, its General Partner

By: Oikos Development Corporation, a Missouri nonprofit corporation, its Manager

By: 
Michael Snodgrass, Executive Director

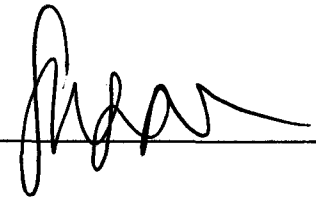
OIKOS:

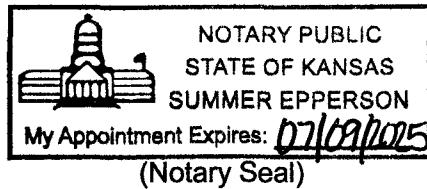
OIKOS DEVELOPMENT CORPORATION, a Missouri nonprofit corporation

By: 
Michael Snodgrass, Executive Director

STATE OF Kansas)
COUNTY OF JOHNSON) ss.

On Dec. 17th, 2021, Michael Snodgrass personally appeared before me, the undersigned Notary Public, and proved to me with satisfactory evidence that he is the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same voluntarily in his authorized capacities, and that by his signature on the instrument, the entities upon behalf of which he acts have executed the instrument.

Notary Signature: 



CARSON CITY

APPROVED:

CARSON CITY, a consolidated municipality

By: Lori Bagwell
Lori Bagwell, Mayor

APPROVED AS TO FORM:

Carson City District Attorney

By: [Signature]

Date: 12/17/21

ATTEST:

Carson City Clerk-Recorder

By: Aubrey Rowlett
Aubrey Rowlett

Date: 12-20-21

EXHIBIT A
LEGAL DESCRIPTION FOR 9% PROPERTY

EXHIBIT A
DESCRIPTION OF SIERRA FLATS – PHASE 1

A portion of Parcel 1 shown on that Record of Survey supporting a Boundary Line Adjustment for Carson City, recorded as File No. 278817 on May 30, 2002, in Book 9, Page 2454 (Map No. 2454), in the Carson City Recorder's Office, Carson City, Nevada, situate within the Southwest 1/4 of the Northwest 1/4 of Section 15, Township 15 North, Range 20 East, Mount Diablo Base & Meridian, more particularly described as follows:

BEGINNING at the Northwest corner of said Parcel 1, described as the N1/16 Cor Sec 15-16, as shown on said Record of Survey point on the southerly line of said Parcel 1;

THENCE, leaving the **POINT OF BEGINNING**, and along the North line of said Parcel 1, departing said line, South 88°59'25" East, 410.00 feet;

THENCE, leaving said North line South 00°38'21" West, 189.75 feet, to the northerly right-of-way line of Butti Way, as described in Document Number 276885 as file in the Official Records of Carson City, Nevada on April 19, 2002, to the beginning of a non-tangent curve to the left from which the radius point bears South 21°45'16" East;

THENCE, southwesterly, along the northerly right-of-way line of said Butti Way, 33.93 feet along a the arc of a curve having a radius of 426.66 feet and through a central angle of 04°33'25";

THENCE, continuing along said northerly right-of-way line, South 63°41'20" West, 50.52 feet;

THENCE, continuing along said northerly right-of-way line South 55°11'12" West, 187.18 feet;

THENCE, continuing along said northerly right-of-way line South 50°08'29" West, 81.25 feet, to the easterly right-of-way line of Airport Road;

THENCE, along the easterly right-of-way line of Airport Road, North 67°54'48" West, 134.59 feet to the beginning of a tangent curve to the right;

THENCE, continuing along the easterly right-of-way line of Airport Road, 65.14 feet along the arc of a curve having a radius of 370.00 feet and through a central angle of 10°05'06", to the most westerly corner of the above-mentioned Parcel 1;

THENCE, leaving the easterly right-of-way line of said Airport Road, and along the westerly line of said Parcel 1, North 79°28'19" East, 64.85 feet;

THENCE, continuing along the westerly line of said Parcel 1, North 00°38'21" East, 300.00 feet, **POINT OF BEGINNING**.

Containing 2.91 Acres, more or less.

See Exhibit "A-1" attached hereto and made a part hereof

Basis of Bearings: South 10°30'31" East between Carson City Control Monuments CC013 and CC087 shown on Record of Survey Map number 2749 recorded August 11, 2010 in the Official Records of Carson City, Nevada, as File Number 403425.

Surveyor's Certificate: I hereby certify that the attached description was prepared by me or under my direct supervision and is accurate to the best of my knowledge and belief.

Lee H. Smithson
Nevada PLS 5097
For and on behalf of

 **Manhard**
CONSULTING
241 Ridge Street, Suite 400
Reno, Nevada 89501
(775) 321-6525

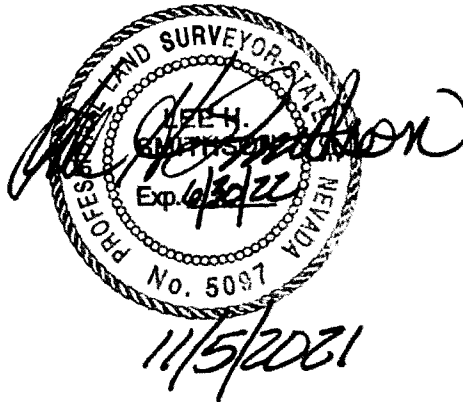
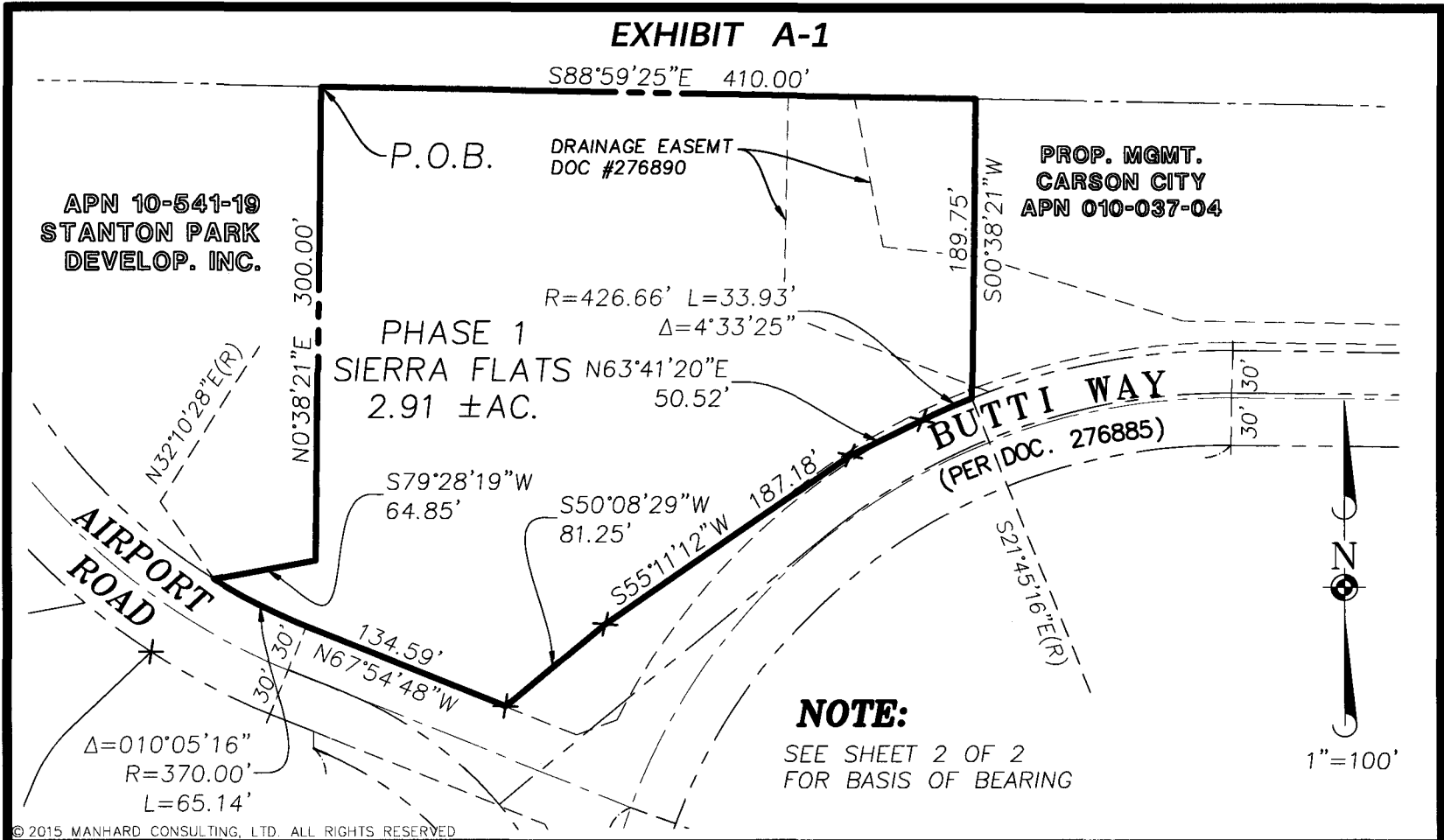


