COMMUNITY DEVELOPMENT BLOCK GRANT
DEFERRED LOAN AGREEMENT

THIS AGREEMENT is made this **6th** day of **January, 2010**, by and between the City of Las Vegas, a municipal corporation within of the State of Nevada, with offices located at City Hall, 400 Stewart Avenue, Las Vegas, Nevada 89101 (the "City"), and **Travis J. Edwards** (the "Owner").

WITNESSETH:

WHEREAS, the City is the recipient of federal funds from the United States Department of Housing and Urban Development ("HUD") under its Community Development Block Grant (CDBG) Program, which funds can be used for the purposes set forth in this Agreement; and

WHEREAS, the City, through its Neighborhood Development Division of the Neighborhood Services Department, instituted a certain Residential Rehabilitation Program (the "Rehab Program" or "Program"), which is funded by the Community Development Block Grant (CDBG) funds received from HUD; and

WHEREAS, the Rehab Program enables an owner of real property located in the City, who has an annual income at or below 80% of area median (See Exhibit "A" of this Agreement) to obtain a deferred loan from the City to assist the owner in making various repairs to his or her personal residence; and

WHEREAS, the Owner is the resident of certain improved real property located in the City of Las Vegas, Nevada, commonly known as **1718 Lewis St., Las Vegas NV 89101** which is legally described in Exhibit "B" attached hereto and incorporated herein as a part of this Agreement (the "Property"); and

WHEREAS, the Owner has an annual income at or below 80% of area median income and desires to have certain Rehabilitation Work (described in Section 2 below) performed on the Owner's home; and

WHEREAS, the City has approved the Owner for a deferred rehabilitation loan in the amount set forth below for the purpose of rehabilitating the Property according to the Scope of Services set forth below.

NOW, THEREFORE, for and in consideration of the premises and of the mutual promises and agreements which are hereinafter contained, the parties do hereby agree as follows:

1. Loan Commitment. The City agrees to provide a deferred loan to the Owner in the amount of **Twenty-eight Thousand Three Hundred Seventy-one And 00/100 Dollars ($28,371.00)** (the "CDBG 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, plus administrative fees incurred by the City. If, upon completion of the Rehabilitation Work, the amount actually expended in completing the Rehabilitation Work exceeds the amount of the CDBG Loan set forth in Section 1, the Owner shall be responsible for the additional amount, unless the

City agrees to increase the amount of the CDBG Loan. If the City approves the increase, the original amount of the CDBG Loan together with any increase will become the new amount of the CDBG Loan secured by the Deed of Trust executed pursuant to Section 6 of this Agreement. If requested by the City, the Owner agrees to execute an amendment to this Agreement and, if necessary, an amendment to the Deed of Trust to reflect any increase in the amount of the CDBG Loan. The Director of the Department of Neighborhood Services is authorized to approve an increase provided the increase does not exceed twenty-five percent (25%) of the original amount of the CDBG Loan.

At such time as the Owner has performed or complied with the requirements of this Agreement for the Period of Compliance, the CDBG Loan will convert to a grant, releasing the Owner from any further liability for repayment thereof, and the City will remove its Deed of Trust encumbering the Property as provided in Section 6 of this Agreement.

2. **Rehabilitation Work.** The CDBG Loan is to be used to pay for the Rehabilitation Work set forth in the Scope of Work, Exhibit "C" attached hereto and incorporated herein as a part of this Agreement. The City will be responsible for obtaining bids, awarding the contract, overseeing the construction and making payments for the completed work by the contractor. The City agrees to use its best efforts to resolve any concerns the Owner may have regarding the Rehabilitation Work.

If, at anytime during performance of the Rehabilitation Work by the City's contractor, the Owner permits a third party or parties onto the Property to perform any portion of the Rehabilitation Work without prior written approval by the City, the City may declare the Owner to be in immediate breach of this Agreement without allowing for the 15 day remedial period as required pursuant to Section 5. The City shall be entitled to immediately cease any further performance of the Rehabilitation Work by the City's contractor, and to immediately terminate this Agreement without any further obligation on the part of the City. In the event of such termination, the Owner agrees to repay that portion of the CDBG Loan disbursed as of the date of termination and used for the Rehabilitation Work, and the failure of the Owner to make such repayment shall entitle the City to declare the balance of the Promissory Note, and any accrued interest, to be immediately due and payable by the Owner and, if necessary, to proceed to foreclosure on the Deed of Trust given as security for the Promissory Note pursuant to Section 6 of this Agreement.

3. **Owner Responsibilities.** In consideration for the approval of the CDBG Loan, the Owner agrees to be responsible for the following:

a. To provide the Neighborhood Development Division with verification of Owner's annual household income prior to execution of this Agreement.

b. To provide the Neighborhood Development Division with verification of Owner's ownership and occupancy of the Property.

c. To comply with the following restrictions for the Period of Compliance:

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

(ii) No temporary subleases of the Property are permitted;

(iii) The Owner's interest and ownership must not be sold, conveyed, transferred or any other change in the ownership of the Property; and

(iv) The Owner will make every effort not to lose possession of the Property pursuant to foreclosure or any other proceeding. However, in the event of foreclosure against the Property on any prior lien or encumbrance, the CDBG Loan will automatically convert to a grant and all restrictions contained in this Article 6 and the Deed of Trust will terminate.

4. Term of Agreement. This Agreement shall commence with the execution of this Agreement by the City (which date shall be inserted in the first paragraph above) and continue in force and effect until expiration of the Period of Compliance unless terminated earlier pursuant to Section 5 below. For purposes of this Agreement, the "Period of Compliance" commences on the date that the last disbursement of the CDBG Loan is paid to the contractor for the Rehabilitation Work and continues for a period of five (5) years thereafter.

