

## SINGLE FAMILY GRANT AGREEMENT

THIS SINGLE FAMILY GRANT AGREEMENT is entered into effective as of the 6th day of October, 2011 ("Effective Date"), between NEVADA RURAL HOUSING AUTHORITY ("NRHA"), a local government entity created and organized under Nevada Revised Statutes Chapter 315, and EUREKA COUNTY, NEVADA ("Eureka County") a political subdivision of the State of Nevada. Each of NRHA and Eureka County is a "Party" and collectively are the "Parties."

Questions or concerns regarding this SINGLE FAMILY GRANT AGREEMENT should be directed in the first instance to the persons identified below for NRHA and Eureka County:

NRHA:  
C. J. Manthe  
3695 Desatoya Drive  
Carson City, NV 89701  
Phone: (775) 887-1794  
Fax: (775) 887-1838  
cmanthe@nvrural.org

Eureka County:  
Michael Rebaleati  
P.O. Box 556  
Eureka, NV 89316  
Phone: (775) 237-5263  
Fax: (775) 237-5614  
mr@eurekanv.org

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## 100. RECITALS

- A. NRHA and Eureka County are parties to a Single Family Real Property Agreement relating to the development of a Single Family Project located in Eureka County, Nevada, and further described in the Single Family Real Property Agreement.
- B. In connection with that, Eureka County has agreed to grant to NRHA no more than \$11,155,396.00 during the five year timeframe of this Agreement in addition to the real property described in the Single Family Real Property Agreement, for the purpose of the development, design, construction and improvement of the Single Family Lots described on **Attachment A** within the Single Family Project. If construction costs or other circumstance obligates additional funds beyond this amount, NRHA and Eureka County agree to negotiate in good faith to accommodate reasonable and justified needs for additional funds; provided, however, that any changes in the Phase I Budget or the Phase II Budget made pursuant to the terms of this Single Family Grant Agreement or the Single Family Real Property Agreement shall correspondingly increase the funds to be granted by Eureka County to NRHA under the Grant Documents, and the Parties shall cooperate in good faith to execute and deliver any further instruments or documents which may be reasonably necessary or appropriate to evidence such funding increase upon a request for such instrument or document by either Party to the other.
- C. NRHA and Eureka County recognize the authorization for expenditure of local government funds to build the improvements for the Single Family Lots are permitted by NRS 244.1505(1) (expenditure of public money), NRS 244.189 (development of affordable housing), NRS 315.550 (powers respecting housing projects), and Nevada Assembly Bill 198 (effective July 1, 2011) (loans to local governments).
- D. It is anticipated that the Single Family Project will be developed in two (2) phases, referred to as Phase I and Phase II, with each Phase consisting of three (3) stages. Each Phase will consist of Single Family Lots created by and shown on each Final Map and will include certain related improvements. Phase I is further described in **Attachment B**; Phase II is further described in **Attachment C**.
- E. The Parties have agreed that a portion of the funds advanced to NRHA by Eureka County under this grant are recoverable by Eureka County in an amount equal to \$46,320 per each ¼ acre residential lot sold by NRHA in accordance with the terms and conditions of the Real Property Agreement, and that the remaining portion of the funds advanced by Eureka County to NRHA under this grant will not be recoverable by Eureka County and will not be repaid by NRHA.
- F. This grant, and Eureka County's right to recover funds advanced under this grant

through sales of Developed Single Family Lots, is evidenced by this Agreement and a Promissory Note ("Note") secured by a Deed of Trust and Security Agreement and Fixture Filing With Assignment of Leases and Rents ("Deed of Trust"), and a UCC-1 Financing Statement. This Agreement, the Note, the Deed of Trust, and the Financing Statement are collectively referred to as the Grant Documents. The date of the recording of the Deed of Trust in the Official Records in the Office of County Recorder of Eureka County, Nevada, is the closing under this Agreement ("Closing"), which shall occur through:

Stewart Title of Nevada Holdings, Inc.  
Northern Division  
5335 Kietzke Lane, Suite 110  
Reno, Nevada 89511  
Attention: Suzanne Haskins  
Phone: (775) 746-6618  
Fax: (866) 746-1242  
Email: shaskins@stewart.com

In accordance with the Single Family Real Property Agreement, both parties recognize multiple closings are anticipated and modifications to the Deed of Trust will be necessary.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Eureka County and NRHA agree as follows:

## **200. ADVANCE OF GRANT FUNDS**

- A. Note Amount.** The principal sum to be identified in the Note and Deed of Trust shall be the amount of grant funds, in NRHA's reasonable determination, necessary to complete the design, development and construction of the Single Family Project in accordance with the Single Family Real Property Agreement and the Phase I Budget at **Attachment G** and Phase II Budget at **Attachment H**.
- B. First Advance.** Once the Conditions to First Advance in **Attachment D** have been satisfied, Eureka County shall make a first advance of grant funds to NRHA in an amount sufficient to complete development of Stage I of Phase I of the Single Family Project in accordance with the Phase 1 Budget at **Attachment G**, and shall include (1) the consideration paid by Eureka County to NRHA under the Contract for Services of Independent Contractor between the Parties dated July 6, 2010, allocated to the Single Family Project, (2) funds disbursed by Eureka County to NRHA under the Interim Agreement between the Parties dated May 4, 2011 allocated to the Single Family Project, (3) pre-development, project start-up, and related costs and expenses incurred or to be incurred by NRHA in connection with

the Single Family Project as reasonably determined by NRHA and Eureka County, including attorneys' fees and costs, (4) that portion of the Development Fee in accordance with the Single Family Real Property Agreement and Phase 1 Budget, and (5) the closing costs in connection with the Closing required to be paid by NRHA under ¶500G of the Single Family Real Property Agreement. At Closing, the amounts listed in (1) and (2), above, shall be applied to outstanding principal under the Note but shall not be actually disbursed by Eureka County. At Closing, NRHA shall pay to Eureka County unpaid interest on the funds disbursed by Eureka County to NRHA under the Interim Agreement of May 4, 2011 accruing through the date of Closing.