EXHIBIT A-1



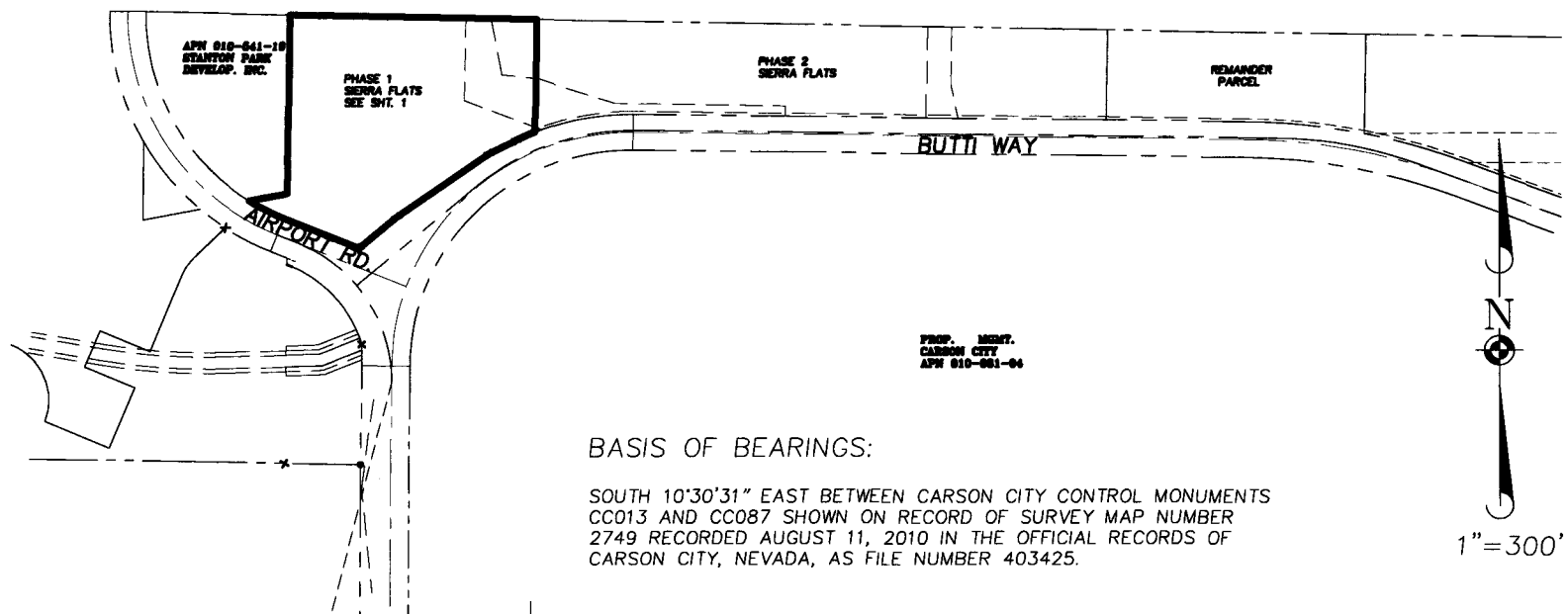
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241 Ridge Street, Suite 400, Reno, NV 89501 ph: 775.746.3500 fx: 775.746.3520 manhard.com
Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners

SIERRA FLATS	
CARSON CITY, NEVADA	
TO ACCOMPANY LEGAL DESCRIPTION	
PROJ. MGR.: <u>LHS</u>	PROJECT CODE CAACCNV01
DRAWN BY:	SHEET 1
DATE: <u>NOV. 2021</u>	OF 2
SCALE: <u>1" = 100'</u>	

EXHIBIT A-1



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241 Ridge Street, Suite 400, Reno, NV 89501 ph:775.746.3500 fx:775.746.3520 manhard.com
 Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
 Construction Managers | Environmental Scientists | Landscape Architects | Planners

SIERRA FLATS - A.P.N. 010-037-04	
CARSON CITY, NEVADA	
TO ACCOMPANY LEGAL DESCRIPTION	
PROJ. MGR.: <u>LHS</u>	PROJECT CODE CAACCNV01
DRAWN BY: _____	SHEET 2
DATE: NOV. 2021	OF 2
SCALE: 1" = 60'	

EXHIBIT B
VICINITY MAP FOR AVAILABLE PROPERTY

EXHIBIT B - VICINITY MAP FOR AVAILABLE PROPERTY



Property Information
 Property ID 01003704
 Location 3410 BUTTI WY
 Owner PROPERTY MANAGEMENT,CARSON CITY
 Acres 7.81



MAP FOR REFERENCE ONLY
 NOT A LEGAL DOCUMENT

Carson City , NV makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Geometry updated 11/17/2018
 Data updated 11/17/2018

EXHIBIT C

**PHASING MAP FOR AVAILABLE PROPERTY
(9% PROJECT & PROPERTY – PHASE 2 PROJECT & PROPERTY)**

EXHIBIT C - PHASING MAP FOR AVAILABLE PROPERTY (9% PROJECT & PROPERTY – PHASE 2 PROJECT & PROPERTY)



Property Information
Property ID 01003704
Location 3410 BUTTI WY
Owner PROPERTY MANAGEMENT,CARSON CITY
Acres 7.81



MAP FOR REFERENCE ONLY
 NOT A LEGAL DOCUMENT

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Geometry updated 11/17/2018
 Data updated 11/17/2018

EXHIBIT D
DEED FOR 9% PROPERTY

APN [TBD]

AFTER RECORDING RETURN TO:

Attention: Michael Snodgrass
Oikos Development Corporation
1712 Main Street, Ste. 206
Kansas City, MO 64108

QUITCLAIM DEED

THIS DEED, made this ____ day of _____, _____, by and between CARSON CITY, NEVADA, a CONSOLIDATED MUNICIPALITY, hereinafter called GRANTOR and OIKOS DEVELOPMENT CORPORATION, a Missouri nonprofit corporation and I.R.S. tax-exempt 501(c)(3) organization, hereinafter called GRANTEE,

WITNESSETH:

That said GRANTOR, pursuant to Resolution _____-R-_____ (Exhibit B) and NRS 244.287, for good and valuable consideration, the receipt whereof is hereby acknowledged, and acting in accordance with the provisions of NRS 244.287, does hereby remise, release and forever quitclaim unto the said GRANTEE all of the right, title and fee interest of said GRANTOR in and to that certain real property located at 3410 Butti Way, Carson City, Nevada (APN [TBD]) as shown on Exhibit A & A-1 ("PROPERTY").

SUBJECT TO:

- (1) Section 2.3(A) of the Development Agreement with GRANTOR (Exhibit C) and NRS 244.287(8) requiring the PROPERTY to automatically revert to GRANTOR if within 5 years after this conveyance GRANTEE or its lawful agents, partners, successors, or assignees have not commenced construction of affordable housing, or entered into such contracts as are necessary to commence the construction of affordable housing.
- (2) Section 2.3(B) of the Development Agreement with GRANTOR (Exhibit C) permitting GRANTOR to exercise a right to reenter and terminate GRANTEE's estate in the PROPERTY if (absent an extension from GRANTOR) construction on an affordable housing project has not commenced on the PROPERTY on or before June 1, 2022.
- (3) Section 2.3(B) of the Development Agreement with GRANTOR (Exhibit C) permitting GRANTOR to exercise a right to reenter and terminate GRANTEE's estate in the PROPERTY if (absent an extension from GRANTOR) construction on an affordable housing project has not been completed on the PROPERTY on or before December 31, 2023.
- (4) The Declaration of Restrictive Covenants attached as Exhibit D.

IN WITNESS WHEREOF said GRANTOR has hereunto signed on the day and year first above written.

LORI BAGWELL, Mayor

STATE OF NEVADA)
CARSON CITY)

This instrument was acknowledged before me on this _____ day of _____, _____
by _____.

