

#2001-43121KJP

WHEN RECORDED, MAIL TO:

WESTERN NEVADA HOME CONSORTIUM  
% Western Nevada Development District  
3208 GONI ROAD SUITE 183  
CARSON CITY, NEVADA 89706

**LONG FORM DEED OF TRUST AND ASSIGNMENT OF RENTS**

**THIS DEED OF TRUST**, made this 19<sup>th</sup> day of December, 2001, between **LAKE VISTA 1 limited partnership**, a Nevada Limited Partnership, hereinafter referred to as **TRUSTOR**, and **THE TRINITY HOUSING FOUNDATION**, a non-profit corporation, and **First American Title Company of Nevada**, herein referred to as **TRUSTEE**, and the **WESTERN NEVADA HOME CONSORTIUM**, herein referred to as **BENEFICIARY**, **WITNESSETH**: That **Trustors** irrevocably grants, transfers and assigns to **Trustee** in trust, with power of sale, that property in Douglas County, Nevada, described as

All that portion of the Northeast one-quarter of the Northwest one-quarter of Section 26, Township 13 North, Range 18 East, M.D.B. & M., more particularly described as follows:

Parcel I as set forth on Parcel Map # LDA 01-003 for Lake Vista 1, L.P., recorded April 13, 2001 in Book 0401 of Official Records, at Page 3184, Douglas County, Nevada, as Document No. 512233.

1. This Deed of Trust is subordinate to that Deed of Trust dated Nov. 3, 2000 between Lake Vista 1 Limited Partnership as Trustor and U.S. Bank National Association as Beneficiary securing a note in an original amount of \$1,380,000.00 said Deed of Trust was recorded Nov. 7, 2000, as Document No. 502951, Official Records of Douglas County, Nevada.
2. Trustor and Beneficiary hereby acknowledge and agree that this Deed of Trust is subject and subordinate in all respects to the liens terms, covenants and conditions of the First Deed of Trust in favor of U.S. Bank National Association and to all advances heretofore made or which may hereafter be made pursuant to the First Deed of Trust, including all sums advanced for the purpose of (a) protecting or further securing the lien of the First Deed of Trust, curing defaults by the Trustor under the First Deed of Trust or for any purpose expressly permitted by the First Deed of Trust or (b) construction, renovating, repairing, furnishing, fixturing or equipping the Property. The terms and provisions of the First Deed of Trust are paramount and controlling, and they supersede any other terms and provisions hereof in conflict herewith. In the event of a foreclosure or deed in lieu of foreclosure of the First Deed of Trust, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Trustor's ability to sell the Property shall have no further force or effect on subsequent owners or purchasers of the property. Any person including his successors or assigns (other than the Trustor or a related entity of the Trustor), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Deed of Trust shall receive title to the Property free and clear from such restrictions. Further, if the holder of the First Deed of Trust acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Deed of Trust shall automatically terminate upon the holder of the First Deed of Trust's acquisition of title, provided that (i) the Beneficiary herein has been given written notice of a default under the First Deed of Trust and (ii) the Beneficiary herein

shall not have cured the default under the First Deed of Trust, or diligently pursued curing the default as determined by the holder of the First Deed of Trust within the 90 day period provided in such notice sent to the Beneficiary herein.

Together with all appurtenances in which Trustor has any interests, including water rights benefiting said real property, represented by shares of a company or otherwise, and

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing (1) performance of the WESTERN NEVADA HOME CONSORTIUM Home Loan Agreements executed by Trustor on the 2nd day of November, 2000, and incorporated by reference herein; and (2) payment of the sum of \$471,186. in HOME funds by Lake Vista 1 Limited Partnership, and \$215,111 in Nevada Low Income Housing Trust Funds by The Trinity Housing Foundation, according to the terms of two (2) non-recourse promissory notes of even date herewith made by Trustor and by The Trinity Housing Foundation in favor of Beneficiary, and all extensions or renewals thereof; (3) the performance of each agreement of Trustor incorporated herein by reference or contained herein, and (4) payment of additional sums with or without interest thereon which may hereafter be loaned to Trustor, or to his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

**A. SPECIAL COVENANTS OF TRUSTOR:**

1. Trustor covenants that this real estate shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to the provisions contained in this paragraph, all of which are hereby declared to be in furtherance of the purpose of providing affordable low-income housing. All provisions contained in this paragraph shall be deemed to be covenants running with the property or as equitable servitude, as the case may be, and shall constitute benefits and burdens to the Trustor and its successors and assigns and to all persons hereafter acquiring or owning any interest in the Project however such interest may be acquired. Accordingly, the following covenants, conditions and restrictions are hereby imposed upon the property:

a. Trustor covenants that this real estate shall remain as "affordable housing" as defined in Item A. d. below, for a period of fifty (50) years.

