

APN No. 1220-03-301-002

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

Western Alliance Bank
5335 Kietzke Lane
Reno, Nevada 89511

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)

Evelyn # 21-260965-MUR

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT, made as of the 22nd day of March, 2021, by **ALLAN/DAY III, LLC**, a Nevada limited liability company, as assignor (the "Assignor") to **WESTERN ALLIANCE BANK**, an Arizona corporation, as assignee (the "Assignee").

WITNESSETH:

WHEREAS, to evidence and secure a loan (the "Loan") evidenced by a Construction/Permanent Loan Agreement of even date herewith (the "Loan Agreement"), Assignor has made and delivered to Assignee a Promissory Note Secured By Deed of Trust of even date herewith (the "Note") in the principal amount of \$6,440,000.00, payable monthly, with interest as therein expressed, and Assignor has executed and delivered a Construction Deed of Trust And Security Agreement And Fixture Filing With Assignment of Rents (the "Deed of Trust") to secure the Note and creating a lien on Assignor's interest in certain real property situate in Douglas County, Nevada, more particularly described in **Exhibit "A"** attached hereto and by this reference made a part hereof, including the improvements now or hereafter constructed thereon and the easements, rights and appurtenances thereunto belonging, all of which are hereinafter called the "Premises"; and

WHEREAS, Assignee has required the assignment hereafter made as a condition to making the Loan;

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Holland & Hart LLP
Reno, Nevada
(775) 327-3000

NOW, THEREFORE, for value received, Assignor hereby grants, transfers, assigns, and sets over to Assignee all rents, issues, and profits of and from the Premises, and in and to all leases ("leases") now or hereafter existing, of all or any part of the Premises.

Without limiting the generality of the foregoing, it is agreed as follows:

1. Assignor hereby absolutely and unconditionally assigns and transfers to Assignee all the leases, income, rent, issues, deposits, profits and proceeds of the Premises to which Assignor may be entitled, whether now due, past due or to become due, and hereby gives to and confers upon Assignee the right, power and authority to collect such income, rents, issues, deposits, profits and proceeds of the Premises to which Assignor may be entitled, whether now due, past due or to become due. The assignment of the leases constitutes an irrevocable direction and authorization of all tenants under the leases to pay all rent, income and profits into an account specified by Assignee upon demand and without further consent or other action by Assignor. Assignor irrevocably appoints Assignee its true and lawful attorney, at the option of Assignee at any time following the occurrence and during the continuance of an Event of Default (as defined in the Deed of Trust) to demand, receive and enforce payment, to give receipts, releases, and satisfactions, and to sue, either in the name of Assignor or in the name of Assignee, for all such income, rents, issues, deposits, profits and proceeds and apply the same to the indebtedness evidenced by the Note. It is understood and agreed that neither the foregoing assignment of leases, income, rents, issues, deposits, profits and proceeds to Assignee nor the exercise by Assignee of any of its rights or remedies hereunder shall be deemed to make Assignee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Premises or the use, occupancy, enjoyment or operation of all or any portion thereof.

2. Assignor represents that (a) Assignor is entitled to receive all the rents, issues and profits and to enjoy all the rents and benefits mentioned herein and assigned hereby; (b) the same have not been heretofore sold, assigned, transferred or set over by any instrument now in force and will not at any time during the term of the Loan be sold, assigned, transferred, or set over by Assignor or any other person or persons taking under or through Assignor, except subject to this assignment; and (c) Assignor has the sole right to sell, assign, transfer, and set over the same and to grant and confer upon Assignee the rights, interests, powers, and authorities herein granted and conferred.

3. Assignor will from time to time execute any and all instruments requested by Assignee in order to effectuate this assignment and to accomplish any of the purposes that are necessary or appropriate in connection with this assignment including without limitations, specific assignments of any lease or agreement relating to the use and occupancy of the Premises or to any part thereof now or hereafter in effect and not specifically defined herein as an existing lease, as may be necessary or desirable in Assignee's opinion in order to constitute the same an existing lease hereunder.

4. This assignment shall in no way operate to restrict or prevent Assignee from pursuing any remedy which it may now or hereafter have because of any present or future breach of the terms or conditions of the Note, the Deed of Trust, the Loan Agreement or other loan documents.

5. Assignee shall not in any way be responsible for any failure to do any or all of the things for which the rights, interests, power, and authority are herein granted; and Assignee shall not be responsible for or liable under any of the agreements undertaken or obligations imposed upon the lessor under the leases or other agreements with respect to the Premises.