Notary Public

APPROVED AS TO FORM:
Carson City District Attorney

By: _____

Date: _____

EXHIBIT E

DECLARATION OF RESTRICTIVE COVENANTS FOR 9% PROPERTY

APN [TBD]

Mail Tax Statements To:

Oikos Development Corporation
1712 Main Street, Ste. 206
Kansas City, MO 64108
Attention: Michael Snodgrass

Recording requested by:

Carson City
Public Works Department
3505 Butti Way
Carson City, NV 89701

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

DECLARATION OF RESTRICTIVE COVENANTS
(Sierra Flats 9% Project)

TABLE 1

<i>Project</i>	Sierra Flats 9% Project, which is an affordable housing project to place improvements on the Land more fully described in the Development Agreement.
<i>Developer</i>	Sierra Flats Senior LP Attn: Michael Snodgrass 1712 Main Street, Suite 206 Kansas City, MO 64108
<i>Grantee</i>	Oikos Development Corporation Attn: Michael Snodgrass 1712 Main Street, Ste. 206 Kansas City, MO 64108

<i>Authorized Representative for Developer & Grantee</i>	Michael Snodgrass 1712 Main Street, Suite 206 Kansas City, MO 64108			
<i>City</i>	Carson City, a consolidated municipality and political subdivision of the State of Nevada City Manager's Office Attn: City Manager 201 North Carson Street, Suite 2 Carson City, Nevada 89701 AND Carson City Public Works Department Attn: Real Property Manager 3505 Butti Way Carson City, NV 89701			
<i>Authorized Representative for City</i>	City Manager 201 North Carson Street, Suite 2 Carson City, Nevada 89701			
<i>Land (Ex. A, A-1)</i>	All that land located in Carson City, State of Nevada, more particularly described as the westernmost 2.91 acres of APN 010-037-04, as shown and described in the attached Exhibit A and A-1			
<i>Affordability Period (§2.01)</i>	Until December 31, 2074, or the passage of fifty-one (51) years from the date a certificate of occupancy is issued for the Project, whichever occurs later.			
<i>Rent Restricted Units (§2.02)</i>	Targeted Population: Senior			
	# Units	# Bedrooms	Tenant Eligibility (AMI Limit)	AMI for Maximum Rent Calculation
	11	1	50% AMI	30% AMI
	16	1	50% AMI	40% AMI

	5	1	50% AMI	50% AMI
	1	2	50% AMI	30% AMI
	1	2	50% AMI	40% AMI
	6	2	50% AMI	50% AMI
Targeted Population: Family				
	# Units	# Bedrooms	Tenant Eligibility (AMI Limit)	AMI for Maximum Rent Calculation
	4	1	50% AMI	30% AMI
	10	1	50% AMI	40% AMI
	4	1	50% AMI	50% AMI
	10	1	Non-restricted	Non-restricted
	2	2	50% AMI	40% AMI
	4	2	50% AMI	50% AMI
	6	2	Non-restricted	Non-restricted

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	COUNTERPART SIGNATURE: CARSON CITY	25

RECITAL

Developer, Grantee, and PalaSeek LLP entered into a Development Agreement with the City, where City agreed to transfer the Land upon which the Project will be built, which is fully described and mapped at Exhibit A & A-1, to Grantee for the purpose of constructing the above named affordable housing Project with Developer. In connection with the transfer of the Land, the City and NRS 244.287 require that the Land, including the Project to be built upon the Land, be rent restricted for the Affordability Period. In consideration of the transfer of the Land from the City, Grantee, for itself and its assignees and successors in interest, hereby covenants and agrees that the Land shall be encumbered during the Affordability Period stated above by these covenants, and the City, Grantee, Developer, and PalaSeek LLP specifically intend that these covenants shall run with the Land and be binding on all Owners and Occupiers of the Land during the Affordability Period.

DEFINITIONS

“**Affordability Period**” has the same meaning set forth at Table 1.

“**Authorized Representative**” means: (1) Michael Snodgrass when the term is used in reference to Grantee, Developer, Owner, and/or Occupier, unless some other individual is subsequently identified in a written notice to the City by the chief executive of such entity’s assign or successor; and (2) the City Manager when used in reference to the City.

“**City**” means Carson City, Nevada, a consolidated municipality and political subdivision of the State of Nevada.

“**Developer**” means Sierra Flats Senior LP, a Nevada Limited Partnership.

“**Development Agreement**” means the Development Agreement executed by the City, Grantee, Developer, and PalaSeek LLP and enacted as an ordinance whereunder, subject to certain restrictions, the City commits to transfer and convey the Land to Grantee for Developer and Grantee to complete the Project, which is an affordable housing project. The executed and recorded Development Agreement is attached as Exhibit B.

“**Grantee**” means Oikos Development Corporation, a Missouri nonprofit corporation authorized to do business in Nevada, and exempt from federal taxation as an I.R.S. tax-exempt 501(c)(3) organization.

“**Land**” has the same meaning set forth at Table 1.

“**Occupier**” or “**Occupiers**” means the entity or entities that own the Project on the Land. Occupier does not include Qualified Renters or any other residential tenant of the completed Project.

“**Owner**” or “**Owners**” means the entity or entities that own the interest in the Land conveyed by the City to Oikos through the Development Agreement. At the time of the Development Agreement and this Declaration Owner is Oikos.

“**Party**” means City, Owner, or Occupier, individually.

“**Parties**” means City, Owner, and Occupier, collectively.

“**Project**” has the same meaning set forth at Table 1.

“**Qualified Renters**” means a person or persons constituting a household who have a combined annual income that does not exceed the Area Median Income (“AMI”) percentages for Rent Restricted Units in Table 1, with AMI determined by the U.S. Department of Housing and Urban

Development (“HUD”) and, adjusted for family size at the time of the lease of the unit, who otherwise meet the requirements for eligibility set forth in the Declaration. HUD rules, regulations, and guidance will be used to determine whether and individual is considered part of a household for the purposes of determining annual income.

“**Rent Restricted Units**” means the 80 units shown in Table 1.

Art. 1 COVENANT RUNNING WITH THE LAND; TERM OF DECLARATION; NO SUBORDINATION WITHOUT CONSENT OF CITY

§1.01 *Covenant Running with the Land.*

CITY AND GRANTEE HEREBY DECLARE that the Land is and shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner, subject to the provisions contained in this Declaration as a restrictive covenant, which shall burden the Owner and Occupier, as well as their respective successors and assigns, and all persons hereafter acquiring or owning any interest in the Project or Land, however such interest may be acquired.

§1.02 *Term of Declaration.*

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

§1.03 *No Subordination without City Consent.*

This Declaration shall not be subject to subordination without approval by the City's Board of Supervisors. Developer and Grantee anticipate that the construction lender and permanent lender will require subordinations of this Declaration to their deeds of trust. Developer anticipates that it will enter into a declaration of restrictive covenants in connection with the low income housing tax credit program and another declaration of restrictive covenants in connection with the HOME Investment Partnerships Program. These additional declarations of restrictive covenants will impose income and rent restrictions on the Project, and the Nevada Housing Division might require that this Declaration be subordinated to one or more of the aforementioned declarations of restrictive covenants.

The City's Board of Supervisors may subordinate this Declaration (1) upon finding that the requested subordination is in the City's best interests and necessary to promote investment in the construction of the Project, (2) enacting a resolution memorializing those findings, and (3) recording that resolution with the Carson City Recorder's Office.

Art. 2 AFFORDABILITY REQUIREMENTS

§2.01 *Affordability Period.*

a. Affordability Period. It is agreed that the Affordability Period for this Project and the Land under this Declaration is as stated above in Table 1. This period may be amended by agreement of the Parties *provided however* that (1) any reduction must be consistent with NRS 244.287 and approved by City's Board of Supervisors in its sole and absolute discretion for good cause shown and based on a determination that a reduction is in the best interests of the public, and (2) except as described by § 6.03, any extension in this period must be approved by Owner (or its successor or assign) in its sole and absolute discretion and without any obligation to do so.

§2.02 *Income and Rent Restrictions; Units Selected on Floating Basis.*

a. During the Affordability Period, Rent Restricted Units shall be set aside and rented to Qualified Renters with the income limits stated in Table 1. The Rent Restricted Units to be occupied by Qualified Renters may be selected on a floating basis so long as the total number of Rent Restricted Units is continuously maintained.

b. The maximum rents that can be charged on Rent Restricted Units shall be calculated using the AMI for Maximum Rent Calculation in Table 1, subject to §§ 2.02(c), 2.03.

c. If HUD requires a utility allowance for the Project, that utility allowance shall be provided to Qualified Renters in Rent Restricted Units throughout the entire Affordability Period. Utility allowances will be deducted from the maximum rents permitted for Qualified Renters in Rent Restricted Units. Utility allowances will be calculated for the full duration of the Affordability Period using HUD rules, regulations, and guidance.

