

DEFERRED LOAN AGREEMENT

THIS DEFERRED LOAN AGREEMENT, made and entered into this ____ day of _____, 2008, by and between the City of Las Vegas (the "City"), a municipal corporation of the State of Nevada, and Louis Ragland (the "Owner") in his individual capacity.

WITNESSETH:

WHEREAS, Clark County, Nevada, (the "County") has entered into a Grant Agreement with the United States Department of Housing and Urban Development, (herein "HUD") for participation in the Home Investment Partnerships Program, (the "HOME Program"), under 24 CFR Part 92 as amended; and

WHEREAS, the County as the Entitlement Grantee for the HOME Program is responsible for planning, administration, implementation and evaluation of the HOME Program; and

WHEREAS, the City has entered into an Interlocal Agreement with the County for the purpose of creating a HOME Program Consortium (the "Consortium") wherein the City is entitled to participate in a pro rata share of the HOME Program funds allocated to and administered by the County; and

WHEREAS, the County pursuant to the terms and conditions of the Interlocal Agreement with the City has agreed to provide HOME Program funds to the City; and

WHEREAS, the City, through the Neighborhood Development Division of the Neighborhood Services Department, has established a Residential Rehabilitation Deferred Loan Program (the "Loan Program") to enable low-to-moderate income homeowners who reside in their homes within the city of Las Vegas to obtain loans from the City to assist homeowners in making their homes safe and livable; and

WHEREAS, the Owner is the resident of certain improved real property located in the City of Las Vegas, Nevada, commonly known as 833 W. Carey Avenue, Las Vegas, NV 89106, which is legally described as Vegas Heights Tract Unit #4, Plat Book 1 Page 77, Lot 159E, City of Las Vegas, County of Clark, State of Nevada, which serves as the Owner's home (the "Owner's home" or "Property"); and

WHEREAS, the Owner desires to have certain rehabilitation work performed on the Owner's home which is described as follows: Attic insulation, exterior insulation and finish system, water heater, kitchen and bathroom plumbing, kitchen and bathroom GFCI's, smoke detectors, dual glazed windows, safety bars, cabinetry, carpentry (the "Rehabilitation Work"); and

WHEREAS, the Owner desires to obtain a loan from the City in the amount set forth below which is to be used solely for the Rehabilitation Work on the Owner's home;

NOW, THEREFORE, it is mutually agreed by and between the parties that:

1. The City agrees to lend to the Owner, and the Owner agrees to borrow from the City, the sum of **Thirty-Four Thousand Nine Hundred Nineteen And 00/100 Dollars (\$34,919.00)** (the "HOME Program Loan") which amount is based on the estimated cost of the labor and materials required for the Rehabilitation Work to be completed on the Owner's home.

2. The Owner agrees to execute the contract required to effect completion of the Rehabilitation Work on the Owner's home. Changes in the amounts to be paid for the labor and/or materials shall be authorized only by a written change order, which must be signed by the Owner and the contractor performing the Rehabilitation Work, but in no event shall any change order be executed without written approval of the Director of the City's Neighborhood Services Department or his designee. In the event that the change order changes the amount of the contract entered into for the Rehabilitation Work, the Home Program Loan will be adjusted accordingly unless the change order is not approved by the City.

3. The Owner agrees that the proceeds of the HOME Program Loan will be used solely for the rehabilitation of the Owner's home.

4. The Owner agrees to execute the Promissory Note and Deed of Trust, copies of which are attached hereto as Exhibits "A" and "B" and incorporated herein as a part of this Agreement in favor of the City and to repay the HOME Program Loan in accordance with the provisions of the Promissory Note. If, upon completion of the Rehabilitation Work, the amount expended for the Rehabilitation Work varies from the approved amount of the HOME Program Loan, the Owner assumes responsibility for such additional amount, unless the City agrees to increase the original amount of the HOME Program Loan. If the City approves such increase, the Owner agrees to execute a subsequent Promissory Note in the amount of the additional HOME Program funds to be secured by a Deed of Trust, if necessary, so that the amount of the indebtedness concurs with the amount expended for the Rehabilitation Work.

5. The Owner agrees to obtain and maintain policies of fire, hazard and flood insurance (where required) for the Owner's home, specifically the building and its contents in the minimum amount of the HOME Program Loan provided to the Owner. With respect to such insurance, the Owner further agrees to:

a. Name the City as an additional insured party on the policies, as the City's interest may appear;

b. Adjust as needed the amount of insurance coverage expressly required to be maintained by this Paragraph 5 so as to reflect the reconstruction or replacement costs of the Owner's home;

c. Furnish to the City annually certificates of insurance demonstrating that the foregoing insurance requirement in the sum stated is in effect;

d. Notify the City ten (10) days prior to any material change in insurance coverage or of a cancellation or an impending lapse of such coverage; and

e. Maintain such insurance identifying the City as an additional insured party on the Owner's home until the termination of this Agreement.