5. Breach of Agreement. If the Owner fails to perform or comply with any of the provisions of this Agreement, including the restrictions set forth in Section 3(c) above during the Period of Compliance, the City may declare the Owner to be in immediate default of this Agreement, and the CDBG Loan in the full amount provided for the rehabilitation of the Property shall be immediately due and payable to the City. In the event the Owner fails to repay the indebtedness, the City shall have the right to commence foreclosure proceedings in the manner provided by law under the provisions of the Deed of Trust encumbering the rehabilitated Property.

If the Owner fails to perform or comply with any of the other provisions of this Agreement, and such failure is not remedied after the City has provided the Owner with fifteen (15) days written notice pursuant to Section 11a, the City may declare the Owner in default of this Agreement, and the full amount of the CDBG Loan provided for the rehabilitation of the Property shall be immediately due and payable to the City. In the event the Owner fails to repay such indebtedness, the City shall have the right to commence foreclosure proceedings in the manner provided by law under the provisions of the Deed of Trust encumbering the Property.

6. Deed of Trust. The Owner agrees to execute the Deed of Trust, substantially in the form of Exhibit "D" attached hereto and incorporated herein as a part of this Agreement, in favor of the City, as Beneficiary, as security for the repayment of the CDBG Loan in the original amount set forth in Section 1, plus any future advances of CDBG funds to the Owner, if the Owner fails to comply with the terms of this Agreement. If the Owner performs or complies with the terms of this Agreement, including the restrictions set forth in Section 3(c) for the Period of Compliance, the City agrees to remove the Deed of Trust which encumbers the Property by executing and recording a Deed of Reconveyance, or causing the same to occur, which conveys the City's interest in the Property to the Owner.

7. Subordination. The City will not subordinate its Deed of Trust as required from the Owner pursuant to Section 6 of this Agreement to any future liens or encumbrances against the Property except (i) to refinance an existing mortgage to a lower interest rate which reduces the monthly payment a minimum of fifty dollars ($50.00) per month, or (ii) to refinance the Property to allow a family member, who is income eligible and would qualify for a CDBG loan, to acquire the Property due to the death of the Owner.

Home equity loans will only be allowed only if the lender is willing to take a subordinate lien position to the CDBG Loan from the City. Bill consolidation loans, higher interest mortgages, reverse mortgages or loans that result in the Owner receiving cash as a result of any increased in market value of the Property will not be approved for subordination by the City. The City will approve only one request for subordination during the Period of Compliance.

8. Insurance. 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.

9. Program Income. Program income, as defined in 24 CFR 570.500 of the CDBG regulations applies to this funding and includes, (i) proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; (ii) proceeds from the disposition of equipment purchased with CDBG funds; (iii) gross income from the use or rental of real property that was constructed or improved with CDBG funds, less costs incidental to generation of the income; and (iv) interest earned on program income pending its disposition. All program income as defined in this Section must be returned to the City for use to assist low and moderate income households.

10. Compliance with Laws. The parties agree in the performance of this Agreement to comply with all federal, state and local laws, rules and regulations which pertain to the subject matter of this Agreement, including, without limitation, the following:

a. Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds.

b. National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

c. Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

d. 24 CFR Part 35 prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

e. 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.

11. Miscellaneous Provisions

a. **Notices.** Any notice or other communication required or permitted to be given under this Agreement (herein 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, 2nd Floor
Las Vegas, NV 89101

OWNER:
Travis J. Edwards
1718 Lewis St.
Las Vegas, NV 89101

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. **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.

f. **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.

g. **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 Sate of Nevada.

h. **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.

i. **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.

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

k. **Right to Review and Audit.** 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 Owner goes out of existence, the Owner 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.

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 Owner further understands and agrees that said inspection and audit would be exercised upon written notice. If the Owner 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 or 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 Owner are incomplete, the Owner 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. The Owner 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.

l. **Disclosure of Principals.** Pursuant to resolution R-105-99 adopted by the City Council effective October 1, 1999, **Travis J. Edwards** warrants that the Owner has disclosed, on the Certificate Disclosure of Ownership/Principals, Attachment I attached hereto and incorporated herein as a part of this Agreement, all of the persons, including partners of the Owner or anyone else who hold or acquire more than a 1% interest in the Property. Throughout the term of this Agreement, the Owner shall notify the City in writing of any material change in the disclosure set forth in the Certificate of Disclosure within 15 days of any such change.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed the day and year first above written.

Travis J. Edwards

Travis J. Edwards, Owner

CITY OF LAS VEGAS

By____________________________

Oscar B. Goodman, Mayor

ATTEST:

____

Beverly K. Bridges, MMC, City Clerk

Approved as to form:

Robert S. Sylvain 12-4-09

Date

EXHIBIT "A"

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
REHAB GRANT INCOME GUIDELINES (Effective March 2009)

FAMILY SIZE	INCOME NOT TO EXCEED
1	$36,600
2	41,850
3	47,050
4	52,300
5	56,500
6	60,650
7	64,850
8	60,050

U. S. Department of Housing & Urban Development (HUD) Income Limits (March 2008)

EXHIBIT "B"

LEGAL DESCRIPTION

City of Las Vegas
Clark County
State of Nevada

Mayfair Tract #2 Amd, Plat Book 2 Page 47, Lot 20 Block 10

EXHIBIT "C"

SCOPE OF WORK

(Attach Approved and Signed Bid Document)