§2.03 *Rent Calculations and Adjustments.*

a. Annual Updates of Utility Allowances. Owner and Occupier shall be jointly and severally responsible for updating the maximum allowance for utilities annually (if applicable), using the HUD Utility Schedule or otherwise determining the utility allowance for the Project based on the type of utilities based on HUD rules, regulations, and guidance.

b. Annual Approval of Rent Schedules. Owner and Occupier shall be jointly and severally responsible for submitting rent schedules for the Rent Restricted Units annually to the City. The rent schedules must provide the formula used for calculating rent schedules and an explanation of all data incorporated into the formula when performing the calculations to produce the rent schedules.

c. Subsequent Rents During the Affordability Period.

1. The maximum rent limits shall be annually recalculated to incorporate material changes to HUD's determinations on area fair market rents and AMI.

2. Owner and Occupier shall be jointly and severally responsible for providing the City with HUD maximum rent adjustments as they are announced.

d. Maximum Rent Formula. The maximum rents charged shall not exceed those permitted by the following formula:

$[(\text{Table 1 AMI for Maximum Rent Calculation} / 12 \times 30\%) - \text{utility allowance}] = \text{Maximum Rent}$

e. Rent Increases. Maximum rent increases with respect to the Rent Restricted Units must be approved by the City whenever the proposed rent increase would be in excess of ten percent (10%). Owner and Occupier shall be jointly and severally responsible for providing a minimum of sixty (60) days written notice to impacted tenants and City of an increase in rent with respect to the Rent Restricted Units.

Art. 3 TENANT SELECTION AND PROTECTIONS

§3.01 *Tenant Selection.*

a. Affirmative Marketing; Nondiscrimination. Owner and Occupier shall be jointly and severally responsible for adopting and following written tenant selection policies in accordance with U.S. and Nevada anti-discrimination laws, including but not limited to the Fair Housing Act and NRS 118.010–120.

§3.02 *Tenant Leases; Termination of Tenancy.*

a. Tenants must sign an initial one (1) year lease, unless otherwise mutually agreed by tenant and Occupier (or Occupier’s agent).

b. Tenant leases are governed by NRS 118A.200-230.

c. Occupier (or Occupier’s agent) may not terminate tenancy or refuse to renew a lease of Rent Restricted Units except for serious or repeated violation of the terms and conditions of the lease.

§3.03 *Maintain Unit Habitability and Comply with NRS Chapter 118A.*

a. Owner and Occupier shall be jointly and severally responsible for maintaining all units in a habitable condition as defined in NRS 118A.290.

b. Owner and Occupier shall be jointly and severally responsible for complying with all applicable provisions of Nevada Landlord-Tenant law as it applies to dwellings, including NRS Chapter 118A.

Art. 4 **PROPERTY MANAGEMENT**

§4.01 ***Maintenance.***

Owner and Occupier shall be jointly and severally responsible for keeping the Project in a clean, well maintained condition, reasonable wear and tear excepted. Owner and Occupier shall be jointly and severally responsible for maintaining the Project in accord with the Carson City Municipal Code. The following is a non-exhaustive list of such maintenance obligations. Landscaping shall be watered and groomed, and free of debris. Sidewalks shall be kept free of snow and clutter. Buildings shall be kept painted and roofs shall be maintained. Trash shall be kept in appropriate enclosures.

§4.02 ***Compliance with Laws.***

Owner and Occupier shall be jointly and severally responsible for obtaining and keeping current all permits and licenses to construct, repair, operate and maintain the Project and shall comply in all material respects with all federal, state, and local laws and regulations, including the Carson City Municipal Code.

§4.03 ***Safe and Quiet Environment.***

Owner and Occupier shall be jointly and severally responsible for providing and reasonably enforcing regulations to assure that tenants have a safe, secure, and quiet environment in which to live.

§4.04 ***Taxes.***

Owner and Occupier shall be jointly and severally responsible for paying all taxes imposed on the Land and Project, including future and back taxes and liens (if any).

Art. 5 RECORDS; ANNUAL REPORTS

§5.01 Records.

a. Sufficiency. Records must be sufficient to determine compliance with the requirements and objectives of this Declaration and the Development Agreement.

b. Record retention. Owner and Occupier shall be jointly and severally responsible for maintaining records for the most recent five-year period, except as provided herein:

(i) Records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five-year period, until five years after the Affordability Period terminates.

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

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

c. Public records. Owner and Occupier understand that, pursuant to NRS 239.010, information or documents regarding the Project may be open to public inspection and copying. If the City's documents for the Project are requested, it will have the duty to disclose such documents, unless they are made confidential by law or a common law balancing of interest.

§5.02 Annual Reporting.

During the Affordability Period, Owner and Occupier shall be jointly and severally responsible for providing the City's Authorized Representative with a copy of annual low income housing tax credit compliance monitoring reports regarding the Project that are submitted to the State of Nevada Housing Division ("NHD"). Such copies are due to the City within 30 days of submission to NHD.

In the event that NHD no longer requires such reports for the Project, Owner and Occupier remain jointly and severally responsible for providing the City with some other substantially similar reporting, also due annually.

If any items are shown on the report as deficient and in need of curing, a copy of any cure
Declaration of Restrictive Covenants Page 13

notices or additional information sent to NHD will also be delivered to the City.

If, at any time during the Affordability Period, Owner and Occupier, or their assigns or agents, fails to provide Rent Restricted Units to Qualified Renters within the income and maximum rent limits set forth in this Declaration, the City shall be entitled to pursue remedies as described in § 6.03 of the Declaration.

Art. 6 ENFORCEMENT AND REMEDIES

§6.01 *Default.*

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

§6.02 *Notice and Opportunity to Cure.*

If City believes that a default under this Declaration has occurred, it shall give Owner and Occupier notice in writing, and Owner and Occupier shall have thirty (30) business days to cure the default. If Owner, Occupier, or a limited partner (1) has commenced and is diligently pursuing a cure for the default, and (2) demonstrated the ability to cure within a reasonable period of time, such cure period shall be extended as reasonably necessary to complete such cure.

§6.03 *Remedies.*

If a default occurs and remains uncured after written notice is provided to Owner and Occupier and the cure period specified in Section 6.02 has elapsed, City may exercise any rights and remedies herein, or otherwise available by law or equity. All such remedies are cumulative so that the identification of any particular remedy in this Declaration or the Development Agreement does not preclude the existence or exercise of any other remedy, and the actual exercise of any one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other right or remedy for the same default or any other default. City remedies for default shall include:

- a. Seeking injunctive relief for specific performance of rent restrictions or other obligations under this Declaration;
- b. Disgorgement of profits gained through the breach of this Declaration, either for the benefit of, depending on context and equity, over-charged Qualified Renters or Carson City itself, which conveyed the Land at no cost to Grantee for the sole and express purpose of developing and maintaining an affordable housing project throughout the entire Affordability Period;
- c. Seeking a declaratory or other judgment from a Court of competent jurisdiction tolling (and therefore extending) the Affordability Period for the duration of any period during which rent restrictions or other obligations under this Declaration were not appropriately complied with; and/or

- d. If the default is related to the condition of the Project's improvements or the treatment of tenants, City may expend funds to correct the default which shall constitute a lien on the Project or Land under the provisions of NRS 108.221 through 108.246.

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

§6.04 *Waivers.*

Failure or delay in giving notice of default shall not constitute a waiver of any default. Except as otherwise expressly provided in this Declaration, any failure or delay by any Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default, or of any such rights or remedies, or deprive any such Party of its right to institute and maintain any actions or pursue any remedies. Waivers are binding on a Party only if expressed in writing, signed by the Authorized Representative of the waiving Party, except that any waiver by the City's Authorized Representative is not binding where the Declaration, Development Agreement, or Nevada law require such waiver to be approved by the City's Board of Supervisors.

§6.05 *Attorney's Fees and Costs.*

If any Party brings any action or proceeding against another Party regarding a dispute arising from the Land, Project, or to enforce the provisions of this Declaration, the prevailing Party shall be entitled to reasonable attorney's fees and costs; however, in the event that a Party is awarded attorneys' fees, the Parties agree the reasonable rate for such attorneys' fees shall not exceed \$125 per hour.

§6.06 *Force Majeure.*

In addition to specific provisions of this Declaration, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walk-outs, riots, floods, earthquakes, avalanches, inclement weather, fires, casualties, acts of God, pandemics or epidemics, governmental restrictions imposed or mandated by other governmental entities, not parties to this Agreement, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, or similar bases for excused performance.

If written notice of such delay is given by one Party to the other Party within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, as may be mutually agreed upon.