Upon Closing (and NRHA's payment of such unpaid interest and NRHA's execution and delivery of the Note), any amounts owed by NRHA to Eureka County under the Contract for Services of Independent Contractor dated July 6, 2010 allocated to the Single Family Project and the Interim Agreement dated May 4, 2011 allocated to the Single Family Project, shall be paid in full.

- C. Right to Additional Advances. Following the first advance, provided that (1) the applicable Conditions to Additional Advances set forth in **Attachment E** have been satisfied, and (2) no NRHA Event of Default has occurred, and no event has occurred which, with notice or lapse of time, or both, would constitute an NRHA Event of Default, then Eureka County shall make additional advances of grant funds to NRHA in accordance with the procedure in ¶200D, below.
- D. Requests for Additional Advances. To obtain an additional advance of grant funds from Eureka County, NRHA will deliver to Eureka County a request by the following method: fax and email transmission of the request to Eureka County Public Works Director Ron Damele at fax (775) 237-5708 and email [rdamele@eureka.gov](mailto:rdamele@eureka.gov), with copies to: Recorder/Auditor Mike Rebaleati at fax (775) 237-5614 and e-mail [mr@eureka.gov](mailto:mr@eureka.gov); and Eureka County Clerk/Treasurer Jackie Berg (775) 237-6015 and e-mail [jberg.ecct@eureka.gov](mailto:jberg.ecct@eureka.gov). The request must include the Progress Certificate and Request for Payment reports in the forms at **Attachment E**. The amount of grant funds requested in each request will be determined by NRHA in its reasonable judgment based on expenditures identified in the Phase I Budget at **Attachment G**, and the Phase II Budget at **Attachment H**, and may include a request for funds necessary to satisfy, in the entirety, monetary obligations under existing or future contracts for work performed or materials provided (or to be performed and provided), and that portion of the Development Fee described in the Single Family Real Property Agreement proportionate to the amount of grant funds being requested by NRHA. NRHA will not submit requests for additional advances of grant funds more than twice per month in order to allow the Board of Eureka County Commissioners, during their regular bi-monthly meetings, to review and approve the request in

accordance with NRS 244.210. Eureka County will wire the amount of the requested grant funds to NRHA pursuant to wire instructions provided by NRHA not later than twenty-four (24) hours after the applicable Board of Eureka County Commissioners bi-monthly meeting. Eureka County will provide NRHA confirmation of the wire transfer to C. J. Manthe by fax (775) 887-1838 and email [cmanthe@nvrural.org](mailto:cmanthe@nvrural.org). NRHA's acceptance of any additional advance of grant funds ratifies and confirms the representations and warranties made in the Grant Documents are still true and correct on and as of the date of such additional advance, and no NRHA Event of Default exists, and no event has occurred and no condition exists which, after notice or lapse of time, or both, would constitute an NRHA Event of Default.

- E. Interest. Interest on the first advance and on each additional advance shall accrue at the rate set forth in the Note beginning on the first business day following the transfer of each advance from Eureka County to NRHA.
- F. Use of Advances. Each additional advance shall be used only to make all payments of costs and expenses identified in the Progress Certificate and Request for Payment reports, and for no other purpose.
- G. Eureka County Fiscal Capacity. Notwithstanding anything herein to the contrary, the Parties acknowledge that Eureka County's funding of advances must take into account and is subject to the actual funding of Eureka County as provided for in Eureka County's annual budget. Eureka County agrees to incorporate its financial obligations under this Agreement into its annual budgets subject to the restrictions in NRS 244.320.

### **300. ADDITIONAL COVENANTS AND AGREEMENTS**

- A. Budget. Grant funds are allocated to payment of the costs for Phase I of the Single Family Project, and each applicable Stage of Phase I of the Single Family Project, shown on **Attachment G**, and for Phase II of the Single Family Project, and each applicable Stage of Phase II of the Single Family Project, shown on **Attachment H**. The Parties understand that the Phase I Budget and the Phase II Budget provide major expense categories only, and that subcategories and/or further detail of expense items with respect to the Single Family Project will be presented to Eureka County each time NRHA submits a request for an additional advance of grant funds in accordance with ¶200D, above. NRHA represents to Eureka County that the Phase I Budget at **Attachment G** and the Phase II Budget at **Attachment H** include all Single Family Project Costs through the maturity date of the Note after taking into account the requirements of this Agreement. NRHA shall obtain the prior written approval of Eureka County to any material changes to the Phase I Budget and the Phase II Budget, which approval shall not be unreasonably withheld.

- B. Purchase of Materials under Conditional Sales Contract.** No materials, equipment, fixtures or any other part of the improvements, or articles of personal property placed in the improvements, shall be purchased or installed under any security agreement wherein the seller reserves a security interest in any such items for the purpose of financing other improvements or projects, unless authorized in advance by Eureka County in writing; provided, however, that NRHA may utilize leased construction equipment in connection with the construction of the improvements.
- C. Inspections.** NRHA shall cause the construction, installation, and all inspections of the improvements, required by the Development Standards to be timely performed. All inspections shall be supervised by the engineer of record for NRHA for the Single Family Project (which engineer shall be jointly designated by NRHA and Eureka County). Eureka County shall review and/or audit all construction inspections and shall promptly provide notice to NRHA of any deficiencies. Without limiting the foregoing, Eureka County shall have the right at all reasonable times to enter upon the Single Family Lots and inspect the works of construction and the improvements to determine that the same is in conformity with the Construction Documents and Development Standards.
- D. Protection against Claims.** Subject to the right of NRHA to contest in good faith any claim, demand, levy or assessment by a third party, NRHA agrees to fully pay and discharge all claims for labor done and material and services furnished in connection with the construction and the improvements and to take all other steps to forestall the assertion of claims against the Single Family Lots or any part thereof or right or interest appurtenant thereto.
- E. Books and Records.** NRHA shall maintain full and complete (1) books and records with respect to the Single Family Project, the construction and installation of the improvements thereon, and its business and operations related to the Single Family Project, (2) copies of the Phase I Budget and the Phase II Budget and the Construction Documents and similar documents, and (3) evidence of all governmental permits or other authorizations issued in connection with the construction and installation of the improvements, together with all invoices, receipts and lien releases and waivers obtained by NRHA with respect to amounts paid for the construction and installation of the improvements. NRHA shall permit Eureka County or its agents or designees, upon reasonable request from time to time, to inspect and copy any of these books, records and documents.
- F. Additional Documents and Certifications.** Not more frequently than 1 time per month, Eureka County may request in writing from NRHA any or all of the following: (1) a certification by NRHA's architect or NRHA's general contractor, in a form reasonably acceptable to Eureka County, certifying, to the best of such party's knowledge, that: (a) all work performed is in substantial accordance with the Construction Documents; (b) the work has progressed in substantial

