

APN: 010-037-06

Doc # 539366

Recorded 4/24/2023 1:35 PM

Requested By: CARSON CITY CLERK

TO THE BOARD

Carson City - NV

William "Scott" Hoen Clerk-Recorder

Pg 1 of 19 Fee: \$0.00

Recorded By:CM


FOR RECORDER'S USE ONLY

RESOLUTION NO. 2023-R-6

Permitting Carson City to subordinate its interests in 3.41 acres of land along Butti Way to Zions Bancorporation, National Association ("Zions"), and Allianz Life Insurance Company of North America ("Allianz") through a subordination agreement between Carson City, Zions, Allianz, and Sierra Flats Family LP

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: _____


Signature

Hope Mills- Chief Deputy Clerk
Print Name & Title

WHEN RECORDED MAIL TO:

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

RESOLUTION NO. 2023-R-6

A RESOLUTION PERMITTING CARSON CITY TO SUBORDINATE ITS INTERESTS IN 3.41 ACRES OF LAND ALONG BUTTI WAY WITH ASSESSOR'S PARCEL NUMBER ("APN") 010-037-06 ("PROPERTY") TO ZIONS BANCORPORATION, NATIONAL ASSOCIATION ("ZIONS") AND ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA ("ALLIANZ") THROUGH A SUBORDINATION AGREEMENT BETWEEN CARSON CITY, ZIONS, ALLIANZ AND SIERRA FLATS FAMILY I 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, on April 6, 2023 the Board passed Ordinance 2023-6, 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 April 6, 2023, the Board approved Resolution 2023-R-5 allowing the Property to be conveyed to Oikos under NRS 244.287, when appropriate under the Development Agreement;

WHEREAS, Sierra Flats has pursued financing through Allianz and Zions for the Project to be built on the Property through the Development Agreement;

WHEREAS, Allianz and Zions seek a subordination agreement with the City to make the Development Agreement, but not the Restrictive Covenants, subordinate to the loan and mortgage Allianz and Zions propose to make to Sierra Flats for the Project;

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 "[t]he Parties shall not cause or allow the [Development] Agreement or [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] upon (1) 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 financing for the Project, Allianz and Zions seek Carson City's assent to a subordination agreement, attached as Exhibit A, to partially subordinate Carson City's interest in the Property to certain interests held by Allianz and Zions;

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 Lisa Schuette, seconded by Supervisor Curtis Horton, the foregoing Resolution was passed and adopted this 20th day of April, 2023 by the following vote.


VOTE:

AYES: Supervisor Stacey Giomi
Supervisor Curtis Horton
Supervisor Lisa Schuette
Mayor Lori Bagwell

NAYS: Supervisor Maurice White

ABSENT: None

ABSTAIN: None


LORI BAGWELL, Mayor

ATTEST:


WILLIAM SCOTT HOEN, Clerk-Recorder

EXHIBIT A

EXHIBIT A

SUBORDINATION AGREEMENT

Among

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA,
CARSON CITY**

and

SIERRA FLATS FAMILY I LP

Dated as of _____, 2023

This instrument Prepared By
and after Recording Return To:

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

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT dated as of _____, 2023 (as amended, modified, supplemented or assigned from time to time, this "**Agreement**") by and among ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association duly organized and validly existing under the laws of the United States of America (together with its permitted successors and assigns, "**Fiscal Agent**"), ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA, a Minnesota corporation ("**Funding Lender**"; Fiscal Agent and Funding Lender, each and collectively also "**Senior Lender**"), CARSON CITY, a consolidated municipality of the State of Nevada (together with its permitted successors and assigns, "**Subordinate Party**"), and SIERRA FLATS FAMILY I 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**"),

WITNESSETH:

WHEREAS, the Borrower has applied to the Nevada Housing Division, a division of the Department of Business and Industry of the State of Nevada (the "**Governmental Lender**") for a loan (the "**Borrower 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 on the land more particularly described on Exhibit A attached hereto (the "**Property**") and known as "Sierra Flats Apartments Phase II" (such Property and the improvements described above are collectively referred to herein as the "**Project Facilities**"); all capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Funding Loan Agreement (defined below);

WHEREAS, the Borrower has requested the Governmental Lender to enter into that certain Funding Loan Agreement between Governmental Lender, Funding Lender, and Fiscal Agent dated as of the date hereof (the "**Funding Loan Agreement**") under which the Funding Lender will make a loan (the "**Funding Loan**") to the Governmental Lender, the proceeds of which will be loaned to Borrower pursuant to that certain Borrower Loan Agreement, dated as of the date hereof (as it may be supplemented or amended, the "**Borrower Loan Agreement**") to finance the acquisition, construction, rehabilitation, development, equipping and/or operation of the Project Facilities;