Art. 7 GENERAL TERMS

§7.01 *Time Frames and Deadlines.*

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

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

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

b. At the time the Development Agreement and this Declaration are executed, Grantee is the Owner. No Party may assign, transfer, delegate, or subordinate any rights, obligations, or duties under this Declaration without the prior written consent of the other Parties. The City’s consent may be given only by the Carson City Board of Supervisors. Notwithstanding the forgoing, the Parties agree that Grantee may assign or convey its interest in the Land to Developer, provided such assignment or conveyance remains subject to the terms of this Declaration.

§7.03 *Standards for Approvals; Further Acts and Assurances.*

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

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

c. The Parties shall take all reasonable actions and enter into, execute, and deliver all documents reasonably required by the other Parties to carry out the terms of this Declaration, provided that no such action or documentation shall result in (1) a material change to the terms and

conditions of this Declaration, or, if applicable, the Development Agreement, or any document executed in connection therewith, or (2) any greater liability of the other Parties. This provision survives the termination of this Declaration.

d. In the event of any legal action instituted by any third party or other government entity or official challenging this Declaration, the Parties and/or their agents, assigns, and successors shall cooperate and use their best efforts in defending any such action.

§7.04 *Notices.*

Notices provided under this Declaration must be in writing which shall be mailed or personally delivered to each Authorized Representative at the address specified in Table 1 or to any successor of Grantee or Developer (i.e. Owner or Occupier) at the Project address on Butti Way in Carson City, NV. Notice is deemed received by the other Party upon the earlier of (i) when actually received; (ii) five business days after delivered to and accepted by the U.S. Postal Service if sent by certified or registered mail; or (iii) two business days after having been submitted for delivery by reputable overnight courier. Failure to provide copies of additional notices as set forth herein does not affect the validity of notices.

§7.05 *Limitations on Liability; Hold Harmless and Indemnification.*

a. Limitations on liability. City does not waive, and intends to assert, any and all immunity defenses available under NRS chapter 41, in all cases.

b. Hold harmless and indemnification.

(i) To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, each Party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other Party (including the Parties' agents, employees, representatives, appointed boards, commissions, and officers) from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying Party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any Party or person described in this Section. However, in no event shall the City indemnify Owner or Occupier or hold it harmless, in a dispute arising under a contract or sub-contract for the Project.

(ii) Except as otherwise provided in Subsection (b)(iv) below, the indemnifying Party shall not be obligated to provide a legal defense to the indemnified Party, nor reimburse the indemnified Party for the same, for any period occurring before the indemnified Party provides

written notice of the pending claim(s) or cause(s) of action to the indemnifying Party, along with: (1) a written request for a legal defense for such pending claim(s) or cause(s) of action; and (2) a detailed explanation of the basis upon which the indemnified Party believes that the claim or cause of action asserted against the indemnified Party implicates the culpable conduct of the indemnifying Party, its officers, employees, and/or agents.

(iii) After the indemnifying Party has begun to provide a legal defense for the indemnified Party, the indemnifying Party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified Party, including counsel through which the indemnified Party might voluntarily choose to participate in its defense of the same matter.

(iv) After the indemnifying Party has begun to provide a legal defense for the indemnified Party, the indemnifying Party shall be obligated to reimburse the reasonable attorneys' fees and costs incurred by the indemnified Party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

§7.06 Severability.

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

§7.07 Applicable Law; Jurisdiction.

The Parties' rights and obligations concerning the Land, the Project, and the interpretation and enforcement of this Declaration shall be governed by the laws of Nevada. The Parties consent to the jurisdiction of—and agree that disputes concerning the Parties' rights and obligations in connection with the Land, the Project, and the interpretation and enforcement of this Declaration will be resolved by—the courts of the First Judicial District Court of the State of Nevada in Carson City.

§7.08 Interpretation of This Agreement.

Titles and headlines of this Declaration are intended for editorial convenience and are not to be construed as a part of this Declaration. The word "include" or "including" is not intended as a limitation and shall be construed to include the words "but not limited to." Unless otherwise

specified, the word “herein” means anywhere in this Declaration or the attachments. Any term in the singular includes, where appropriate in the context, the plural. The Parties hereto were each advised by counsel in drafting and negotiating this agreement, and each Party contributed to its contents. No presumptions against or in favor of any Party are appropriate based on who drafted this Declaration or any provision herein. The Development Agreement, even if released and reconveyed, may be used to help ascertain the Parties’ intent regarding the Declaration.

§7.09 *Warranties of Authority.*

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

§7.10 *Modifications; Authority to Administer and Approve Changes.*

a. Unless otherwise expressly authorized by the terms of this Declaration, no modification or amendment to this Declaration is binding upon the Parties unless the same is in writing, signed by the Parties, and approved by the Carson City Board of Supervisors

b. Each Authorized Representative, acting alone on behalf of his or her principal only, shall have the authority to:

1. Execute all deeds, escrow instructions, settlement statements, title insurance instructions, agreements, notices and other instruments necessary to effectuate the purposes of this Declaration;
2. Accept all performances, and waive or negotiate remedies for defaults and implement this Declaration *provided, however that* Authorized Representatives *do not* have authority to take any such action that materially or substantially changes the uses or development permitted on the Land, affects the Affordability Period, subordinates this Declaration, or reduces an amount owed or adds to the cost incurred by a Party.

For example, each Authorized Representative, acting alone on behalf of his or her principal, *shall* have the authority to (i) issue interpretations and/or grant waivers regarding this Declaration on behalf of his or her principal; (ii) agree to loan assumptions, contract assignments, or substitution of Parties impacting only the interests of the Authorized Representative’s principal; (iii) execute other documents as reasonably requested by any tax credit investor or senior financing

lender in order to effect a closing of the financing of the Project on behalf of his or her principal; (iv) waive or modify any insurance requirements set forth herein on behalf of his or her principal; and (v) extend times of performance under this Declaration on behalf of his or her principal.

§7.11 *Entire Agreement; Conflict with Development Agreement; Counterparts.*

a. This Declaration shall be effective on the date it is duly executed by all of the Parties. The Parties agree that this Declaration, together with its attachments, including the Development Agreement, contains the entire agreement of the Parties and supersedes any written or oral representations, promises, warranties, or other undertakings made during the negotiation of this Declaration.

b. In the event a conflict exists between the rights and obligations set forth in this Declaration and the Development Agreement, the conflicting provisions must be interpreted harmoniously to give the fullest effect possible to both provisions. If no such harmonious interpretation is possible, the interpretation which better protects the City's interest in seeing the Land used for affordable housing during the full Affordability Period shall govern. This rule of construction applies even if the Development Agreement has been released and reconveyed.

c. This Declaration may be executed in counterparts and is effective when each Party receives a complete set of counterpart signature pages.

////////////////////////////////////counterpart signature pages follow////////////////////////////////////

Declaration of Restrictive Covenants
(Sierra Flats 9% Project)

Counterpart Signature Page

GRANTEE:

OIKOS DEVELOPMENT CORPORATION, a Missouri nonprofit corporation

By: _____
Michael Snodgrass, its Manager

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

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2021 before me, _____, Notary Public, personally appeared Michael Snodgrass, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____ (seal)

Declaration of Restrictive Covenants
(Sierra Flats 9% Project)

Counterpart Signature Page

DEVELOPER:

SIERRA FLATS SENIOR, LP, a Nevada limited partnership

By: Sierra Flats Senior LLC, a Nevada limited liability company, its General Partner

By: Oikos Development Corporation, a Missouri nonprofit corporation, its Manager

By: _____
Michael Snodgrass, its Executive Director

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

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2021 before me, _____, Notary Public, personally appeared Michael Snodgrass, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____ (seal)

Declaration of Restrictive Covenants
(Sierra Flats 9% Project)

Counterpart Signature Page

CITY:

CARSON CITY, a consolidated municipality

APPROVED:

CARSON CITY, a consolidated municipality

APPROVED AS TO FORM:

Carson City District Attorney

By: _____
Lori Bagwell, Mayor

By: _____

Date: _____

Date: _____

ATTEST:

Carson City Clerk-Recorder

By: _____
Aubrey Rowlatt

Date: _____

EXHIBIT A & A-1
LAND LEGAL DESCRIPTION & MAP

Declaration of Restrictive Covenants

EXHIBIT A
DESCRIPTION OF SIERRA FLATS – PHASE 1

A portion of Parcel 1 shown on that Record of Survey supporting a Boundary Line Adjustment for Carson City, recorded as File No. 278817 on May 30, 2002, in Book 9, Page 2454 (Map No. 2454), in the Carson City Recorder's Office, Carson City, Nevada, situate within the Southwest 1/4 of the Northwest 1/4 of Section 15, Township 15 North, Range 20 East, Mount Diablo Base & Meridian, more particularly described as follows:

