

## MULTIFAMILY GRANT AGREEMENT

THIS MULTIFAMILY GRANT AGREEMENT is entered into effective as of the <sup>19<sup>th</sup></sup> day of June, 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 MULTIFAMILY 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 Multifamily Real Property Agreement relating to the development of a Multifamily Project located in Eureka County, Nevada, and further described in the Multifamily Real Property Agreement.
- B. In connection with that, Eureka County has agreed to grant to NRHA no more than **FOUR MILLION SIX HUNDRED FIFTY SIX THOUSAND FIVE HUNDRED ELEVEN AND NO/100THS DOLLARS (\$4,656,511.00)**, in addition to the real property described in the Multifamily Real Property Agreement, for the purpose of the development, design, construction and improvement of the Multifamily Parcel described on **Attachment A** that is the land for the Multifamily 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.
- C. NRHA and Eureka County recognize the authorization for expenditure of local government funds to build the improvements for the Multifamily Parcel 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. The recoverable nature of this grant, and Eureka County's right to recover amounts advanced under this grant, will be evidenced by this Agreement and a Promissory Note ("Note") and 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, 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

**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. First Advance.** Once the Conditions to First Advance in **Attachment B** have been satisfied, Eureka County shall make a first advance of grant funds to NRHA in the amount to be determined prior to Closing of \_\_\_\_\_ **AND NO/100THS DOLLARS (\$\_\_\_\_\_)**. The first advance 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 Multifamily Project, (2) \$1,700,000.00 under the Promissory Note, dated January 10, 2011 ("Jan-2011 Note"), made by NRHA in favor of Eureka County to purchase 50 rental units, (3) funds disbursed by Eureka County to NRHA under the Interim Agreement between the Parties dated May 4, 2011 allocated to the Multifamily Project, (4) pre-development, project start-up, and related costs and expenses incurred or to be incurred by NRHA in connection with the Multifamily Project as reasonably determined by NRHA and Eureka County, including attorneys' fees and costs, (5) that portion of the Development Fee in accordance with the Multifamily Real Property Agreement and Budget included here as **Attachment E**, and (6) the closing costs in connection with the Closing required to be paid by NRHA under ¶500D of the Multifamily Real Property Agreement. At Closing, the amounts listed in (1), (2) and (3), 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 Jan-2011 Note and 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 Multifamily Project, the Jan-2011 Note, and the Interim Agreement dated May 4, 2011 allocated to the Multifamily Project, shall be paid in full.

- B. Right to Additional Advances.** Following the first advance, provided that (1) the applicable Conditions to Additional Advances set forth in **Attachment C** 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 ¶200C, below.

- C. 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 D**. The amount of grant funds requested in each request will be determined by NRHA in its reasonable judgment based on expenditures identified in the Budget at **Attachment E**, 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), that portion of the Development Fee described in the Multifamily Real Property Agreement proportionate to the amount of grant funds being requested by NRHA, and accrued interest on the Note securing this grant. 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.
- D. 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.
- E. 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.
- F. 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.

### 300. ADDITIONAL COVENANTS AND AGREEMENTS

- A. Budget. Grant funds are allocated to payment of the costs of the Multifamily Project shown on the project Budget on **Attachment E**. The Parties understand that the Budget provides major expense categories only, and that subcategories and/or further detail of expense items with respect to the Multifamily Project will be presented to Eureka County each time NRHA submits a request for an additional advance of grant funds in accordance with ¶200C, above. NRHA represents to Eureka County that the Budget includes all Multifamily Phase 1 Project Costs through the maturity date of the Note, taking into account the requirements of this Agreement and the Multifamily Real Property Agreement. NRHA shall obtain the prior written approval of Eureka County to any material changes to the 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 Multifamily 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 Multifamily Parcel 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 Multifamily Parcel 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 Multifamily Parcel, the construction and installation of the improvements thereon, and its business and operations related to the Multifamily Project, (2) copies of the 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 Multifamily Parcel 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. Permanent Financing. On or before August 31, 2011, NRHA shall commence good faith and commercially reasonable efforts to obtain permanent financing to satisfy all amounts owed to Eureka County under the Grant Documents, and shall diligently pursue such permanent financing to completion on or before the maturity date of the Note. If permanent financing for the Multifamily Project cannot be obtained on or before the maturity date of the Note, for whatever reason, in the determination of NRHA and with consultation with Eureka County, Eureka County shall convert the grant to a permanent loan with terms and conditions that are no less favorable to NRHA as those of the most qualified market rate loan NRHA has reasonably tried to obtain; except for the rate or percentage of the loan

or commitment fee offered under the market rate loan NRHA tried to obtain, which, as a penalty against NRHA, will be increased by one percent (1%) above such rate or percentage. Following written notice from NRHA to Eureka County that permanent financing cannot be obtained, the Parties shall proceed in good faith and with diligence to prepare, finalize and consummate the conversion of this grant to permanent financing pursuant to this Section. If the preparation, finalization and consummation of the conversion of this grant to permanent financing is not or cannot be for whatever reason completed prior to the maturity date of the Note, the same shall not constitute an NRHA Event of Default. The Parties agree that a term of Eureka's County's permanent financing will be an obligation of NRHA to use good faith and commercially reasonable efforts, not less than once every two (2) years during the permanent financing term, to obtain replacement or take-out financing to satisfy all amounts owed to Eureka County under the permanent financing.