6. The Owner acknowledges that the HOME Program Loan is comprised of federal funds subject to federally imposed restrictions. For a period of 5 years from the date that the Project Completion Report is filed with the City (the "Period of Compliance"), the Owner agrees to comply with the following restrictions:

(i) The Property must be used as the Owner's principal home;

(ii) No temporary subleases of the Owner's home is permitted;

(iii) The estimated value of the Owner's home, after completion of the Rehabilitation Work, shall not exceed 95 percent of the median price for homes in the area where the Owner's home is located;

(iv) The Owner shall not sell, convey, transfer or otherwise change ownership of the Owner's home; and

(v) The Owner shall not lose possession of the Owner's home pursuant to foreclosure or any other proceeding.

If there exists a failure to comply with any of the aforementioned restrictions during the Period of Compliance, the City may declare the Promissory Note given to the City as evidence of the HOME Program Loan to be immediately due and payable, and in the event the Owner fails to repay the indebtedness due thereunder, to commence foreclosure on the Deed of Trust provided as security for the Promissory Note.

7. The City will not subordinate its lien position for future lending except in the following circumstances: (1) to refinance an existing mortgage to a lower interest rate to reduce their monthly payment, or (2) in the event of the death of the Owner and the property is being refinanced to allow a new income eligible family member to acquire the property. Home equity loans will only be allowed if the financier of the loan is willing to take a subordinate position to the City's lien. Bill consolidation loans, new higher mortgages, or loans that result in the Owner receiving cash as a result of the new increased value of the asset will not be approved for subordination. An approved subordination will be allowed once during the Period of Compliance.

8. Owner agrees to indemnify and save the City, its officers, employees and agents (collectively "City"), harmless from and against any claims or causes of action filed against City as a result from, related to, or arising out of Owner's action or inaction concerning the Rehabilitation Work on Owner's home.

9. According to Executive Order 13166, enacted on August 11, 2000, it is mandated that the federal government reduce barriers to limited English proficiency (“LEP”) persons with regard to federal benefits. The City, as a recipient of HUD assistance funds, directly or indirectly, is subject to said Executive Order and Title VI, Civil Rights protections, as a condition of receiving these federal funds. The failure to ensure limited English proficiency (LEP) persons access to HUD benefits may violate Title VI based upon national origin.

10. MISCELLANEOUS PROVISIONS

a. NOTICES

Any notice or other communication required or permitted to be given under this Agreement (the “Notices”) shall be in writing and shall be (i) personally delivered, or (ii) delivered by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. The Notices shall be deemed received upon actual receipt. The Notices shall be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other party in the manner described above:

CITY	City of Las Vegas Attention: Director, Neighborhood Services Department 400 Stewart Avenue, 2 nd Floor Las Vegas, NV 89101
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OWNER:	Louis Ragland 833 W. Carey Avenue Las Vegas, NV 89106
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b. AMENDMENTS

This Agreement may not be amended or modified except by a written instrument executed by the parties hereto.

c. TIME OF THE ESSENCE

Time is of the essence of this Agreement and each and every term, condition and provision hereof.

d. NO WAIVER

No waiver of any of the provisions of the Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a

continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

e. COUNTERPARTS

This agreement may be executed in two (2) counterparts, each of which shall be deemed to be an original.

f. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between parties hereto with respect to the subject matter hereof, and supersedes all prior understandings or agreements between the parties.

g. HEADINGS AND INTERPRETATION

Headings used in this agreement are for convenience or reference only and are not intended to govern, limit or aid in the construction of any term or provision hereof. Any reference to a Section in this Agreement shall include all sections and subsections related thereto.

h. CHOICE OF LAW

This Agreement and each and every related document are to be governed by, and construed in accordance with, the laws of the State of Nevada.

i. SEVERABILITY

If any term, covenant, condition or provision of this agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction, or rendered by the adoption of a statute invalid, void or unenforceable, the remainder or the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

j. ATTORNEY'S FEES

In the event that any party hereto institutes an action or proceeding relating to or arising out of this Agreement, or the transactions contemplated hereby, or in the event any party is in default of its obligations pursuant thereto, whether or not suit is filed or prosecuted to final judgment, in the prevailing party shall be entitled to its reasonable attorneys' fees and to all court costs incurred, in addition to any other damages or relief awarded.

k. ASSIGNMENT

This agreement may not be assigned without the written consent of the City.

