

## INTERIM AGREEMENT

THIS INTERIM AGREEMENT ("Agreement") is made effective as of September 19, 2011 ("Effective Date"), between **NEVADA RURAL HOUSING AUTHORITY, a local government entity created and organized pursuant to Chapter 315 of the Nevada Revised Statutes ("Authority")**, and **EUREKA COUNTY, NEVADA, a political subdivision of the State of Nevada ("County")**. Each of County and Authority is a "Party," and collectively are the "Parties."

### RECITALS:

A. County is the owner of certain real property located in Eureka County, Nevada, east of Highway 50 and comprising approximately 164.19 acres of land ("Property"). The Property is subject to a tentative subdivision map for "Eureka Canyon Subdivision" ("Map"), pursuant to which, among other things, public streets, public and private utilities, and one hundred and twenty-two (122) lots will be created for single family residential use (collectively the "Project").

B. The Parties acknowledge that they have entered into an Interim Agreement dated effective May 4, 2011 to start work in connection with the development of the Project (hereinafter referred to as the "Prior Agreement"), and that the County has agreed to perform certain off-site improvement work necessary to support development of the Project. In that regard, the Parties continue to negotiate definitive final agreements relative to the single family portion of the project (the "SF Definitive Agreements") that will govern the Parties' obligations with respect to the Project, including, without limitation, financing the development and obligations to construct on-site and off-site improvements relative to the project. In so doing, both Parties recognize the need to terminate the Prior Agreement effective with and upon the execution of a new Interim Agreement for the continued development of the Project.

C. County desires to complete development of the Project in a manner that will satisfy certain public objectives, including providing immediate affordable housing for Eureka County. While the Parties have diligently and in good faith worked to achieve the SF Definitive Agreements, more time is needed to do so. Consequently, it is necessary for the Parties to enter into this Interim Agreement to allow work in connection with the development of the Project to continue in order to timely meet the County's objectives.

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual terms, covenants and conditions contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and County agree as follows:

1. Interim Funds.

a. County agrees to provide interim funding to Authority for development of the Project. The funds will be allocated specifically to the Project. The Interim Funds disbursed under this Agreement, and the Prior Agreement, (hereinafter collectively referred to as "SF Interim Funds") will be identified as "recoverable" or "non-recoverable" grant funds under the

terms of the SF Definitive Agreements. As per the terms of the Prior Agreement, SF Interim Funds in the amount of \$1,297,081.00 have been funded to the Authority prior to the Effective Date of this Agreement. The amount of additional SF Interim Funds to be funded under the terms and conditions of this Agreement is \$631,420.00, thereby bringing the total budgeted SF Interim Funding for the Project to \$1,928,501.00 through October, 20, 2011.

b. Authority agrees to use the SF Interim Funds only for payment of costs and expenses associated with the Project pursuant to the single family project interim budget attached to this Agreement as Exhibit A (the "SF Project Interim Budget").

c. To obtain disbursements of SF Interim Funds from the County, Authority will deliver to County a request by the following method: fax and email transmission of the request to Mike Rebaleati at fax (775) 237-5614 and e-mail mr@Eurekanv.org. The request will include a report that will account for Authority's use of the SF Interim Funds through the date of the request. The amount of SF Interim Funds requested in each request will be determined by Authority in its reasonable judgment based on expenditures identified in the SF Project Interim Budget. Promptly upon County's receipt of each request, County will wire the amount of the requested SF Interim Funds to Authority pursuant to wire instructions provided by Authority. Authority will not make requests for SF Interim Funds more often than twice per month.

d. Any SF Interim Funds disbursed to Authority, as provided for under this Agreement and the Prior Agreement, will collectively accrue interest at the rate of three percent (3%) per year, beginning on the date the funds are so disbursed and continuing until the closing of the transactions contemplated by the Definitive Agreements. Authority will make interest only payments to County in arrears on all SF Interim Funds disbursed under terms and conditions of this Interim Agreement beginning with a payment on October 10, 2011, and continuing until the closing of the transactions contemplated by the Definitive Agreements. The October 10, 2011 payment will include interest accrued on all SF Interim Funds disbursed from May 4, 2011 through September 30, 2011; thereafter, Authority will make interest only payments on the tenth (10) day of each month, which payments will include interest accrued for the immediately preceding calendar month. Upon the closing of the transactions contemplated by the Definitive Agreements, Authority will deliver to County all accrued unpaid interest on SF Interim Funds disbursed under this Agreement. On and after the closing of the transactions contemplated by the Definitive Agreements, interest on SF Interim Funds disbursed under this Agreement will accrue interest and be paid by Authority pursuant to the terms of the Definitive Agreements.