BEGINNING at the Northwest corner of said Parcel 1, described as the N1/16 Cor Sec 15-16, as shown on said Record of Survey point on the southerly line of said Parcel 1;

THENCE, leaving the **POINT OF BEGINNING**, and along the North line of said Parcel 1, departing said line, South 88°59'25" East, 410.00 feet;

THENCE, leaving said North line South 00°38'21" West, 189.75 feet, to the northerly right-of-way line of Butti Way, as described in Document Number 276885 as file in the Official Records of Carson City, Nevada on April 19, 2002, to the beginning of a non-tangent curve to the left from which the radius point bears South 21°45'16" East;

THENCE, southwesterly, along the northerly right-of-way line of said Butti Way, 33.93 feet along a the arc of a curve having a radius of 426.66 feet and through a central angle of 04°33'25";

THENCE, continuing along said northerly right-of-way line, South 63°41'20" West, 50.52 feet;

THENCE, continuing along said northerly right-of-way line South 55°11'12" West, 187.18 feet;

THENCE, continuing along said northerly right-of-way line South 50°08'29" West, 81.25 feet, to the easterly right-of-way line of Airport Road;

THENCE, along the easterly right-of-way line of Airport Road, North 67°54'48" West, 134.59 feet to the beginning of a tangent curve to the right;

THENCE, continuing along the easterly right-of-way line of Airport Road, 65.14 feet along the arc of a curve having a radius of 370.00 feet and through a central angle of 10°05'06", to the most westerly corner of the above-mentioned Parcel 1;

THENCE, leaving the easterly right-of-way line of said Airport Road, and along the westerly line of said Parcel 1, North 79°28'19" East, 64.85 feet;

THENCE, continuing along the westerly line of said Parcel 1, North 00°38'21" East, 300.00 feet, **POINT OF BEGINNING**.

Containing 2.91 Acres, more or less.

See Exhibit "A-1" attached hereto and made a part hereof

Basis of Bearings: South 10°30'31" East between Carson City Control Monuments CC013 and CC087 shown on Record of Survey Map number 2749 recorded August 11, 2010 in the Official Records of Carson City, Nevada, as File Number 403425.

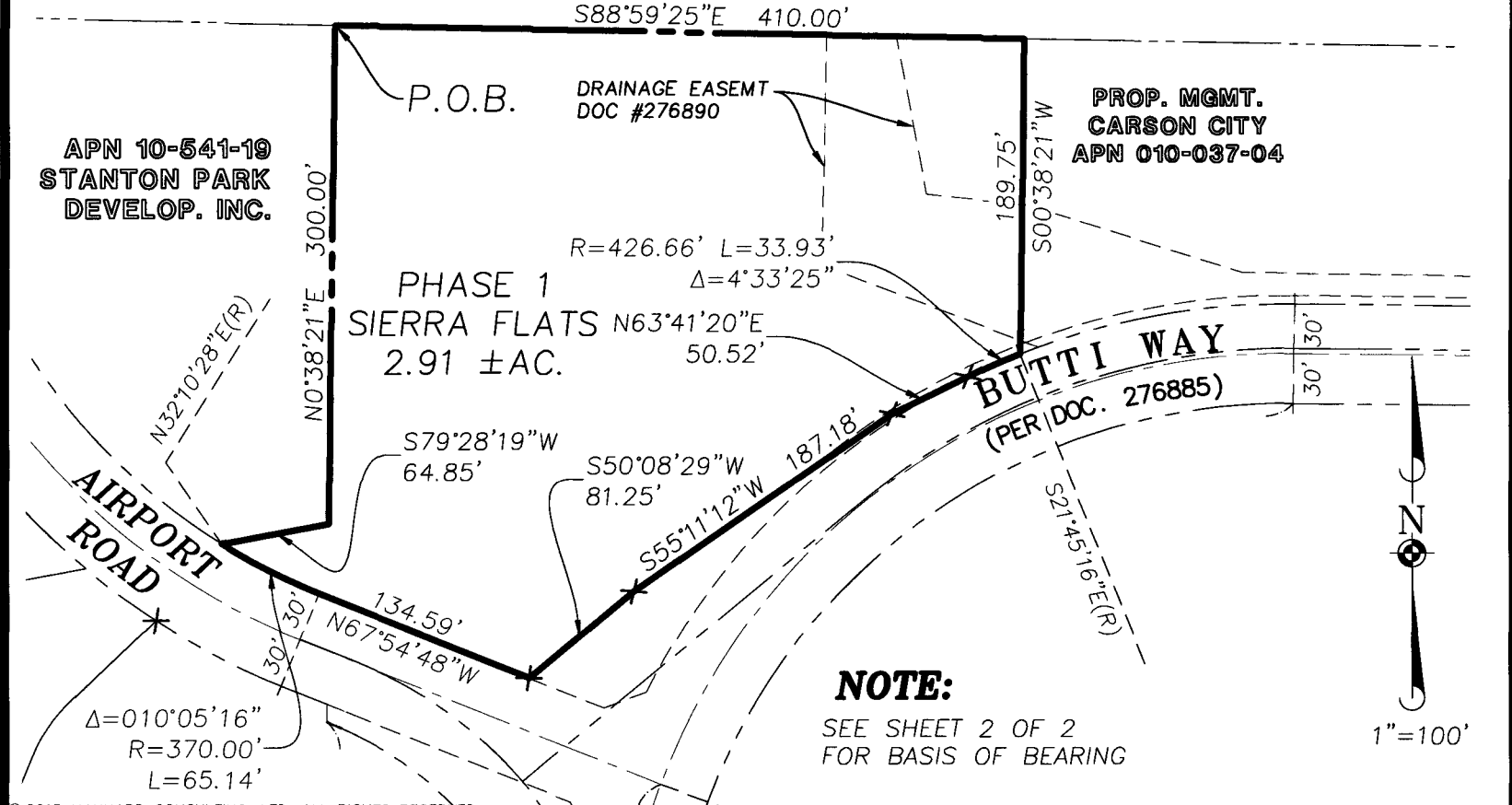
Surveyor's Certificate: I hereby certify that the attached description was prepared by me or under my direct supervision and is accurate to the best of my knowledge and belief.

Lee H. Smithson
Nevada PLS 5097
For and on behalf of

 **Manhard**
CONSULTING
241 Ridge Street, Suite 400
Reno, Nevada 89501
(775) 321-6525



EXHIBIT A-1



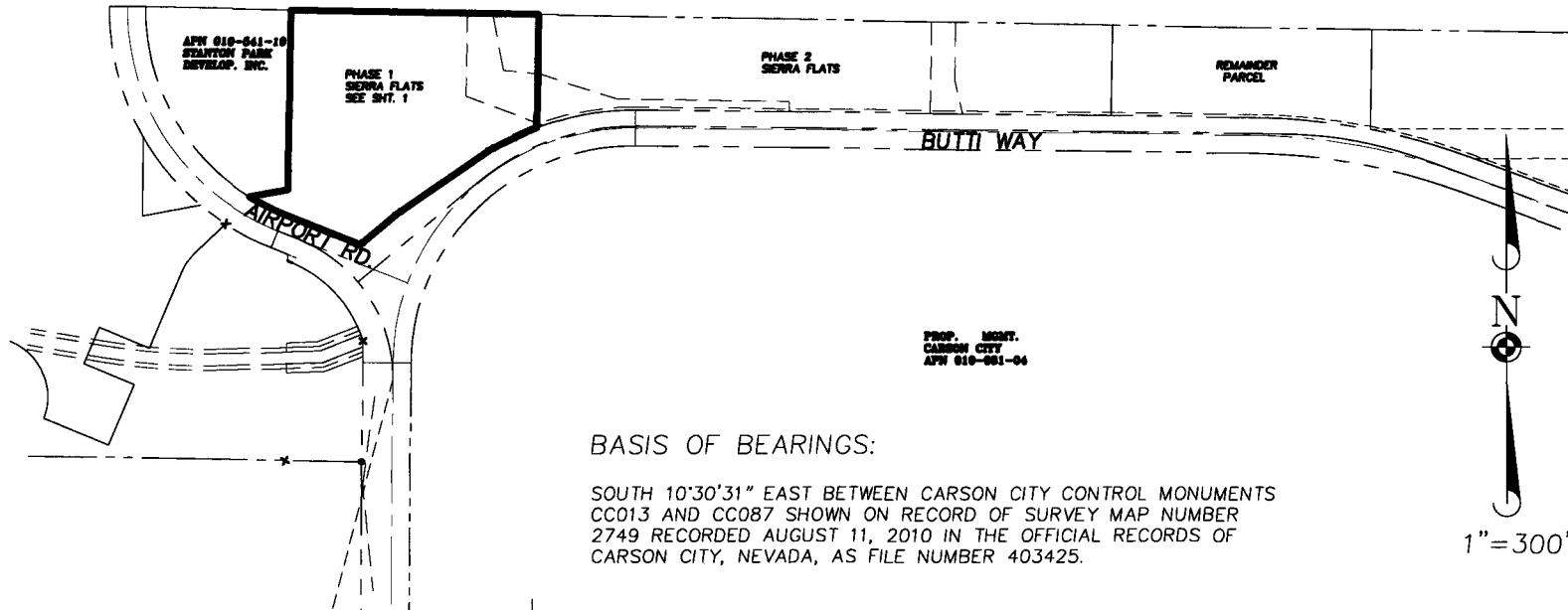
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Manhard™
CONSULTING