I. DISCLOSURE OF PRINCIPALS.

Pursuant to resolution R-105-99 adopted by the City Council effective October 1, 1999, (Owner's name) warrants that it has disclosed, on the form attached hereto as Exhibit C, all principals, including, partners of Owner or anyone acquiring an interest in Owner's home, as well as all persons and entities holding more than 1% interest in Owner's home or any principal of the company acquiring Owner's home. Throughout the term hereof, Owner shall notify in writing of any material change in the above disclosure within 15 days of any such change.

m. RIGHT TO REVIEW AND AUDIT

1. The Owner agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of three years, except those records subject to audit findings shall be retained for three years after such findings have been resolved. In the event the Owners goes out of existence, the Agreement shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

2. The Owner agrees to permit the City or the City's designated representatives to inspect and audit its records and books relative to this Agreement at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that the City desires concerning Owner's operation hereunder. The Owners further understands and agrees that said inspection and audit would be exercised upon written notice. If the Owners or its records or books are not located within Clark County Nevada, In the event of an inspection and audit, Owner agrees to deliver the records or books or have the records of books delivered to the City or the City's designated representatives at an address within the City of Las Vegas as designated by the City. If the City or the City's designated representatives find that the records delivered by the Owners are incomplete, the Owners agrees to pay the City or the City representatives' costs to travel (including travel, lodging, meals and other related expenses) to the Owner's offices to inspect, audit, and retrieve the complete records.

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The Owners further agrees to permit the City or the City's designated representatives to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CITY OF LAS VEGAS

Oscar B. Goodman, Mayor




Louis Ragland, Owner

ATTEST:

Beverly K. Bridges, CMC, City Clerk

Approved as to form:



Date

Exhibit "A"

**PROMISSORY NOTE SECURED BY DEED OF TRUST
DEFERRED LOAN
(OWNER-OCCUPIED REHAB PROGRAM)**

PROPERTY: 833 W. Carey Avenue

LOAN AMOUNT: \$34,919.00

FOR VALUE RECEIVED, the undersigned promises to pay to the City of Las Vegas, at its office at 400 East Stewart, Las Vegas, Nevada 89101, the principal sum of **Thirty-Four Thousand Nine Hundred Nineteen And 00/100 Dollars (\$34,919.00)** without interest.

The undersigned hereby acknowledges that the Loan Amount is comprised of federal funds subject to federally imposed restrictions. For a period of 5 years from the date that the Project Completion Report is filed with the City (the "Period of Compliance"), the Owner agrees to comply with the following restrictions:

- (i) The Property must be used as the Owner's principal home;
- (ii) No temporary subleases of the Owner's home is permitted;
- (iii) The estimated value of the Owner's home, after completion of the Rehabilitation Work, shall not exceed 95 percent of the median price for homes in the area where the Owner's home is located;
- (iv) The Owner shall not sell, convey, transfer or otherwise change of ownership of the Owner's home; and
- (v) The Owner shall not lose possession of the Owner's home pursuant to foreclosure or any other proceeding.

In the event that the undersigned fails to comply with the above restrictions during the Period of Compliance, the holder of this Promissory Note may, at its option, and without notice, declare the Loan Amount due and payable, and any failure to exercise this option shall not constitute a waiver of the right to exercise the same at any time.

Presentment, notice of dishonor and protest are hereby waived.

If payment of the Loan Amount is not be made when due, the undersigned further promises to pay all cost of collection, including, without limitations, attorney's fees, incurred by the City in connection herewith.

A Deed of Trust of even date herewith secures this Promissory Note, and reference is made to said Deed of Trust for rights as to acceleration of the indebtedness evidenced by this Promissory Note.

The property which serves as security for this Promissory Note and the subject of the aforementioned Deed of Trust is legally described as follows: **Vegas Heights Tract Unit #4, Plat Book 1 Page 77, Lot 159E**, City of Las Vegas, Clark County, State of Nevada

Assessor's Parcel No. **139-21-510-041**

and, more commonly known as **833 W. Carey Avenue, Las Vegas NV 89106**.

This Promissory Note shall be governed by and construed in accordance with the laws of the State of Nevada. If the undersigned is more than one person, each covenant and obligation contained herein stated shall be joint and several.