accordance with the primary construction contract and schedule between NRHA and its general contractor; (c) all governmental licenses and permits required for the improvements as then completed have been obtained and will be made available to Eureka County upon request; and (d) the improvements, as then completed, do not violate any Development Standards; (2) a list of names and addresses of each contractor, subcontractor, laborer, supplier and materialman with whom agreements have been made with NRHA with respect to the development of the Single Family Lots and construction of the improvements; (3) evidence that any required or discretionary testing or inspections of the then completed improvements have been performed and completed by any applicable governmental authority having jurisdiction over the improvements satisfactory to that governmental authority; and (4) to the extent not previously received by Eureka County, copies of building permits issued by the governmental authority having jurisdiction over the improvements, allowing construction of those improvements in accordance with the Construction Documents. NRHA shall cause such documents to be delivered to Eureka County as promptly as reasonably possible, but in any event, not later than thirty (30) days after the written request for the same from Eureka County.

**G. Recovery of Funds.** It is the intent of Eureka County and NRHA that all unpaid principal and unpaid accrued interest under the Note be recovered by Eureka County solely through sales of Developed Single Family Lots in the Single Family Project. Upon the close of escrow on the sale of each Developed Single Family Lot from NRHA to a third party purchaser, NRHA shall cause Escrow Agent to pay directly to Eureka County the sums identified in, or otherwise agreed upon by the Parties pursuant to, ¶300B of the Single Family Real Property Agreement. Such sum shall be credited first on the interest then due under the Note, and the remainder on unpaid principal. Upon the payment of such sum, Eureka County shall promptly cause such Developed Single Family Lot to be released from the lien of the Deed of Trust.

**H. Deed of Trust Modification.** Upon each Single Family Lot Conveyance following the Closing, NRHA shall cause a modification to the Deed of Trust to be recorded in the Official Records, in a form reasonably acceptable to Eureka County, to effect the inclusion of the additional Single Family Lots subject to the applicable Single Family Lot Conveyance to the lien of the Deed of Trust.

#### **400. REPRESENTATIONS AND WARRANTIES**

**A. Authority.** NRHA hereby represents and warrants to Eureka County as follows:

1. **Power.** NRHA is a local government entity created and organized under Nevada Revised Statutes Chapter 315, with requisite power to (1) issue the obligation evidenced by the Note, (2) enter into this Agreement, and (3)

enter into the other Grant Documents.

2. Authority. That the documents executed and delivered to Eureka County were executed in accordance with the requirements of law, and will not result in any breach of, or constitute a default under, or result in the creation of any lien, charge or encumbrance (other than those contained herein or in any instrument delivered to Eureka County concurrently herewith) upon any property or assets of NRHA under any instrument or agreement to which NRHA is a party or by which NRHA is bound.

**B. Eureka County**. Eureka County hereby represents and warrants to NRHA as follows:

1. Power. Eureka County is a political subdivision of the State of Nevada, with requisite power to (1) make the grant, and (2) enter into this Agreement.
2. Authority. That the documents executed and delivered to NRHA were executed in accordance with the requirements of law, and will not result in any breach of, or constitute a default under, or result in the creation of any lien, charge or encumbrance (other than those contained herein or in any instrument delivered to NRHA concurrently herewith) upon any property or assets of Eureka County under any instrument or agreement to which Eureka County is a party or by which Eureka County is bound.

## **500. DEFAULT**

**A. NRHA Events of Default**. Any of the following after the giving of any required notice, passage of any applicable cure period, or if required, both, shall constitute a default hereunder by NRHA (an "NRHA Event of Default"):

1. The failure of NRHA to make any payment required under the Note when due, and the same remains unpaid for a period of at least thirty (30) days following Eureka County's written notice;
2. The failure of NRHA to perform any of the other terms or provisions in this Agreement or in any other Grant Document which is not cured within thirty (30) days after written notice thereof from Eureka County. If such failure is expressly covered elsewhere in any of the Grant Documents, the foregoing 30-day grace period shall not apply in such a situation, and the notice and cure periods, if any, set forth in such other reference shall control;
3. The failure of NRHA to perform any of the terms or provisions of the Single Family Real Property Agreement which, after the notice required therein, is not cured within the time frame set forth therein;

4. The false or misleading nature of any representation or warranty of NRHA contained herein, or in any of the Grant Documents;
5. The admission by NRHA in writing of its inability to pay its debts generally as they become due, or the filing by NRHA of a petition or action for relief under bankruptcy, reorganization or insolvency law, or any other law or laws for the relief of, or relating to, debtors;
6. The filing of any involuntary petition under any bankruptcy or insolvency law against NRHA, or the appointment of a custodian, receiver or trustee to take possession of the Single Family Lots or other assets of NRHA, unless such petition or appointment is or has been set aside or withdrawn within ninety (90) days from the date of such filing or appointment; and
7. The filing by or against NRHA of a petition seeking the liquidation or dissolution of NRHA or the commencement of any other procedure to liquidate or dissolve NRHA, or the occurrence of any event, condition or circumstance which causes the liquidation or dissolution of NRHA.

**B. Eureka County Events of Default.** Any of the following after the giving of any required notice, passage of any applicable cure period, or if required, both, shall constitute a default hereunder by Eureka County ("Eureka County Event of Default"):

1. The failure of Eureka County to approve any request for an additional advance of grant funds accompanied by the properly completed Progress Certificate and Request for Payment reports required under this Agreement;
2. The failure of Eureka County to perform any of the other terms or provisions in this Agreement or in any other Grant Document which is not cured within thirty (30) days after written notice thereof from NRHA. If such failure is expressly covered elsewhere in any of the Grant Documents, the foregoing 30-day grace period shall not apply in such a situation, and the notice and cure periods, if any, set forth in such other reference shall control;
3. The failure of Eureka County to perform any of the terms or provisions of the Single Family Real Property Agreement which, after the notice required therein, is not cured within the time frame set forth therein; and
4. The false or misleading nature of any representation or warranty of Eureka County contained herein, or in any of the Grant Documents.