241 Ridge Street, Suite 400, Reno, NV 89501 ph:775.746.3500 fx:775.746.3520 manhard.com
Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners

SIERRA FLATS	
CARSON CITY, NEVADA	
TO ACCOMPANY LEGAL DESCRIPTION	
PROJ. MGR.: <u>LHS</u>	PROJECT CODE CAACCNV01
DRAWN BY: _____	SHEET 1
DATE: NOV. 2021	OF 2
SCALE: 1" = 100'	

EXHIBIT A-1



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241 Ridge Street, Suite 400, Reno, NV 89501 ph:775.746.3500 fx:775.746.3520 manhard.com
Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners

SIERRA FLATS - A.P.N. 010-037-04

CARSON CITY, NEVADA

TO ACCOMPANY LEGAL DESCRIPTION

PROJ. MGR.: LHS

DRAWN BY: _____

DATE: NOV. 2021

SCALE: 1" = 60'

PROJECT CODE
CAACCNV01

SHEET **2**
OF **2**

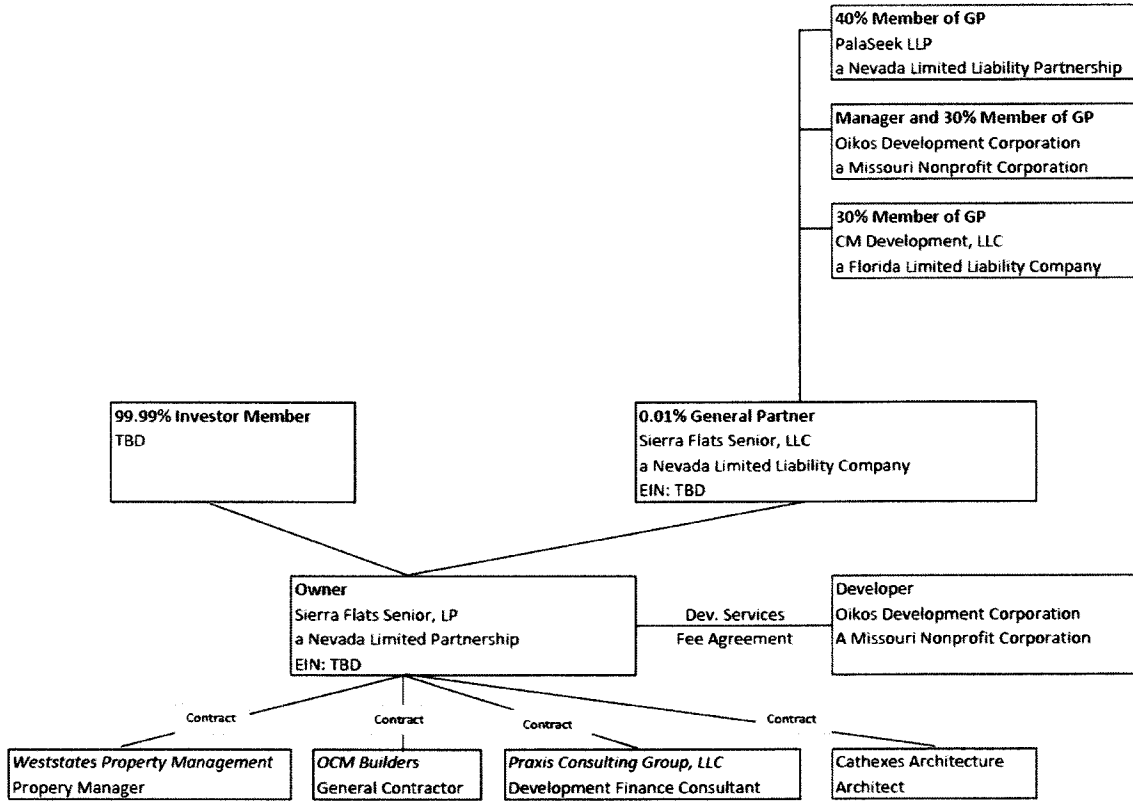
**EXHIBIT B
DEVELOPMENT AGREEMENT**

Declaration of Restrictive Covenants

EXHIBIT F
DEVELOPMENT TEAM ORGANIZATION CHART

**Sierra Flats Senior Apartments
Carson City, NV**

Organizational Chart
(rev. 9.13.21)



RESOLUTION NO. 2021-R-38

A RESOLUTION REGARDING THE CONVEYANCE, WITHOUT CONSIDERATION, OF 2.91 ACRES WITHIN APN 010-037-04 TO OIKOS DEVELOPMENT CORPORATION UNDER NRS 244.287 FOR THE DEVELOPMENT OF AFFORDABLE HOUSING

WHEREAS, NRS 244.287 allows Carson City’s Board of Supervisors (“Board”) to convey City-owned land without consideration to a non-profit organization if the nonprofit organization demonstrates to the Board’s satisfaction that it, or its assignee, will use the land to develop affordable housing;

WHEREAS, Carson City acquired 127.7 acres of land by donation from the State of Nevada through Chapter 503 of the 1959 Statutes of Nevada and a deed dated September 12, 1960 and recorded with the Ormsby County Recorder on September 13, 1960 as Document No. 34996 at Book 89, Page 158 (“1960 Deed”);

WHEREAS, through the 1960 Deed, Carson City now owns 7.81 acres of land that is designated as APN 010-037-04, including the westernmost 2.91 acres of APN 010-037-04, which is described and shown in Exhibit A and A-1 (“Land”);

WHEREAS, on November 18, 2021 the Board introduced Bill No. 115 on first reading, which is an ordinance to approve a development agreement between Carson City and PalaSeek LLP, Oikos Development Corporation (“Oikos”), and Sierra Flats Senior LP for the conveyance of the Land to Oikos and the development of an affordable housing project on the Land (“Development Agreement”);

WHEREAS, the Development Agreement requires that any conveyance to Oikos be subject to a Restrictive Covenant requiring, among other things, that the Land be used for affordable housing for a period of at least 51 years;

WHEREAS, on November 18, 2021 the Board also reviewed an application for Carson City to convey the Land to Oikos under NRS 244.287 for the development of an affordable housing project;

WHEREAS, Oikos is a tax-exempt non-profit organization under 26 U.S.C. § 501(c)(3);

WHEREAS, conveying to Oikos under NRS 244.287 does not violate any condition from the 1960 Deed;

WHEREAS, Carson City provided notice that a public hearing would be held on December 16, 2021 on the issue of Oikos’ application by:

1. Publishing notice in the Nevada Appeal on December 1, 2021 and December 4, 2021;
2. Dispatching notice on November 30, 2021 via U.S. mail to all owners of record of real property within 300 feet of the Land;
3. Posting notice on two large signs, visible from the street, on the Land on December 1, 2021; and

4. Posting notice on the City's website and at the City's Community Development Office, City Hall, Community Center, Library, and Courthouse, on or before December 1, 2021;

WHEREAS, at its December 16, 2021 meeting, the Board voted to adopt Bill No. 115 on second reading, thereby approving the Development Agreement; and

WHEREAS, the Board is satisfied that Oikos, or its assignee, will use the Land to develop affordable housing;

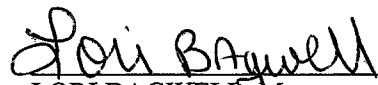
NOW, THEREFORE, the Board hereby resolves that:

1. It is in the best interest of Carson City and its residents that the Land be used to develop affordable housing;
2. Oikos' application under NRS 244.287 to receive the Land, without consideration, for the development of an affordable housing project is approved; and
3. The Mayor is authorized to execute a deed conveying the Land to Oikos once conveyance is required by the terms of the Development Agreement.

Upon motion by Supervisor Stacey Giomi, seconded by Supervisor Stan Jones, the foregoing Resolution was passed and adopted this 16th day of December, 2021 by the following vote.