b. Trustor will not sell, give, donate, abandon, lease, rent any part of this real estate, or otherwise dispose of this real estate or its improvements to a Third Party unless Trustor's entire interest is conveyed to such Third Party, and unless, the Western Nevada HOME Consortium consents, in writing, to such a sale, transfer, conveyance, exchange or disposition. The Western Nevada HOME Consortium shall not unreasonably withhold its consent to allow the Trustor to sell, transfer, convey, exchange or otherwise dispose of its entire interest if the Third Party agrees to be bound by the terms of this Deed of Trust. In the event Trustor does sell, give, donate, abandon, lease, or rent any part of this real estate, then in that event all funds received by Trustor from the WESTERN NEVADA HOME CONSORTIUM under this HOME

**PROGRAM as evidenced by the promissory note of even date that is secured by this Deed of Trust shall become immediately due and payable. If Trustor does not repay these funds the WESTERN NEVADA HOME CONSORTIUM may foreclose this Deed of Trust.**

**c. During the term of this Deed of Trust, the Trustor will hold all units in the Project continuously open for rental purposes.**

**d. During the term of this Deed of Trust, Trustor hereby agrees to comply with the following:**

**1. Trustor agrees that three (3) of the total twenty-four (24) units located on this property shall be continuously held open for rent and occupied by very low-income tenants whose income, at the time the tenant initially occupies the unit, does not exceed fifty percent (50%) of the Area Median Gross Income. Trustor further agrees that the rents charged for such very low-income units shall not exceed allowable HUD Low-HOME rents.**

**2. Trustor agrees that eight (8) of the total twenty-four (24) units located in the project shall be continuously held open for rent and occupied by low-income tenants whose income, at the time the tenant initially occupies the unit, does not exceed sixty percent (60%) of the Area Median Gross Income. Trustor further agrees that the rents charged for the foregoing Low-Income units shall not exceed HUD High-HOME rents.**

**e. During the term of this Deed of Trust, the trustor will not refuse to lease to a tenant who is a holder of a voucher or certificate of eligibility under HUD Section 8 program because of the status of the tenant as a holder of such voucher or certificate.**

**B. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:**

**1. That by the execution of this Deed of Trust, those provisions included in the WESTERN NEVADA HOME CONSORTIUM's Loan Agreements executed by Trustor are hereby incorporated herein by reference and made a part hereof as though fully set forth herein at length; and that the Trustor or his successors will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property obligations and parties set forth in this Deed of Trust.**

**2. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring alterations or improvements to be made thereon; not to commit or permit waste thereof; not commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumeration's herein not excluding the general.**

3. **The Trustor shall not execute any other Agreement or instrument with provisions contradictory to or in opposition to the provisions contained herein.**
4. **Trustor shall, at least annually, determine and certify the incomes of all very-low and low-income tenants and within a reasonable time thereafter provide such information to the Western Nevada HOME Consortium.**
5. **The Trustor, during the continuance of this trust, shall maintain said property and improvements thereon in good repair and shall insure said property and improvements thereon against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada, and as may be approved by Beneficiary, for such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust and shall be payable to Beneficiary in the amount of the unsatisfied obligation to Beneficiary hereby secured, and to deliver the policy to Beneficiary, or to collection agent of Beneficiary, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem proper.**
6. **To appear and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.**
7. **To pay, at least ten days before delinquency, all taxes and assessments affecting said property, including assessments on appurtenant water stock, water rights and grazing privileges; and, to pay when due, with interest, all encumbrances, charges and liens on said property or any part thereof, which appears to be prior to or superior hereto, and all costs, fees and expenses of this trust.**

**Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, and Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appear to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable fees.**
8. **To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at TWO PERCENT (2%) per annum.**
9. **That Lake Vista 1, Limited Partnership is a Limited Partnership duly organized, validly existing, and in good standing under the laws of the State of Nevada, has all necessary powers to own its properties and to carry on its business now owned and operated and is duly qualified to do business and is in good standing in the State of Nevada.**

10 The Trinity Housing Foundation, is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada, has all necessary powers to own its properties and to carry on its business now owned and operated, and is duly qualified to do business and is in good standing in the State of Nevada.

11. The execution and performance of this Deed of Trust by Trustor will not violate and has not violated any law, rule, regulations, or any order of any court or other agency or governmental body, and will not violate and has not violated any provision of any indenture, agreement, mortgage, mortgage note, Deed of Trust, or other instrument in which the Trustor is a party or to which the property is subject.

12. There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Trustor, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair the Trustor's duty to carry out or perform its obligations under this Deed of Trust.

### C. IT IS MUTUALLY AGREED:

1. That any award of damages in connection with any condemnation for public use or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare for failure so to pay.

3. That at any time or from time to time, without ability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said promissory notes for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property; consent to the making of any map or plat thereof, join in granting any easement thereon; or join in any extension agreement subordinating the lien or charge hereof.