**C.** For the purpose of this ¶500, whenever either Party is provided with a period of time within which to cure any default, and such default is not reasonably

susceptible to cure within such period of time, it shall be deemed cured if the defaulting Party commences curative action within such time period and diligently pursues such action thereafter.

## **600. REMEDIES**

- A. NRHA Remedies upon Eureka County Event of Default.** The remedy provisions of ¶800C, ¶800D, ¶800E and ¶800F of the Single Family Real Property Agreement shall apply in the event of an Eureka County Event of Default (application of these remedies to an Eureka County Event of Default does not incorporate any of the provisions of ¶1000B or ¶1000C of the Single Family Real Property Agreement into this Agreement).
- B. Eureka County Remedies upon NRHA Event of Default.** Upon the occurrence of an NRHA Event of Default, the entire unpaid balance of the Note including all accrued interest shall, at the option of Eureka County, become immediately due and payable. The remedy provisions of ¶800C, ¶800D, ¶800E and ¶800F of the Single Family Real Property Agreement shall apply in the event of an NRHA Event of Default (application of these remedies to an NRHA Event of Default does not incorporate any of the provisions of ¶1000B or ¶1000C of the Single Family Real Property Agreement into this Agreement). In addition, Eureka County has the right to foreclose the lien of the Deed of Trust; provided, however, Eureka County hereby expressly waives the right to foreclose the lien of the Deed of Trust non-judicially, and agrees to foreclose the lien of the Deed of Trust solely through judicial process.

## **700. GENERAL PROVISIONS**

- A. Incorporation of Attachments and Terms.** All Attachments which are referred in and attached to this Agreement are incorporated into this Agreement by reference as though set forth in full herein. Unless explicitly defined differently, the terms and their definitions in the Single Family Real Property Agreement used in this Agreement apply here.
- B. No Waiver.** No waiver of any default or breach by either Party shall be implied from any omission by said Party to take action on account of such default, and no express waiver shall affect any default other than the default specified in the waiver and the waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by Eureka County to or of any act by NRHA requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

C. No Third Parties Benefitted. This Agreement is made and entered into for the sole protection and benefit of Eureka County and NRHA. All conditions of the obligations of Eureka County to make advances hereunder are imposed solely and exclusively for the benefit of Eureka County and may be freely modified by Eureka County with the consent of NRHA or waived by Eureka County in whole or in part at any time if, in its sole discretion, it deems it advisable to do so. No person other than NRHA shall have standing to require Eureka County to make any advances or be a beneficiary of this Agreement or of any of the advances to be made hereunder.

D. Notices. Any notices by either Party to the other Party required or desired to be given shall be in writing and shall be validly given or made only if (1) delivered personally by hand-delivery, or (2) deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, or (3) made by Federal Express or other similar delivery service which keeps records of deliveries and attempted deliveries, or (4) made by a confirmed transmission by facsimile machine or telecopy during the intended recipient's normal business hours. Service shall be deemed made on the first (1st) business day of attempted delivery or upon receipt, whichever is sooner, and addressed as follows:

If to NRHA:

For business related matters:

Nevada Rural Housing Authority  
3695 Desatoya Drive  
Carson City, Nevada 89701  
Attn: D. Gary Longaker,  
Executive Director  
Tel: (775) 887-1042  
Fax: (775) 887-1838

For matters relative to financial issues or concerns:

Nevada Rural Housing Authority  
3695 Desatoya Drive  
Carson City, NV 89701  
Attn: C. J. Manthe, COO  
Tel: (775) 887-1794  
Fax: (775) 887-1838

With a copy to: Jones Vargas  
300 East Second Street, Ste. 1510  
P.O. Box 281  
Reno, Nevada 89504-0281  
Attn: Elizabeth Fielder, Esq.  
Tel: (775) 786-5000  
Fax: (775) 786-1177

If to Eureka County: County of Eureka  
10 South Main Street  
P.O. Box 556  
Eureka, Nevada 89316  
Attn: Michael Rebaleati  
Tel: (775) 237-5263  
Fax: (775) 237-5614

With a copy to: Eureka County District Attorney  
701 S. Main Street  
P.O. Box 190  
Eureka, Nevada 89316  
Attn: Theodore Beutel, Esq.  
Tel: (775) 237-5315  
Fax: (775) 237-6005

Any Party may change its address for the purpose of receiving notices or demands as herein provided by written notice given in the manner specified above to the other Party, which notice of change of address shall not become effective, however, until the actual receipt thereof by the other Party.

**E. NRHA to File Notices.** NRHA irrevocably appoints, designates, and authorizes Eureka County as its agent (said agency being coupled with an interest) to file for record any notices of completion, cessation of labor, or any other notice that Eureka County deems necessary or desirable to protect its interest hereunder or under the Note, the Deed of Trust or any of the other Grant Documents. Eureka County shall only file such notices if NRHA fails, within ten (10) days after written notice by Eureka County, to do so.

**F. Governing Law.** The laws of the State of Nevada shall govern this Agreement and the other Grant Documents.

**G. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the heirs, successors, assigns and personal representatives of the Parties hereto; provided, however, that neither Party shall assign its rights hereunder in whole or

in part without the prior written consent of the other Party, which such consent may be granted or withheld in the sole and absolute discretion of such other Party. Any such assignment without consent shall be void.