2. Definitive Agreements. The Parties agree to proceed in good faith and with diligence to finalize and execute the Definitive Agreements no later than October 31, 2011. Upon execution of the Definitive Agreements by both Parties, this Agreement will automatically terminate and be of no further force or effect. No term or provision of this Agreement will survive the termination of this Agreement.

3. Entry and Access; Activities. County hereby grants Authority, its employees, consultants, contractors and other authorized agents, the right to enter upon the Property and to

perform activities on and with respect to the Property, for the purpose of the development of the Project and improvement of the Property, as identified in the SF Project Interim Budget.

4. Books and Records. Authority will maintain full and complete books and records with respect to the development of the Project and improvement of the Property, and expenditure of SF Interim Funds pursuant to the SF Project Interim Budget. Authority will permit County or its agents or designees to inspect and copy any of such books, records and documents during normal business hours.

5. Default; Dispute Resolution; Remedies. The Parties agree to endeavor in good faith and in a timely and diligent manner to resolve between themselves any dispute, disagreement or impasse arising out of this Agreement, including alleged defaults hereunder. If any dispute, disagreement or impasse cannot be so resolved, the Parties agree that the only remedy available to them is termination of this Agreement. To exercise this termination remedy, a Party must deliver notice to the other Party at least fifteen (15) days before the effective date of the termination; and such notice must be delivered pursuant to the method described in Section 1(c), above. To the fullest extent provided by law, County and Authority each waive all other remedies available to it in law or equity, including, without limitation, damages and specific performance.

6. Miscellaneous.

a. Authority and County agree to cooperate in good faith and attempt to deliver any further instruments or documents in writing which may be reasonably necessary or appropriate to assure or confirm the matters covered by this Agreement.

b. This Agreement may be executed in any number 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, Authority and County have executed this Agreement as of the dates set forth with their respective signatures, to be effective as of the Effective Date.

AUTHORITY:

COUNTY:

**NEVADA RURAL HOUSING AUTHORITY,**  
a local government entity created and  
organized pursuant to Chapter 315 of the  
Nevada Revised Statutes

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

By: Tom Cook

By: Leond Feorj

Its: Chairman, Nevada Rural Housing Authority / Board of Commissioners

Its: Chairman Eureka County Commissioners

Date: 9/22/11, 2011.

Date: 9/29, 2011.

EXHIBIT A

SF PROJECT INTERIM BUDGET

[See following pages.]

**EXHIBIT A**  
**SINGLE FAMILY PROJECT INTERIM BUDGET (Revised)**

Items	per PRIOR AGREEMENT						Total All Draws Thru Sep-11	Oct-11 Month 2	Total Budget Thru Oct-11
	Draw #1 Jun-11 Month 1	Draw #2 Jul-11 Month 2	Draw #3 Aug-11 Month 3	Draw #4 Sep-11 Month 1	Draw #4 Sep-11 Month 1	Draw #4 Sep-11 Month 1			
Earthwork	\$100,000	\$35,000	\$15,000				\$150,000	\$45,000	\$195,000
Storm Drain		\$100,000	\$152,600				\$252,600	\$165,000	\$417,600
Drainage		\$29,000					\$29,000	\$55,000	\$84,000
Water		\$42,750					\$42,750	\$85,000	\$127,750
Sewer	\$112,500	\$50,000	\$178,000	\$50,000			\$390,500	\$75,000	\$465,500
On-Site Work (Dry Utilities)							\$0		
Off-Site Work (Dry Utilities)	\$144,000						\$144,000	\$107,000	\$107,000
Misc. Items	\$145,000						\$145,000	\$35,000	\$180,000
<b>Total</b>	<b>\$501,500</b>	<b>\$256,750</b>	<b>\$345,600</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$1,153,850</b>	<b>\$1,153,850</b>	<b>\$567,000</b>	<b>\$1,720,850</b>
NRHA - Development Fee (10% of Cost)	\$50,150	\$25,675	\$34,560	\$5,000	\$5,000	\$115,385	\$115,385	\$56,700	\$172,085
NRHA - Reimbursables (75% thru 4/30/2011)	\$20,899					\$20,899	\$20,899		\$20,899
Cummulative Amount Funded (for Interest Calculations)	\$572,549	\$854,974	\$1,235,134	\$1,290,134	\$1,290,134	\$1,290,134	\$1,290,134	\$1,913,834	\$1,913,834
Interest Reserve (at a 3% Annual Interest Rate)	\$1,431	\$2,137	\$3,088	\$290	\$290	\$6,947	\$6,947	\$7,720	\$14,666
<b>Total SF Funding Requirements</b>	<b>\$573,980</b>	<b>\$284,562</b>	<b>\$383,248</b>	<b>\$55,290</b>	<b>\$55,290</b>	<b>\$1,297,081</b>	<b>\$1,297,081</b>	<b>\$631,420</b>	<b>\$1,928,501</b>