**H. Partial Release.** Upon the creation of the Future Multifamily Parcel, Eureka County shall promptly cause the Future Multifamily Parcel to be released and reconveyed from the lien of the Deed of Trust to allow the Future Multifamily Parcel to be obligated for financing to build some or all of the Remaining Units.

#### **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 Multifamily 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 Multifamily Parcel 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 Multifamily 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 Multifamily 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 Multifamily 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

Multifamily 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 Multifamily 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 Multifamily 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  
100 W. Liberty St., 12th Floor  
P.O. Box 281  
Reno, Nevada 89504-0281  
Attn: Elizabeth Fielder, Esq.  
Tel: (775) 786-5000  
Fax: (775) 786-1177

If to County:         County of Eureka  
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 all amounts advanced under the Grant with interest due have been fully recovered by Eureka County.
- 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: \_\_\_\_\_

Signed: Leonard J. Fiorenzi

By: Tom Cook

By: Leonard J. Fiorenzi

Its: Chairman, Nevada Rural Housing  
Authority Board of Commissioners

Its: County Commission Chairman

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

Date: JUNE 29, 2011.

Attest: Jackie Berg  
Jackie Berg, Clerk of the Board

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: 

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

By: Tom Cook

By: Leonard J. Fiorenzi

Its: Chairman, Nevada Rural Housing  
Authority Board of Commissioners

Its: County Commission Chairman

Date: , 2011.

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

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

**ATTACHMENT A**

**LEGAL DESCRIPTION OF MULTIFAMILY PARCEL**

All that real property located in County of Eureka, State of Nevada, described as follows:

Adjusted Parcel 1 as shown on the Record of Survey in support of a boundary line adjustment for Eureka County, recorded May 20, 2011 as document number 217136 on file with the Official Records of Eureka County, Nevada.

\* \* \*

**COPY OF FINAL MAP TO BE ATTACHED HERE AS WELL FOLLOWING RECORDING OF FINAL MAP.**

## ATTACHMENT B

### CONDITIONS TO FIRST ADVANCE

1. Interest on Jan-2011 Note and Interim Funds. NRHA shall have delivered to Escrow Agent all unpaid interest on the Jan-2011 Note and 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), (5) and (6) of ¶200A of this Agreement, and the amounts of unpaid interest on the Jan-2011 Note and 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 Budget in accordance with this Agreement. Eureka County shall have received and approved the Construction Documents in accordance with the Multifamily 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, and the Financing Statement with respect to the personal property identified in the Deed of Trust shall have been filed with the Nevada Secretary of State.

6. 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 Multifamily Parcel, in all respects satisfactory to Eureka County, at the expense of Eureka County.

7. 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 therefore are paid current and that the policies are in full force and effect.



## ATTACHMENT C

### 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 D**, 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 Multifamily Parcel, 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 D**

**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: MULTI-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	Quartern 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	Caprois						
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	Permanent Loan Fees						
27	WB expenses						
28	Construction Loan Fee						
29	Development Consultant						
30	NRHA Reimbursable						
31	Developer Fee						
32							
33							
34	<b>TOTAL SOFT COSTS (lines 14-33)</b>						
35	<b>Total Grant Budget (lines 1, 13, 34)</b>						



**ATTACHMENT E**

**BUDGET**

[See the following pages.]

## Project Construction Budget for first 50 Units 6/23/2011

**Project Name:** The Townhome of Eureka Canyon  
**Project Location:** Eureka, Nevada  
**Number of Units:** 50  
**Estimated Acreage:** 3.276±  
**Units per Acre:** 15.260±

Cost Category	Budget	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
Land & Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Fees	\$ 226,274	\$ 173,322	\$ 12,113	\$ 16,613	\$ 12,113	\$ 12,113	\$ -	\$ -
Pre-Development	\$ 250	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Major Off-Site Development	\$ 68,000	\$ 34,000	\$ 34,000	\$ -	\$ -	\$ -	\$ -	\$ -
Site Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Construction	\$ 3,766,973	\$ 2,111,508	\$ 538,915	\$ 729,071	\$ 371,412	\$ 16,067	\$ -	\$ -
Project Overhead	\$ 12,500	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financing Costs	\$ 175,114	\$ 36,250	\$ 6,333	\$ 7,388	\$ 9,885	\$ 11,253	\$ 11,381	\$ 92,674
Sales & Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables/Fees/Reserves	\$ 407,400	\$ 226,997	\$ 35,965	\$ 91,960	\$ 48,830	\$ 3,648	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL BUDGET</b>	<b>\$ 4,656,511</b>	<b>\$ 2,594,827</b>	<b>\$ 627,326</b>	<b>\$ 844,982</b>	<b>\$ 442,240</b>	<b>\$ 43,081</b>	<b>\$ 11,381</b>	<b>\$ 92,674</b>