- H. Survival.** This Agreement, and all representations, warranties and covenants contained herein, shall remain in effect until the sale of all Developed Single Family Lots and the payment to Eureka County of the funds identified in ¶300F herein.
- I. Time.** Time is of the essence of this Agreement and each and every provision hereof in which time is an element.
- J. Supplemental Agreement.** The provisions of this Agreement are not intended to supersede the provisions of the Deed of Trust but shall be construed as supplemental thereto.
- K. Attorney's Fees and Disbursements.** In the event that any party shall engage an attorney in connection with any action or proceeding to enforce this Agreement, both NRHA and Eureka County agree both Parties shall bear their own costs and attorney's fees.
- L. Partial Invalidity.** In the event that any of the terms hereof shall be held to be invalid or unenforceable by any court of competent jurisdiction, such fact shall not affect the validity or enforceability of the remaining terms hereof.
- M. Reasonableness Standard.** Except as otherwise provided herein, whenever either Party's consent or approval is required in this Agreement, such consent or approval shall not be unreasonably withheld or delayed.
- N. Construction.** This Agreement has been prepared through the joint efforts of NRHA and Eureka County. Eureka County and NRHA believe that this Agreement is the product of all of their efforts, that it expresses their agreement and that it should not be interpreted in favor or against either Eureka County or NRHA. The phrases "includes" or "including" shall be construed to mean "including but not limited to," "including without limitation" or their correlative meanings, as the context may require.
- O. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute but one and the same agreement. Any signature page of this Agreement may be detached from any counterpart without impairing the legal effect of any signatures thereon, and may be attached to another counterpart, identical in form thereto, but having attached to it one or more additional signature pages.

[Signatures appear on following page.]

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the dates set forth with their respective signatures, to be effective as of the Effective Date.

**NEVADA RURAL HOUSING  
AUTHORITY, a local government  
entity created and organized under  
Nevada Revised Statutes Chapter 315**

**EUREKA COUNTY, NEVADA, a  
political subdivision of the State of  
Nevada**

Signed: \_\_\_\_\_

By: Tom Cook  
Its: Chairman, Nevada Rural Housing  
Authority Board of Commissioners

Date: \_\_\_\_\_, 2011.

Signed: \_\_\_\_\_

By: Leonard J. Fiorenzi  
Its: Eureka County Commission Chairman

Date: \_\_\_\_\_, 2011.

Attest: \_\_\_\_\_  
Jackie Berg, Clerk of the Board

**ATTACHMENT A**

**LEGAL DESCRIPTION OF SINGLE FAMILY LOTS**

All those parcels of land shown, described and depicted as single family lots/parcels on the Tentative Map (as that term is defined in the Single Family Real Property Agreement).

**ATTACHMENT B**

**DESCRIPTION OF PHASE I OF SINGLE FAMILY PROJECT**

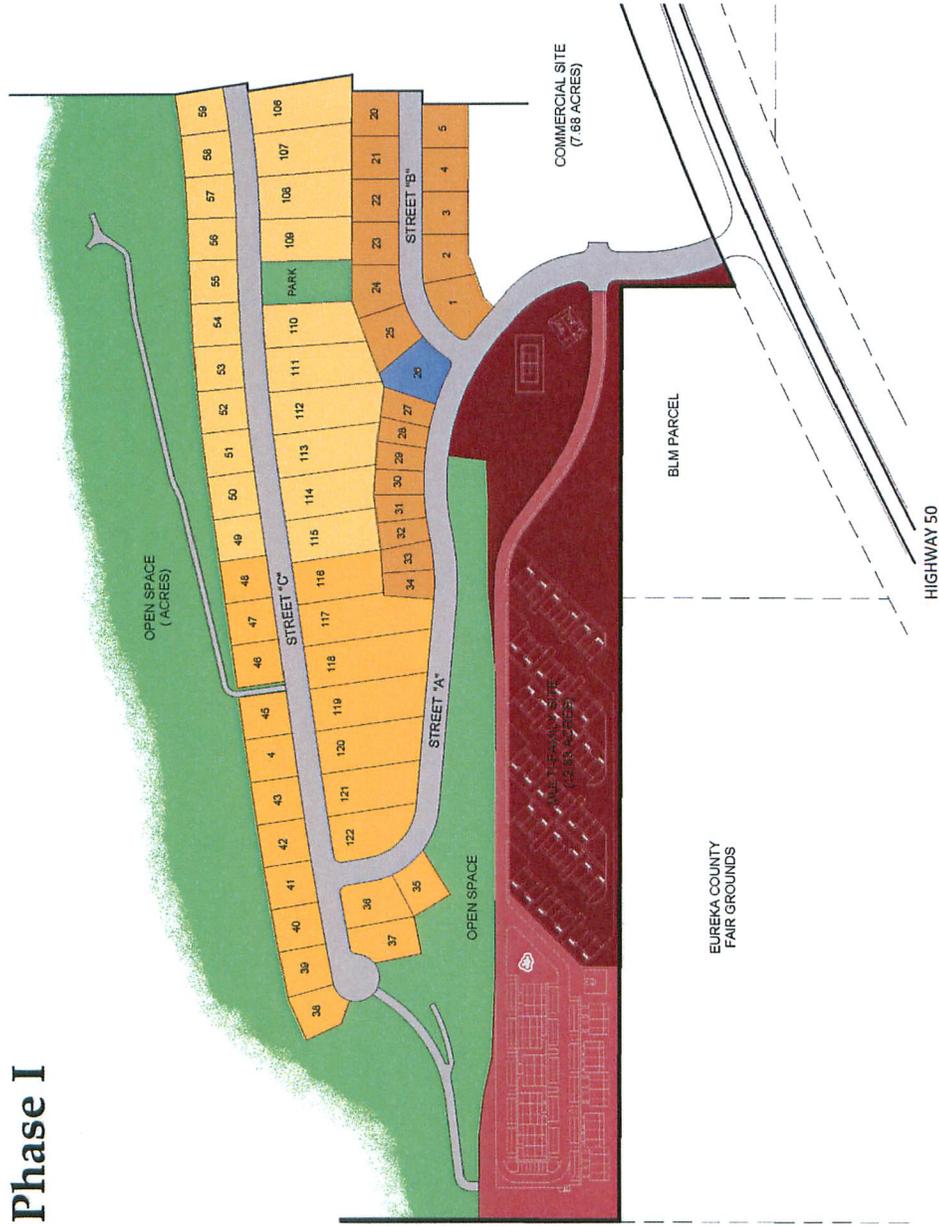
**PHASE I**

	1/8 Acre Lots	1/4 Acre Lots	Totals by Stage
Stage 1	8	12	<b>20</b>
Stage 2a	0	15	<b>15</b>
Stage 2b	0	6	<b>6</b>
Stage 3	0	21	<b>21</b>
<b>Total Lots (Phase I)</b>	<b>8</b>	<b>54</b>	<b>62</b>