Louis Ragland , BORROWER

DATE

SCHEDULE OF COSTS IN LOAN AMOUNT

Contract Amount paid to Ruitter Construction	\$34,575.00
Real Estate Appraisal	\$300.00
Recording Documents at Clark County Recorder	\$ 14.00
Credit Report	\$ 30.00

ADJUSTED AMOUNT

DATE

APN: 139-21-510-041

Exhibit "B"

DEED OF TRUST

(HOMEOWNER DEFERRED PAYMENT LOAN)

THIS DEED OF TRUST is made this _____ day of _____ **2008**, between **Louis Ragland** (herein the "Trustor"), whose address is **833 W. Carey Avenue, Las Vegas, NV 89106**; and the City of Las Vegas (herein the "Trustee and Beneficiary"), a municipal corporation duly organized in the State of Nevada, whose principal office is located at 400 E. Stewart Avenue, Las Vegas, Nevada 89101, Attention: Neighborhood Services Department.

The TRUSTOR IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST WITH POWER OF SALE that property located in the City of Las Vegas, Clark County, State of Nevada, legally described as follows:

Vegas Heights Tract Unit #4, Plat Book 1 Page 77, Lot 159E

APN: 139-21-510-041

(the "Property")

Together with all appurtenances in which Trustor has any interests including water rights benefiting said realty, represented by shares of a company or otherwise; and

Together with the rents, issues and profits thereof, reserving the right to collect and use the same, except during some default hereunder, in which event the Trustee shall collect the same by any lawful means in the name of the Beneficiary.

This Deed of Trust is made for the purpose of securing (1) performance of the Trustor's obligations under the Deferred Loan Agreement executed by the Trustor on the ____ day of ____, **2008** (the "Loan Agreement") and (2) payment of any and all indebtedness evidenced by and accruing under the Promissory Note dated _____ ("Promissory Note"), in the principal sum of **Thirty-four Thousand Nine Hundred Nineteen And 00/100 Dollars (\$34,919.00)**, executed by Trustor in favor of the Trustee or the assignee of the Trustee.

To protect the security of the Deed of Trust, Trustor agrees:

1. By the execution of this Deed of Trust, the provisions included in the Loan Agreement and Promissory Note are hereby incorporated herein by reference and made a part hereof; that the Trustor or his successors will observe and perform said provisions; and that the references to property, obligations and parties in said provisions shall be construed to refer to the property obligations and parties set forth in this Deed of Trust.

2. The Beneficiary acknowledges that the Property may be encumbered by one or more prior deeds of trust (the "Prior Deeds of Trust") created by Trustor on the Property which may be recorded in the Official Records of Clark County, Nevada prior to recordation of this Deed of Trust. The Beneficiary acknowledges and agrees that this Deed of Trust and all rights hereunder are and will be subject and subordinate to the lien of the Prior Deeds of Trust and to all rights and remedies of the beneficiaries and trustees thereunder. The beneficiaries under the Prior Deeds of Trust and their successors and assigns, including, without limitation, any purchaser at a Trustee's sale under the Prior Deeds of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Trustor under this Deed of Trust. Notwithstanding the foregoing, this Deed of Trust shall not be subordinate to any replacement of the Prior Deeds of Trust occurring as a result of any prepayment, refinancing, sale or other transaction.

3. If the beneficiaries under any prior Deeds of Trust, as the Senior Lien Holders acquire title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Deed of Trust shall automatically terminate upon the Senior Lien Holders' acquisition of title, provided that (i) the Trustee under this Deed of Trust has been given written notice of default under the Prior Deed of Trust and (ii) the Trustee under this Deed of Trust shall not have cured the default under the Prior Deed of Trust, or diligently pursued curing the default, within the 60-day period provided in such notice sent to the Trustee.

4. For a period of 5 years after the date that the Project Completion Report is filed with the City (the "Period of Compliance"), the Trustor agrees to comply with the following:

- (i) The Property must be used as the Owner's principal home;
- (ii) No subleases of the Owner's home are permitted;
- (iii) The estimated value of the Owner's home, after completion of the Rehabilitation Work, shall not exceed 95 percent of the median price for homes in the area where the Owner's home is located;
- (iv) The Owner shall not sell, convey, transfer or otherwise change of ownership of the Owner's home; and

EXHIBIT "C"

DISCLOSURE OF PRINCIPALS

Owner represents and discloses that the Owner's home is owned by the Owner. Owner warrants that it shall disclose all principals, including partners of Owner, as well as all persons and entities of any principal acquiring an ownership in Owner's home. Throughout the term hereof, Owner shall notify in writing of any material change, including in the principals and partners of Owner and all persons and entities holding more than 1% interest in Owner or any principal of Owner. The changes shall be listed as follows:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1. <u>Louis Ragland</u>	<u>833 W. Carey Avenue, Las Vegas, NV 89106</u>	<u>648-0383</u>

Continue list until full and complete disclosure is made.

I certify under penalty of perjury, that the following list is full and complete.

By: _____
Louis Ragland, Owner

Subscribed and sworn to before me this
_____ day of _____, _____

Notary Public