6. Assignee shall be accountable only for such cash as it receives under the terms of this assignment.

7. Assignee's failure to do any of the things or exercise any of the rights, interests, powers, and authority granted hereunder shall not be construed as a waiver of any of the rights, interests, powers, or authorities assigned and granted to the Assignee under this assignment.

8. Assignee may assign this assignment and the rights accruing hereunder to any subsequent assignee and holder of the Note and Deed of Trust.

9. The parties agree that this assignment is effective as of the date hereof, and, upon the occurrence and during the continuance of an Event of Default, that upon demand made by the Assignee on the lessees under the leases or on any person liable for any of the rents, issues, and profits of and from the Premises or any part thereof, such lessees or person liable for any of such rents, issues, and profits shall, and is hereby authorized and directed to pay to or upon Assignee's order, and without any inquiry of any nature, all rents then or thereafter accruing under the leases or any other instrument or agreement, oral or written, granting rights to, and creating an obligation to pay, rents, issues, or profits in connection with the Premises.

10. As long as no Event of Default shall have occurred and is continuing, Assignee agrees not to demand from any lessee under the leases or from any other persons liable therefor, any of the rents, issues, or profits hereby assigned but grants Assignor a license to collect all such rents, issues, and profits from the Premises and the leases on but not prior to accrual and to retain and enjoy the same, provided, however, that notwithstanding the provisions of this section, all lessees under the leases and all persons liable for rents, issues, and profits of and from the Premises shall comply with any demands for rents made by Assignee pursuant to the provisions of this assignment without reference to whether or not the same is made in accordance with this section.

11. Upon the occurrence and during the continuance of an Event of Default, Assignee may declare all sums secured by the Deed of Trust immediately due and payable, may revoke Assignor's license to collect the rents, issues and profits of and from the Premises, and may, at the Assignee's option, without notice, either in Assignee's person or by agent and with or without bringing any action or proceeding, or by any receiver to be appointed by a court enter upon, take possession of, and manage and operate the Premises and each and every part thereof, and in connection therewith, Assignee may make, cancel, endorse, and modify leases (including the existing lease); fix or modify rents; repair, maintain, and improve the Premises; employ contractors, subcontractors, and workmen in and about the Premises; obtain and evict tenants; in its own name, sue for or otherwise collect or reserve any and all rents, issues, and profits, including those past due and unpaid; employ leasing agents, managing agents, attorneys, and accountants in connection with the enforcement of Assignee's rights hereunder and pay the reasonable fees and expenses thereof; and otherwise do and perform any and all acts which Assignee may deem necessary and appropriate in and about the Premises for the protection thereof and of the Assignee's rights hereunder or under the Note and Deed of Trust, and any and all amounts expended by Assignee in connection with the foregoing shall constitute an additional indebtedness secured by the Deed of Trust. Assignee shall apply any moneys collected by Assignee, as aforesaid, less costs and expenses incurred, as aforesaid, upon any indebtedness secured hereby in such order and manner as Assignee may determine. The entering upon and taking possession of the Premises; the collection of rents, issues, and profits; the exercise of any rights hereinabove specified; and the application of collections, as aforesaid, shall not cure, waive, modify, or affect any Event of Default hereunder or under the Note or Deed of Trust.

12. All tenants or occupants of any part of the Premises (including, without limitation, all persons claiming any interest as lessee under the existing lease) are hereby authorized to recognize the claims and demands of Assignee without investigation as to the reason for any action taken by Assignee or the validity or the amount of indebtedness owing to Assignee or the existence of any Event of Default or the application to be made by Assignee, of any amounts to be paid to Assignee. Assignee's sole signature shall be sufficient for the exercise of any right under this assignment and Assignee's sole receipt given for any sums received shall be a full discharge and release therefor as to any such tenant or occupant of the Premises. Checks for all or any part of the rental collected under this assignment of rents and leases shall be made to the exclusive order of the Assignee.

13. Until such time as Assignee shall take possession and control of the Premises: Assignee shall not be obligated to perform or discharge any obligation, duty, or liability under the leases, nor shall this assignment operate to place upon the Assignee responsibility for the control, operation, management, or repair of the Premises or the carrying out of any of the terms and conditions of the leases; nor shall this assignment operate to make the Assignee liable for any waste committed on the Premises by the lessee under any lease or any other party, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair, or control of the Premises, resulting in loss, injury, or death to any tenant, licensee, employee, invitee, or stranger.