# Phase I

- Single Family Development Stages**
- Stage 1 - 20 Single Family Lots
  - Stage 2 - 21 Single Family Lots
  - Stage 3 - 21 Single Family Lots
  - Model Home Site/Single Family Sales Office

- Multifamily Development Phases**
- Phase I - 50 Units
  - Phase II - 60 Units & Common Areas

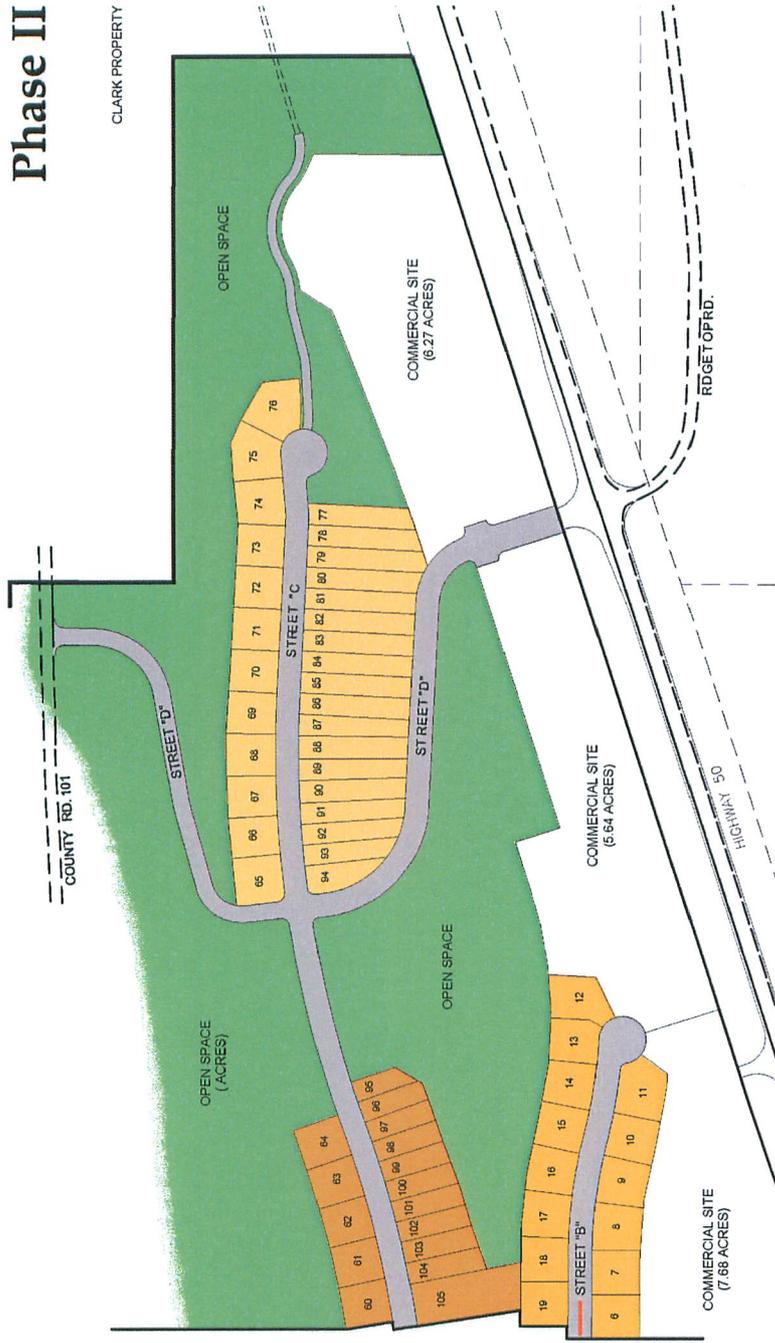


**ATTACHMENT C**

**DESCRIPTION OF PHASE II OF SINGLE FAMILY PROJECT**

<b>PHASE II</b>	<b>1/8 Acre Lots</b>	<b>1/4 Acre Lots</b>	<b>Totals by Stage</b>
Stage 4	0	14	<b>14</b>
Stage 5	10	6	<b>16</b>
Stage 6	18	12	<b>30</b>
<b>Total Lots (Phase II)</b>	<b>28</b>	<b>32</b>	<b>60</b>

# Phase II



## Single Family Development Stages

- Stage 1 - 16 Single Family Lots
- Stage 2 - 14 Single Family Lots
- Stage 3 - 30 Single Family Lots

## ATTACHMENT D

### CONDITIONS TO FIRST ADVANCE

1. Interest on Interim Funds. NRHA shall have delivered to Escrow Agent all unpaid interest on funds disbursed by Eureka County to NRHA under the Interim Agreement of May 4, 2011, accruing through the date of Closing.

2. First Advance; Closing Costs. Eureka County shall have received and approved in writing by the Board of Eureka County Commissioners a breakdown of the amounts and costs identified in (1), (2), (3), (4) and (5) of ¶200B of this Agreement, and the amounts of unpaid interest on funds disbursed by Eureka County to NRHA under the Interim Agreement of May 4, 2011 accruing through the date of Closing.

3. Budget; Plans and Specifications. Eureka County shall have received and approved the Phase I Budget and the Phase II Budget in accordance with ¶300A of this Agreement. Eureka County shall have received and approved the Plans and Specifications in accordance with the Single Family Real Property Agreement.

4. NRHA. Eureka County shall have received and approved evidence that Eureka County may require of the authority of NRHA to execute, deliver and perform its obligations to Eureka County under the Grant Documents, all in form and content satisfactory to Eureka County.

5. Grant Documents. NRHA shall have duly executed and acknowledged (as required), and delivered to Escrow Agent all Grant Documents required under the Agreement, dated as of the date of this Agreement, each in form and content satisfactory to Eureka County; the Deed of Trust shall have been recorded in the Official Records of Eureka County, Nevada with respect to the Single Family Lots described on **Attachment A**, and the Financing Statement with respect to the personal property identified in the Deed of Trust shall have been filed with respect to the entire Single Family Project with the Nevada Secretary of State.