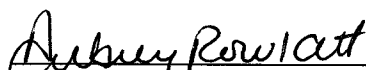
AYES: Supervisor Stacey Giomi
 Supervisor Stan Jones
 Supervisor Lisa Schuette
 Mayor Lori Bagwell

NAYS: Supervisor Maurice White
ABSENT: None
ABSTAIN: None



LORI BAGWELL, Mayor
Carson City, Nevada

ATTEST:



AUBREY ROWLATT, Clerk-Recorder

APN 010-037-04

**RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:**

Carson City Public Works Department
c/o Real Property Manager
3505 Butti Way
Carson City, NV 89701

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

NOTICE OF DEADLINE EXTENSIONS FOR DEVELOPMENT AGREEMENT

THIS NOTICE OF DEADLINE EXTENSIONS FOR DEVELOPMENT AGREEMENT ("NOTICE") memorializes the assent of Carson City, a consolidated municipality of the State of Nevada ("CARSON CITY") to the extension of certain deadlines set forth in the Development Agreement between CARSON CITY and PalaSeek LLP, a Nevada limited liability partnership; Oikos Development Corporation, a Missouri nonprofit corporation and tax-exempt 501(c)(3) organization and Sierra Flats Senior, LP, a Nevada limited partnership (collectively, "DEVELOPER") which was enacted by Ordinance 2021-14 and recorded with the Carson City Recorder as Document No. 528321 on December 23, 2021 ("DEVELOPMENT AGREEMENT").

CARSON CITY, through its Board of Supervisors ("Board"), now provides written notice of its decision to exercise its discretion to extend certain deadlines set forth in the DEVELOPMENT AGREEMENT, as follows:

1. Section 2.2(A) of the DEVELOPMENT AGREEMENT provides that, unless CARSON CITY extends the deadline in writing, the DEVELOPMENT AGREEMENT expires on June 1, 2022, if DEVELOPER has not commenced construction of the SIERRA FLATS 9% PROJECT (as defined in the DEVELOPMENT AGREEMENT).

2. Section 2.2(B) of the DEVELOPMENT AGREEMENT provides that, unless CARSON CITY extends the deadline in writing, the DEVELOPMENT AGREEMENT expires on December 31, 2023, if DEVELOPER has not secured a certificate of occupancy for the SIERRA FLATS 9% PROJECT.
3. At its May 19, 2022, meeting, the Board found that it was in the best interests of CARSON CITY to exercise its discretion to extend the deadlines from Section 2.2 of the DEVELOPMENT AGREEMENT by four months for the commencement of construction and three months for the completion of construction, such that unless CARSON CITY again agrees in writing to some modification, the DEVELOPMENT AGREEMENT shall expire if DEVELOPER fails to:
 - A. Commence construction of the SIERRA FLATS 9% PROJECT on the 9% PROPERTY (as defined in the DEVELOPMENT AGREEMENT) on or before October 1, 2022.
 - B. Secure a certificate of occupancy for the SIERRA FLATS 9% PROJECT on or before March 31, 2024.

This NOTICE is only intended to memorialize CARSON CITY's exercise of a discretionary power permitted under Section 2.2 of the DEVELOPMENT AGREEMENT to extend the deadlines set forth in that section. In all other respects, the terms and conditions of the DEVELOPMENT AGREEMENT remain unchanged and in full force and effect.

[Signature Page Follows]

CARSON CITY

APPROVED:

CARSON CITY, a consolidated municipality

By: Lori Bagwell
Lori Bagwell, Mayor

APPROVED AS TO FORM:

Carson City District Attorney

By: Adam Tully

Date: 5/19/22

ATTEST:

Carson City Clerk-Recorder

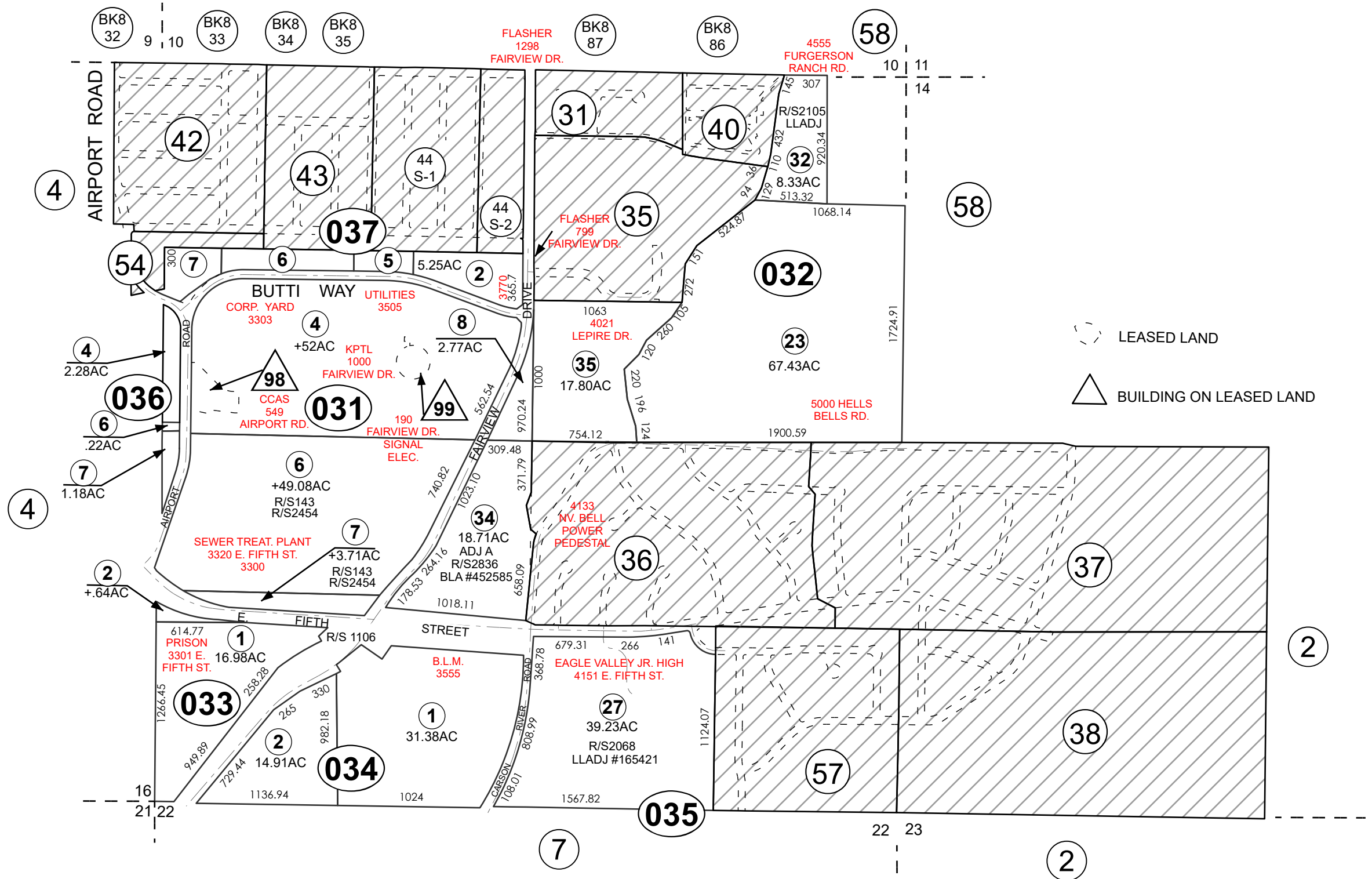
By: Aubrey Rowlett
Aubrey Rowlett

Date: 5/23/22

SECTION 15, T.15 N., R.20 E., M.D.B. & M.

APN	DESCRIPTION
10-037-02	4 R/S 2454
10-037-05	3 PM 3045
10-037-06	2 PM 3045
10-037-07	1 PM 3045

APN	DESCRIPTION
10-036-04	DOC#415807
10-036-06	DOC#415807 LESS R/W DED #492599
10-036-07	3 R/S 2454 LESS R/W DED #492599



--- LEASED LAND
 ▲ BUILDING ON LEASED LAND

ADDED LEASED PARCEL #98 FOR ANIMAL SERVICES

CARSON CITY NEVADA
 THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES ONLY. IT DOES NOT REPRESENT A SURVEY. NO LIABILITY IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF THE DATA DELINEATED HEREON. YOU CAN VIEW AND PRINT OUR MAPS AT NO CHARGE FROM OUR WEBSITE AT WWW.CARSON.ORG/HOME



SCALE: 1"=1200'

NOTE
 SOME PARCELS DELINEATED HEREON MAY NOT BE PRESENTED IN TRUE SIZE, SHAPE, OR LOCATION DUE TO DISCREPANCIES BETWEEN LOT LINES.

Revised: 07/22/2022