4. That upon written request of Beneficiary stating all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said promissory notes to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose, and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

5. That, as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to

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collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be recorded. Beneficiary shall also deposit with Trustee this Deed of Trust, said promissory notes, and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, or the sale of real property under writ of execution, Trustee, without demand on Trustor, shall sell said property or any part thereof at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter, may postpone such sale by public announcement at the time fixed by the preceding postponement. In the event that any indebtedness secured hereby shall not have been fully satisfied by said sale, Trustee may give notice of sale of any property not previously noticed for sale in the manner set forth above and sell in the same manner as set forth above.

Trustee shall deliver to any purchaser its deed conveying the property so sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee, including a reasonable fee for the attorney of Trustee, and of this trust, including cost evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof not then repaid with accrued interest at TWO PERCENT (2%) per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. That Beneficiary, or his assignee, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of property substitution of

such successor Trustee or Trustees, who shall, without conveyance from the trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where, or document or file number under which, this Deed of Trust is recorded, and the name and address of the new Trustee. If notice of default shall have been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee shall have been paid to such Trustee, who shall endorse receipt thereof upon such instrument of substitution. The procedure herein provided for substitution of Trustee shall be exclusive of all other provisions for substitution, statutory or otherwise.

8. The following covenants: Nos. 1, 2, 3, 4 (interest 2%), 5, 6, 7, 8 and 9 of Nevada Revised Statutes 107.030, when not inconsistent with other covenants and provisions herein contained, are hereby adopted and made a part of this Deed of Trust.

9. The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative. A violation of any of the covenants hereby expressly set forth shall have the same effect as the violation of any covenant hereby adopted by reference.

10. It is expressly agreed that the trust hereby created is irrevocable by Trustor.

11. That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

12. That Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be party unless brought by Trustee.

13. Trustor agrees to pay any deficiency arising from or any cause after application of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

14. The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

IN WITNESS WHEREOF, the Trustees have executed this Deed of Trust on this \_\_\_\_\_ day of 2001.

**LAKE VISTA 1 LIMITED PARTNERSHIP**

**The Trinity Housing Foundation, a non-profit corporation**

By: **Lake Vista Apartments, LLC**  
**General Partner**

By: *G. Randy Lane*  
**G. Randy Lane, Member**

By: \_\_\_\_\_  
**William M. Leone**  
**Executive Director**

By: *Jack Riley*  
**Jack Riley, Member**

STATE OF NEVADA )  
COUNTY of *Douglas* ) ss.

On the *11* day of *Jan*, 200*1* personally appeared before me, a Notary Public, *G. Randy Lane*, personally known or proved to me to be the persons whose names are subscribed to the above instrument and who acknowledged that they executed the above instrument.

*[Signature]*  
\_\_\_\_\_  
Notary Public



STATE OF NEVADA )  
COUNTY of *Douglas* ) ss.

On the *11* day of *Jan*, 200*1* personally appeared before me, a Notary Public, *Jack Riley*, personally known or proved to me to be the person whose name is subscribed to the above instrument and who acknowledged that he executed the above instrument.

*[Signature]*  
\_\_\_\_\_  
Notary Public



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IN WITNESS WHEREOF, the Trustees have executed this Deed of Trust on this \_\_\_\_\_ day of 2001.

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**The Trinity Housing Foundation, a non-profit corporation**

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**General Partner**

By: *G. Randy Lane*  
**G. Randy Lane, Member**

By: *William M. Leone*  
**William M. Leone**  
**Executive Director**

By: *Jack Riley*  
**Jack Riley, Member**

STATE OF NEVADA            )  
  ) ss.  
COUNTY of \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2001 personally appeared before me, a Notary Public, \_\_\_\_\_, personally known or proved to me to be the persons whose names are subscribed to the above instrument and who acknowledged that they executed the above instrument.

\_\_\_\_\_  
Notary Public

STATE OF NEVADA            )  
  ) ss.  
COUNTY of \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2001 personally appeared before me, a Notary Public, \_\_\_\_\_, personally known or proved to me to be the person whose name is subscribed to the above instrument and who acknowledged that he executed the above instrument.

\_\_\_\_\_  
Notary Public

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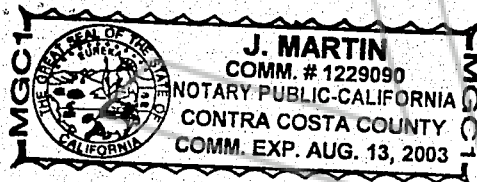
State of California )

SS.

County of Contra Costa )

On January 15, 2002 before me, J. Martin , Notary Public personally appeared William M. Leone personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.



SIGNATURE *J. Martin*

-----OPTIONAL-----

**Description of Attached Document**

Title or Type of Document: Long Form Deed of Trust & Assignment of Rents

Document Date: 12/19/01

Number of Pages: 8

Signer(s) Other Than Named Above: G. Randy Lane and Jack Riley

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COPY

REQUESTED BY  
FIRST AMERICAN TITLE CO.

IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2002 JAN 16 PM 3: 59

LINDA SLATER  
RECORDER

\$2400 PAID BC DEPUTY

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