6. Final Map. The Final Map for Stage 1 of Phase I of the Single Family Project shall have been recorded in the Official Records in the Office of the County Recorder of Eureka County, Nevada.

7. Title Insurance. Eureka County shall have received an unconditional and irrevocable commitment from Stewart Title Guaranty Company to issue a lender's policy of title insurance insuring the Deed of Trust as a first priority lien upon the Single Family Lots to be initially conveyed to NRHA pursuant to ¶500D of the Single Family Real Property Agreement, in all respects satisfactory to Eureka County, at the expense of Eureka County.

8. Other Insurance. If Eureka County so requests, Eureka County shall have received and approved any other insurance policies required pursuant to the Deed of Trust, together with evidence satisfactory to Eureka County that all premiums are paid current and that the policies are in full force and effect.

## ATTACHMENT E

### CONDITIONS TO ADDITIONAL ADVANCES

1. Advance Request. NRHA shall have submitted to Eureka County the properly completed and executed Progress Certificate and Request for Payment reports in the forms at **Attachment F**, and such reports shall have been approved by the Eureka County Public Works Director.

2. Liens. No mechanic's or materialmen's lien or other encumbrance shall have been filed and remain in effect against the Single Family Lots, and no stop notices shall have been served on NRHA or Eureka County that have not been bonded by NRHA in a manner and amount satisfactory to Eureka County.

**ATTACHMENT F**  
**FORM OF PROGRESS CERTIFICATE AND**  
**REQUEST FOR PAYMENT REPORTS**

[See the following page.]

**EXHIBIT - PROGRESS CERTIFICATE AND REQUEST FOR PAYMENT**

**BORROWER:** Nevada Rural Housing Authority  
**PROJECT:** SINGLE-FAMILY EUREKA COUNTY  
**Form #1**  
**DRAW REQUEST #** \_\_\_\_\_

**REQUESTED BY:** \_\_\_\_\_  
**Sign & Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

ITEM	CLASSIFICATION	ORIGINAL BUDGET	CHANGES (ADJUSTMENTS)	ADJUSTED CONTRACT	Draw #	% COMPLETE	AMOUNT DRAWN TO DATE	AMOUNT OF THIS DRAW REQUEST	TOTAL FUNDING REQUESTS	BUDGET BALANCE										
1	Lead Costs																			
	<b>Hard Costs</b>																			
2	Guernsey Townhome Rehabilitation																			
3	Site Work - Off Site																			
4	Site Work - On site																			
5	Foundations																			
6	Buildings - Central AC Units and Refrigerators																			
7	Exterior Site Improvements																			
8	Curbs																			
9	Contractor Overhead																			
10	Contractor Profits																			
11	Misc Items																			
12	Open																			
13	<b>TOTAL HARD COSTS (lines 2-12)</b>																			
14	Architectural and Engineering																			
15	Environmental/Geotech/Survey																			
16	Building Permits																			
17	Planning Appl. And Impact Fees																			
18	Inspections																			
19	RE Taxes during Construction																			
20	Insurance during Construction																			
21	Market Study / (earlier) Appraisal																			
22	Title & Recording																			
23	Developer Legal Costs																			
24	Marketing / Lease-Up																			
25	Accounting & Audit																			
26	Permanant Loan Fees																			
27	WFF expenses																			
28	Construction Loan Fee																			
29	Construction Loan Interest																			
30	Development Consultant																			
31	NRIIA Reimbables																			
32	Developer Fee																			
33																				
34	<b>TOTAL SOFT COSTS (Lines 15-33)</b>																			
35	<b>Total Grant Budget (lines 1, 13, 34)</b>																			

Reviewed and Approved By: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT - PROGRESS CERTIFICATE AND REQUEST FOR PAYMENT**

**BORROWER:** Nevada Rural Housing Authority  
**PROJECT:** SINGLE-FAMILY EUREKA COUNTY  
**Form #2**  
**DRAW REQUEST #** \_\_\_\_\_  
**Sources & Uses of Funds**

ITEM	CLASSIFICATION	ORIGINAL BUDGET	CHANGES (ADJUSTMENTS)	ADJUSTED CONTRACT	Total Drawn To-Date	Paid To-Date	Balance of Fund Drawn
1	Land Costs						
	<b>Hard Costs</b>						
2	Guerdon Townhome Rehabilitation						
3	Site Work - Off Site						
4	Site Work - On site						
5	Foundations						
6	Buildings - Central AC Units and Refrigerators						
7	Exterior Site Improvements						
8	Carpents						
9	Contractor Overhead						
10	Contractor Profits						
11	Misc Items						
12	Open						
13	<b>TOTAL HARD COSTS (lines 2-12)</b>						
14							
15	Architectural and Engineering						
16	Environmental/Geotech/Survey						
17	Building Permits						
18	Planning Appl. And Impact Fees						
19	Inspections						
20	RE Taxes during Construction						
21	Insurance during Construction						
22	Market Study / (earlier) Appraisal						
23	Title & Recording						
24	Developer Legal Costs						
25	Marketing / Lease-Up						
26	Accounting & Audit						
27	Permanent Loan Fees						
28	WFB expenses						
29	Construction Loan Fee						
30	Construction Loan Interest						
31	Development Consultant						
32	NRHA Reimbursable						
33	Developer Fee						
34	<b>TOTAL SOFT COSTS (Lines 15-33)</b>						
35	<b>Total Grant Budget (lines 1, 13, 34)</b>						



**ATTACHMENT G**

**PHASE I BUDGET**

[See the following pages.]