WHEREAS, pursuant to the Borrower Loan Agreement, the Borrower agrees to make loan payments to the Governmental Lender in an amount which, when added to other funds available under the Funding Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Funding Loan and to pay all costs and expenses related thereto when due;

WHEREAS, to evidence its payment obligations under the Borrower Loan Agreement, the Borrower will execute and deliver to the Governmental Lender its Promissory Note dated the Closing Date (the "**Borrower Note**") which is secured by, among other things, a first-priority mortgage lien on 3.41 acres of real property with Carson City Assessor's Parcel Number 010-037-06 and described in the attached Exhibit A (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 Borrower Loan Agreement, the Borrower Note and all other agreements contemplated therein or evidencing or securing the Borrower's obligations under the Borrower 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 rights of the Governmental Lender under the Borrower Loan Agreement, the Senior Mortgage, the Borrower Note and the other Funding Loan Documents are being assigned

contemporaneously with the execution and delivery hereof to the Fiscal Agent for the benefit of the Funding Lender; and

WHEREAS, the Property is being acquired and constructed, in part, pursuant to a Development Agreement adopted by the Carson City Board of Supervisors as Ordinance 2023-6 and recorded with the Carson City Recorder's Office on _____, 2023 as document number _____ by and among Borrower, Subordinate Party, PalaSeek LLP, a Nevada limited liability partnership ("**PalaSeek**") and Oikos Development Corporation, a Missouri nonprofit corporation and tax-exempt 501(c)(3) organization ("**Oikos**") (as amended, modified or supplemented from time to time, the "**Subordinate Development Agreement**") and, together with all other agreements contemplated therein and evidencing or securing the obligations of PalaSeek, Oikos, Borrower, or some combination thereof to Subordinate Party are hereinafter referred to as the "**Subordinate Documents**";

WHEREAS, the Subordinate Development Agreement authorizes the Carson City Mayor to execute a Quitclaim Deed for the Property, which must be recorded concurrently with a fully executed copy of that certain Declaration of Restrictive Covenants by and among Borrower, Subordinate Party and Oikos ("**Declaration of Restrictive Covenants**"), and notwithstanding any term of this Agreement to the contrary, the term "Subordinate Documents" expressly excludes the Declaration of Restrictive Covenants, 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.

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 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. The Parties agree that the Declaration of Restrictive Covenants shall remain prior and superior to the Senior Mortgage.

2. Subordination of Obligations in the Subordinate Documents; Remitting Subordinate Loan Payments to Senior Lender; Reinstatement.

(a) Any monetary payments owed to Subordinate Party through the Subordinate Documents are 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, (1) Subordinate Party is entitled to have Borrower, Oikos, PalaSeek, or some combination thereof pay all title and other transfer costs associated with conveying the Property to Oikos ("**Transfer Costs**"); (2) Subordinate Party is entitled to receive payment for taxes, permits, utility service, and other similar costs that Subordinate Party imposes in the normal course of business ("**Development Costs**"); and (3) 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. Notwithstanding the foregoing, (1) Subordinate Party is entitled to have Borrower, Oikos, PalaSeek, or some combination thereof pay all Transfer Costs; and (2) Subordinate Party is entitled to receive payment for Development Costs.

(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 some debt owed by Borrower, other than Transfer Costs and Development Costs, 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 the Subordinate Documents; (ii) commence any action to foreclose or exercise any power of sale under the Subordinate Documents; (iii) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof due to a default under the Subordinate Documents; (iv) seek or obtain a receiver for the Property or any part or portion thereof due to a default under the Subordinate Documents; (v) take possession or control of the Property, or collect or accept any rents from the Property, due to a default under the Subordinate Documents; (vi) take any action due to a default under the Subordinate Documents that would terminate any leases or other rights held by or granted to or by third parties with respect to the Property; (vii) initiate or join any other creditor in commencing any Proceeding with respect to the Borrower or any other obligor due to a default under the Subordinate Documents; or (viii) exercise any other remedies under the Subordinate Documents.

(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, except that any remedy exercised by Senior Lender cannot disturb Declaration of Restrictive Covenants, which remains senior and prior to the Senior Lender's interest in the Property.

(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 cannot disturb Declaration of Restrictive Covenants, which remains senior and prior to the Senior Lender's interest in the Property.

(d) Subordinate Party further agrees that if at any time Subordinate Party should commence 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. This sub-section does not apply to action taken by Subordinate Party under the Declaration of Restrictive Covenants or in exercising its traditional powers as a municipal government and utility provider.

(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.

(f) Notwithstanding any provision in this Agreement to the contrary, the Parties recognize that the Subordinate Party is a consolidated municipality and political subdivision of the State of Nevada that is charged with enforcing an array of regulatory and other police powers, and nothing in this Agreement is intended to impair Subordinate Party's power, right, or obligation to enforce broadly applicable laws as to the Property or any activity upon or related to the Property.