14. Assignor shall, and does hereby agree to, indemnify and hold Assignee harmless of and from any and all liability, loss, or damage which it may or might incur under the leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in the leases. Should Assignee incur any such liability, loss, or damage under the leases or under or by reason of this assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall be secured hereby and Assignor shall reimburse the Assignee therefor immediately upon demand, and upon Assignor's failure to do so, the Assignee may declare all sums thereby immediately due and payable.

15. Assignee has not received, nor have any securities deposited by any lessee with the lessor under the terms of existing leases been transferred to Assignee; and the Assignee assumes no responsibility or liability for any securities so deposited.

16. Assignor has not and will not accept rent in advance under any leases of all or any part of the Premises except only monthly rents for current months which may be paid in advance.

17. Upon the request by Assignee, Assignor shall cause copies of this assignment to be served upon the lessees under the leases at Assignor's sole cost and expense. Assignor will cause this assignment to be recorded and filed and rerecorded and refiled in each and every public office in which said filing and recording may be necessary to constitute record notice of this assignment and the terms and provisions hereof as applicable to the Premises.

18. Upon payment in full of all indebtedness and on the performance of all the obligations secured hereby, this assignment shall become null and void and of no effect.

19. This assignment is binding upon and inures to the benefit of the parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Assignor," as used herein, shall include each Assignor whose name appears below, severally and all such assignors, jointly and severally, and their respective heirs, legatees, devisees, executors, successors, and assigns. The term, "Assignee," as used herein, shall include the named Assignee and all said Assignee's successors and assigns, including each and every person or entity who or which from time to time, becomes owner and holder of the Note and Deed of Trust, and such successors and assigns shall have, hold, and enjoy all of the rights, and benefits hereby afforded and conferred upon the named Assignee as fully and with the same effect as if such successors and assigns were by name herein designated as Assignee.

20. This Assignment is subject to the Uniform Assignment of Rents Act, NRS chapter 107A (the "Act"), and in the event of any conflict or inconsistency between this Assignment and the provisions of the Act, the provisions of the Act shall control.

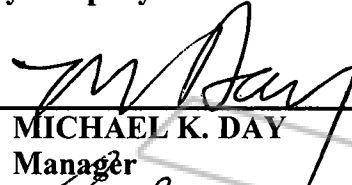
21. ASSIGNOR AND ASSIGNEE HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) BETWEEN OR AMONG ASSIGNOR AND ASSIGNEE ARISING OUT OF OR IN ANY RELATED TO THIS ASSIGNMENT OR ANY OTHER RELATED DOCUMENT OR LOAN DOCUMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER LOAN DOCUMENTS.

22. This Assignment may be executed in counterparts, all of which executed counterparts shall together constitute a single document. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Reminder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Assignor has executed this assignment as of the day, month, and year, first-above written.

ALLAN/DAY III, LLC, a Nevada limited liability company

By: 

MICHAEL K. DAY
Manager

By: 

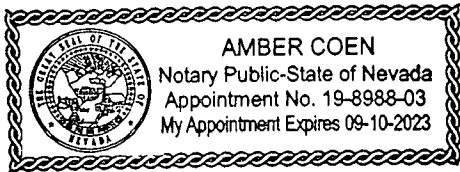
ALLAN D. SAPP
Manager

"Assignor"



STATE OF NEVADA)
 Douglas (D))ss.
COUNTY OF WASHOE)

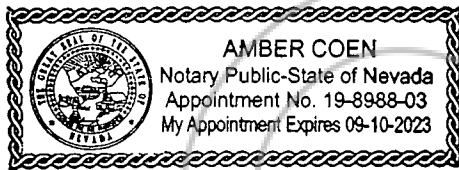
This instrument was acknowledged before me on March 29, 2021, by Michael K. Day, Manager of Allan/Day III, LLC.



Amber Coen
Notary Public
My commission expires: 09-10-2023

STATE OF NEVADA)
 Douglas (D))ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on March 29, 2021, by Allan D. Sapp, Manager of Allan/Day III, LLC.



Amber Coen
Notary Public
My commission expires: 09-10-2023

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein below is situated in the County of Douglas, State of Nevada, and described as follows:

PARCEL 1:

PARCEL 3B AS SHOWN ON THE PARCEL MAP FOR NEW BEGINNINGS HOUSING OF NEVADA, LLC, ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON JANUARY 04, 2013, IN BOOK 113, PAGE 999, AS FILE NO. 815737, OFFICIAL RECORDS.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS RECORDED APRIL 26, 2013 IN AN ACCESS AND UTILITY EASEMENT AGREEMENT IN BOOK NO. 413, PAGE 8083 AS INSTRUMENT NO. 822576 IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER.

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