# Development Cost Analysis/Phase/Stage (w/Carrying Costs) . . . .

100%

100%

Phase	Stage Percentage Allocation of Phase Costs . . . . >							
	70%	0%	30%	25%				
Totals	Phase I	Stage 1	Stage 2	Stage 3	Phase II	Stage 1	Stage 2	Stage 3
Com 1 - Eureka Canyon Common Area 1	\$2,816,752	\$1,971,727	\$0	\$845,026	\$2,340,008	\$585,002	\$585,002	\$1,170,004
Com 2 - Eureka Canyon Common Area 2	\$427,647	\$213,824	\$213,824		\$0			
Com 3 - Eureka Canyon Common Area 3	\$408,235	\$408,235			\$0			
Com 4 - Eureka Canyon Common Area 4	\$0	\$0			\$645,608	\$645,608		
Com 5 - Eureka Canyon Common Area 5	\$0	\$0			\$572,217	\$572,217		
Com 6 - Eureka Canyon Common Area 6	\$99,586	\$99,586			\$930,104	\$930,104		
Com 7 - Eureka Canyon Common Area 7	\$84,055	\$84,055			\$0	\$0		
Com 8 - Eureka Canyon Common Area 8	\$175,695	\$175,695			\$0	\$0		
Com Misc - Eureka Canyon Common Miscellaneous	\$226,043	\$174,376	\$25,833	\$25,833	\$128,795	\$25,833	\$25,833	\$77,128.33
Off-Site Dry Utilities	\$157,500	\$157,500			\$0			
10% Development Fee/Stage	\$439,551	\$328,500	\$23,966	\$87,086	\$461,673	\$125,644	\$211,316	\$124,713
Project Pre-Development Costs	\$217,659	\$217,659			\$0			
Project Marketing Costs	\$150,000	\$120,000	\$15,000	\$15,000	\$50,000	\$20,000	\$15,000	\$15,000
Sub-Total Project Allocations/Phase/Stage	\$10,331,128	\$3,951,156	\$278,623	\$972,945	\$5,128,405	\$1,402,087	\$2,339,472	\$1,386,846
Add: Additional Utility & Development Costs/Lot	\$683,091	\$105,091	\$137,932	\$137,932	\$302,137	\$91,955	\$72,250	\$137,932
Add: Interest on Construction Notes	\$141,176	\$53,993	\$3,807	\$13,295	\$70,080	\$19,160	\$31,969	\$18,951
Total Project Allocations/Phase/Stage	\$11,155,396	\$4,110,240	\$420,362	\$1,124,172	\$5,500,622	\$1,513,202	\$2,443,691	\$1,543,729
Recoverable Cost Allocation	\$4,817,280	\$1,774,942	\$181,527	\$485,456	\$2,375,356	\$653,452	\$1,055,269	\$666,635
Non-Recoverable Cost Allocation	\$6,338,116	\$2,335,298	\$238,835	\$638,716	\$3,125,266	\$859,750	\$1,388,422	\$877,094
		Recoverable Costs	Non-Recoverable Costs					
Percent of Cost Allocation . . . >		43.18%	56.82%					
Additional Utility and Development Costs/Lot . . . >		\$6,568.19						
Lots to be Developed by Phase/Stage . . . >		58	21	21	46	14	11	21
Percentage of Total Project Cost by Phase/Stage . . . >		50.36%	2.70%	9.42%	49.64%	13.57%	22.64%	13.42%

\$4,817,280	Recoverable Costs/Project	\$6,338,116	Non-Recoverable Costs/Project
\$46,320	Recoverable Cost/Lot	\$60,943	Non-Recoverable Cost/Lot

**ATTACHMENT H**

**PHASE II BUDGET**

[See the following pages.]

# Development Cost Analysis/Phase/Stage (w/Carrying Costs) . . . .

100%

100%

Phase	Stage Percentage Allocation of Phase Costs . . . . >			
	70%	0%	30%	25%
Totals	Phase I	Stage 1	Stage 2	Stage 3
Phase	\$2,816,752	\$1,971,727	\$0	\$845,026
Com 1 - Eureka Canyon Common Area 1	\$427,647	\$213,824	\$213,824	\$0
Com 2 - Eureka Canyon Common Area 2	\$408,235	\$408,235	\$0	\$0
Com 3 - Eureka Canyon Common Area 3	\$0	\$0	\$645,608	\$645,608
Com 4 - Eureka Canyon Common Area 4	\$0	\$0	\$572,217	\$572,217
Com 5 - Eureka Canyon Common Area 5	\$1,860,207	\$0	\$930,104	\$930,104
Com 6 - Eureka Canyon Common Area 6	\$99,586	\$99,586	\$0	\$0
Com 7 - Eureka Canyon Common Area 7	\$84,055	\$84,055	\$0	\$0
Com 8 - Eureka Canyon Common Area 8	\$175,695	\$175,695	\$0	\$0
Com Misc - Eureka Canyon Common Miscellaneous	\$226,043	\$174,376	\$25,833	\$25,833
Off-Site Dry Utilities	\$157,500	\$157,500	\$0	\$0
10% Development Fee/Stage	\$439,551	\$328,500	\$23,966	\$87,086
Project Pre-Development Costs	\$217,659	\$217,659	\$0	\$0
Project Marketing Costs	\$150,000	\$120,000	\$15,000	\$15,000
Sub-Total Project Allocations/Phase/Stage	\$10,331,128	\$3,951,156	\$278,623	\$972,945
Add: Additional Utility & Development Costs/Lot	\$683,091	\$105,091	\$137,932	\$137,932
Add: Interest on Construction Notes	\$141,176	\$53,993	\$3,807	\$13,295
Total Project Allocations/Phase/Stage	\$11,155,396	\$4,110,240	\$420,362	\$1,124,172
Recoverable Cost Allocation	\$4,817,280	\$1,774,942	\$181,527	\$485,456
Non-Recoverable Cost Allocation	\$6,338,116	\$2,335,298	\$238,835	\$638,716
	Recoverable Costs	Non-Recoverable Costs		
	43.18%	56.82%		
Percent of Cost Allocation . . . >	\$6,568.19	\$6,568.19	\$58	\$58
Additional Utility and Development Costs/Lot . . . >	58	16	21	21
Lots to be Developed by Phase/Stage . . . >	50.36%	38.25%	2.70%	9.42%
Percentage of Total Project Cost by Phase/Stage . . . >	58	16	21	21
	13.57%	22.64%	13.57%	22.64%
	11	11	14	21
	13.57%	22.64%	49.64%	13.42%

\$4,817,280	Recoverable Costs/Project	\$6,338,116	Non-Recoverable Costs/Project
\$46,320	Recoverable Cost/Lot	\$60,943	Non-Recoverable Cost/Lot