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, except 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), (2) to request any post-petition interest, or (3) to request any sale of Borrower's assets.

(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 trustee, 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 trustee, 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. However, notwithstanding any provision in this Agreement to the contrary, the Parties recognize that the Subordinate Party is a consolidated municipality and political subdivision of the State of Nevada that is charged with enforcing an array of regulatory and other police powers, and nothing in this Agreement is intended to impair Subordinate Party's power, right, or obligation to enforce broadly applicable laws as to the Property or any activity upon or related to the Property. Any lien, estate, right or other interest in the Property acquired by

Subordinate Party through the exercise of broadly applicable laws will not be subordinate to the Senior Mortgage or other interest in the Property held by Senior Lender.

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 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.

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 Fiscal Agent:

Zions Bancorporation, National Association
One South Main Street, Suite 1200
Salt Lake City, Utah 84133
Attention: Daniel Dixon

If to Subordinate Party:

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

and

Carson City
Carson City Public Works Department
Attention: Real Property Manager
3505 Butti Way
Carson, City, Nevada 89701

If to Funding Lender:

Allianz Life Insurance Company of North America
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 N. 18th Street, Suite 1920
Philadelphia, Pennsylvania 19103
Attention: Andrew P. Schmutz

If to Borrower:

Sierra Flats Family I 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 VI of the Funding Loan Agreement, and any amendment is not effective unless and until approved by the Carson City Board of Supervisors.

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 or Declaration of Restrictive Covenants 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 Funding 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.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as fiscal agent

By: _____
Name:
Title:

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2023, before me, _____, a Notary Public, personally appeared _____, _____ of Zions Bancorporation, National Association, 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 Zions Bancorporation, National Association executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

**ALLIANZ LIFE INSURANCE COMPANY OF
NORTH AMERICA**, a Minnesota corporation

By: R4 Capital Funding LLC, a Delaware limited liability company, its attorney in fact

By: _____
James D. Spound, President

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2023, before me, _____, a Notary Public, personally appeared James D. Spound, President of R4 Capital Funding LLC, a Delaware limited liability company, attorney-in-fact for Allianz Life Insurance Company of North America, a Minnesota corporation, 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 executed the same in his authorized capacity, and that by his signature on the instrument he executed the instrument as President of R4 Capital Funding LLC, attorney-in-fact for Allianz Life Insurance Company of North America.

WITNESS my hand and official seal.

Notary Public

(SEAL)

ATTEST:

CARSON CITY, a consolidated municipality

By: _____
William Scott Hoen
Carson City Clerk-Recorder

By: _____
Lori Bagwell
Carson City Mayor

Date: _____

APPROVED AS TO FORM:

Carson City District Attorney

By: _____
Adam Tully
Deputy District Attorney

Date: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, 2023, before me, _____, a Notary Public, personally appeared Lori Bagwell, Mayor of Carson City, 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 she executed the same in her authorized capacity, and that by her signature on the instrument Carson City executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

SIERRA FLATS FAMILY I LP, a Nevada limited partnership

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

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

By: _____

Name: Michael Snodgrass

Title: Executive Director

STATE OF _____)

) ss.

COUNTY OF _____)

On _____, 2023, before me, _____, a Notary Public, personally appeared Michael Snodgrass, Executive Director of Oikos Development Corporation, the manager of Sierra Flats Family LLC, the general partner of Sierra Flats Family I 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 executed the same in his authorized capacity, and that by his signature on the instrument he executed the instrument as Executive Director of Oikos Development Corporation, the manager of Sierra Flats Family LLC, the general partner of, and on behalf of, Sierra Flats Family I LP.

WITNESS my hand and official seal.

Notary Public

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

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

THAT PORTION OF NORTH HALF OF SECTION 15, TOWNSHIP 15 NORTH RANGE 20 EAST DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP 3045 ACCORDING TO THE MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF CARSON CITY RECORDED ON JULY 20, 2022 AS INSTRUMENT NO. 534114 OF OFFICIAL RECORDS.



CARSON CITY CLERK-RECORDER

WILLIAM "SCOTT" HOEN

Clerk-Recorder

Carson City

885 E. Musser St, Carson City, NV 89701

RECORDER: (775) 887-2260 | CLERK: (775) 887-2087

www.carson.org

Transaction # 1035050	Attention:	Source: Over the Counter
Receipt # 44376	Name: CARSON CITY CLERK TO THE BOARD	Returned: Over the Counter
Cashier Date: 04/24/2023	Address:	
Cashier: CJMACIAS		

RESOLUTION/ORDINANCE

Document Number: 539366

PAYMENT:	AMOUNT:	\$0.00
<u>Total Payments:</u>	<u>Total Fees:</u>	<u>Check Overage:</u>
\$ 0.00	\$ 0.00	\$ 0.00

Notes: