DEFFERRED LOAN AGREEMENT TO FUND
CEDAR VILLAGE SUSTAINABILITY PROJECT

(Home Investment Partnership Program (HOME) Funded Project)

This Deferred Loan Agreement to Fund Cedar Village Sustainability Project (this "Agreement") is made and entered into this 16th day of March, 2011, by and between the City of Las Vegas (the "City"), a municipal corporation within the State of Nevada, with offices located at City Hall, 400 Stewart, Las Vegas, Nevada 89101, and Cedar Village Limited Partnership (the "Developer"), a Nevada limited partnership, with offices located at 2850 E. Cedar Street, Las Vegas, Nevada 89101. The City and the Developer are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the City has entered into a Grant Agreement with the United States Department of Housing and Urban Development ("HUD") dated September 1, 2010, for participation in the Home Investment Partnership Program ("HOME Program") set forth under 24 CFR Part 92 as amended; and

WHEREAS, the City has entered into that certain Interlocal Agreement with the State of Nevada dated August 4, 2010, whereby the City administers the HOME Program funds allocated to the City by the Housing Division, Department of Business and Industry, State of Nevada ("NHD"), and

WHEREAS, the City, as the Entitlement Grantee under the HOME Program, is responsible for entering into agreements for the distribution of HOME funds for projects which have been determined by the City to be in furtherance of the goals and objectives of the HOME Program and, therefore, eligible for funding thereunder; and

WHEREAS, the Developer has requested financial assistance from the City for the purpose of rehabilitating the 154-unit affordable housing complex commonly known and referred to as the "Cedar Village Apartments", which rehabilitated units will be used to provide affordable housing to families who qualify under the HOME Program to become residents thereof; and

WHEREAS, the Las Vegas City Council, at its meeting on March 16, 2011, approved the Developer's request for financial assistance after determining that the rehabilitation of the Cedar Village Apartments, and subsequent operation to provide affordable housing to families who qualify for such housing, is a project which furthers the goals and objectives of the HOME Program.

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

I. DEVELOPER PROJECT RESPONSIBILITIES

In consideration of the allocation of the Project Funds (defined in Section II below) by the City to the Developer pursuant to this Agreement, the Developer agrees to complete the Project described in the Project Description, Financing and Requirements, Exhibit "A" attached hereto and incorporated herein as a part hereof, and thereafter to operate and manage the Cedar Village Apartments for the purpose of providing affordable housing to families who qualify for such housing according to the requirements of this Agreement and the HOME Program. The Project will consist of the rehabilitation work of described in the Scope of Work, Attachment 1 to the Project Description, Financing and Requirements, which is hereby approved by the City with the execution of this Agreement. Any substantial change or deviation from the work described in the Scope of Work requires the approval of the City Council.

II. CITY PROJECT RESPONSIBILITIES

In consideration of the Developer's promise to complete the Project, the City agrees to provide the Developer with a deferred loan (hereinafter defined) in an amount not to exceed Twenty-Six Thousand Sixty-Eight Dollars ($26,068) of Federal HOME funds, and a deferred loan in an amount not to exceed Two Hundred Sixty-Four Thousand Eight Hundred Twenty-Eight Dollars ($264,828) of State HOME funds, for a total deferred loan amount in an amount not to exceed Two Hundred Ninety Thousand Eight Hundred Ninety-Six Dollars ($290,896) of funds under the HOME Program (the "Project Funds". The Project Funds shall be used for the purpose of reimbursing the Developer for eligible Project costs incurred in completing the Project. For the purpose of this Agreement, a "deferred loan" is one in which the Developer is released from the obligation of repayment if the Developer has complied with all of the requirements of this Agreement for the period of time defined as the Period of Affordability in Section C 1 of the Project Description, Financing and Requirements.

The Project Funds shall be disbursed pursuant to the applicable provisions contained in Section VII E of this Agreement after the request for payment has been received from the Developer and approved by the City.

III. CONDITIONS TO THE RELEASE OF PROJECT FUNDS

The City's obligation to reimburse the Developer for the eligible Project costs incurred during the Project shall be subject to the following conditions set forth below.

A. Completion of Environmental Review. An environmental review of the Project as required pursuant to 92 CFR Part 58 has been completed for the Property. Notwithstanding any other provision of the Agreement, this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of the environmental review as required for the Project. With the completion of the environmental review, the City shall make the determination of whether to proceed with the Project as proposed, modify the Project, or cancel the Project in its entirety.

B. Issuance of Notice to Proceed. The City's Economic and Urban Department Director, or the Director's designee, has provided the Developer with a written Notice to Proceed authorizing commencement of the Project. Subsequent to issuance of the Notice to Proceed, the

Developer agrees to provide the City with written construction progress reports until the Project is completed. The failure to comply with the requirements of this provision may result in the denial of some or all of the Project Funds to be provided under this Agreement.

C. Issuance of CLTA Title Insurance Policy. A Preliminary Title Report is provided to the City indicating that the title of the Property is held in a manner which is acceptable to the City, and a CLTA Title Insurance Policy, in a form acceptable to the City, is issued in the minimum amount of the Project Funds which names the City as an insured party thereunder. The CLTA Title Insurance Policy shall be issued prior to the disbursement of any of the Project Funds to the Developer.

D. Property Appraisal. An appraisal/valuation is provided to the City ascertaining the fair market value of the Property as required pursuant to Section V M of this Agreement.

E. Promissory Note. The Developer has executed the Promissory Note for Home Investment Partnership Program (HOME) Funds (the "HOME Promissory Note") in favor of the City in the amount of the Project Funds as evidence of the deferred loan of the Project Funds to the Developer, which document is set forth as Attachment 2 to the Project Description, Financing and Requirements.

F. Deed of Trust. The Developer, as Trustor, has executed and caused the recordation of the All-Inclusive Deed of Trust and Assignment of Rents Securing Promissory Note for HOME Funds (the "HOME Deed of Trust") encumbering the ownership interest of the Developer in the Property in favor of the City as security for repayment of the HOME Promissory Note in the event that the Developer fails to perform its obligations under this Agreement, which document is set forth as Attachment 3 to the Project Description, Financing and Requirements.

IV. PERIOD OF PERFORMANCE

This Agreement shall commence as of the date set forth in the introductory paragraph above, and shall continue in force and effect until performance of all of the obligations set forth in this Agreement, unless terminated earlier pursuant to Sections VIII B of this Agreement. The date set forth in the introductory paragraph of this Agreement will be the date of approval of the Project Funds for the Project by the City Council for the City, but such approval does not obligate the City to provide the Project Funds until this Agreement has been executed by the Parties.

The Project Funding must be expended on or before December 30, 2012. The Developer agrees that the Project shall proceed according to the timelines set forth in the Project Schedule, Exhibit "B" attached hereto and incorporated herein as a part of this Agreement, and to complete construction of the Project by June 30, 2012, unless an extension has been requested in writing by the Developer and granted in writing by the Director of the Economic and Urban Development Department, or the Director's designee, (which approval shall not be unreasonably withheld) to the timelines or completion date.

V. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE HOME/LIHTF PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS

The Developer agrees to comply with the requirements, policies, regulations and time criteria of the HOME/LIHTF Programs specified in the Economic and Urban Development Department HOME/LIHTF Program Manual. The Developer shall obtain any and all applicable federal, state, and local permits, licenses, notices or certificates required to rehabilitate the Project. The Developer further agrees to abide by all applicable federal, state, and local regulations, statutes, ordinances and laws. The failure to abide by any of the above may result in the forfeiture of any and all of the Project Funds provided under this Agreement.

B. INDEPENDENT CONTRACTOR

The Developer has requested financial support from the City to enable it to complete the Project contemplated herein. The City shall have no relationship whatsoever with the Project except for providing financial support and the receipt of the construction progress reports required from the Developer under Section III of this Agreement. In any and all events, the performance contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by the Developer, subject to review by the Economic and Urban Development Department Director, or the Director's designee, to assure compliance with the requirements of this Agreement and continuing eligibility for the Project Funding.

C. INDEMNIFICATION

The Developer agrees to protect, defend, indemnify and save the City, its officers, employees and agents, harmless from and against any and all damages, claims, suits, liens, judgments or any other form of liability of whatever nature for injuries to, or death of, any person caused by, connected with, or arising out of any activities or performance undertaken pursuant to this Agreement. The Developer's obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph shall include reasonable attorneys' fees incurred by the City in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the City in enforcing and/or obtaining compliance with the provisions of this paragraph.

D. ON-SITE MONITORING

The Project funded under this Agreement will be subject to on-site monitoring by duly authorized representatives (including independent auditors) of the City and representatives of the State of Nevada, or any combination thereof. The representatives will be announced, at a minimum, 24 hours in advance of any on-site visits, which shall occur during normal operating hours. During any on-site visit, the representatives shall be granted access to any and all records pertaining to the Project. The representatives may interview any employee of the Developer, or any entity associated with the Project, who volunteers to be interviewed.

The Developer shall allow the representatives to conduct such reviews, audits and on-site monitoring of the Project as the reviewing entity deems appropriate in order to determine:

1. Whether the Project is being operated in a manner consistent with the Consolidated Plan and the national and primary objectives of the HOME Program;

2. Whether the objectives of the Project are being achieved;

3. Whether the Project is being operated in an efficient and effective manner;

4. Whether management control systems and internal procedures have been established to meet the objectives of the Project;

5. Whether the financial operations of the Project are being conducted properly;

6. Whether the periodic reports to the City contain accurate and reliable information; and

7. Whether all of the activities of the Project are conducted in compliance with applicable federal, state and local laws, rules and regulations and the provisions of this Agreement.

E. MAINTENANCE OF RECORDS

The Developer agrees to maintain financial records and supporting documentation pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain them for a period of five years after the Project completion date; except that records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period , until five years after expiration of the Period of Affordability (defined in Section C 1 of the Project Description, Financing and Requirements). The records subject to audit findings shall be retained for five years after the audit findings have been resolved. In the event the Developer goes out of existence, the Developer shall turn over to the City all of its records relating to this Agreement which will be retained by the City for the required retention period.

F. AUDITING OF RECORDS AND BOOKS

The Developer agrees to permit the City, or its designated representative(s), (including independent auditors, HUD or the Comptroller of the United States or any combination thereof) 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 the Developer's operation hereunder. The Developer further understands and agrees that the inspection and audit will be exercised only after written notice to the Developer. If the records or books are not located within Clark County, Nevada, the Developer agrees to deliver the records or books to the address within the City of Las Vegas designated by the City. If the City, or its designated representative(s), find that the records delivered by the Developer are incomplete, the Developer agrees to pay the City or its representative(s), the costs to travel (including transportation, lodging, meals, and other related expenses) to the Developer's offices to inspect and audit, as deemed necessary, all records of the

Project relating to finances, as well as other records (such as the performance records) that may be required by relevant directives of funding sources of the City.

G. INSURANCE

1. Insurance Policies. The Developer shall procure and maintain at its own expense during the entire term of this Agreement, the following policies of insurance:

a. Industrial/Workers' Compensation Insurance protecting the Developer and the City from potential Developer employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement.

b. General Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, and Two Million Dollars ($2,000,000) in the aggregate, for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverage must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverage for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.

c. Automobile Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by the Developer (owned or hired) in the performance of the services under this Agreement.

d. Comprehensive Fire and Hazard Insurance covering the full replacement costs of the Project.

The insurance policies required under this Section are in addition to, and not in lieu of, the Developer's indemnification obligation provided under Section V.C.

2. Certificates of Insurance. Prior to the commencement of its performance under this Agreement, the Developer shall have on file with the City current certificates of insurance evidencing the policies required herein.

a. Developer shall furnish the renewal certificates for the required insurance during the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare the Developer in default of its obligation under this Section.

b. The City, its officers, employees and volunteers must be expressly named as additional insured parties under the policies required under this Section.

3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Developer including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VIII, A IX, A X, etc.)

4. Lapse of Insurance. If the Developer fails to maintain any of the insurance policies required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order that the required policies may be maintained. The Developer is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from the Developer or deduct the amount paid from any sums due the Developer under this Agreement.

5. Primary Coverage. The Developer's insurance shall be the primary coverage with respect to the City, its officers, employees and agents. Any other coverage (insurance or otherwise) available to the City, its officers, employees and agents shall be considered coverage in excess to that required of the Developer and shall not contribute with it.

6. Notice of Cancellation. Each insurance policy supplied by the Developer must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits until thirty (30) days prior written notice by certified mail "return receipt requested" has been given to the City. This notice requirement does not waive the insurance requirements contained herein.

H. IRS REGULATIONS

The Developer agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he or she is paid $600 or more, (or as updated by the IRS) and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. The 1099 instructions can be obtained on the IRS website.

I. LIMIT ON ASSIGNMENT OF INTEREST

The Developer may not assign any part of its rights in this Agreement without the written consent of City. Any such assignment of rights without the consent of City shall result in the forfeiture of all the Project Funds, or any part thereof, as determined by City.

J. THIRD PARTY CONTRACTS

The Developer shall provide reasonable advance notice to, and obtain the written consent from, the City prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party. A copy of said contractual agreement is to be provided to the City. The advance notice shall demonstrate the necessity of such services and shall provide for an adequate remedy in the event the professional services are not rendered in a manner consistent with the terms of this Agreement.

K. GROUND BREAKING CEREMONIES

The Developer understands and agrees that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Developer. In addition, the Developer agrees to coordinate with the City any ceremonial events concerning the Project including the review and approval of the date for groundbreaking ceremonies, the invitations, invitation list, press release, and the ceremonial programs. The City will be responsible for scheduling the ceremonial event with City elected officials.

L. INCOMPLETE PROJECT

If, for any reason whatsoever, subsequent to the execution of this Agreement, the Developer is unable to begin or complete the Project, and Project Funds were utilized for the Project, the Developer may, with the approval and consent of the City, transfer the Property by deed to the City without cost to the City. In the event of such transfer, the City will make reasonable efforts to ensure the Property is utilized for a Project-eligible project, or the City may sell the Property and return the amount of the Project Funds utilized for the purchase to its source.

As an alternative to conveyance of the Property to the City, the Developer may elect to sell the Property, provided arrangements have been made through escrow for the proceeds resulting therefrom to be used in the following order of priority: (i) repayment of any Project financing which is senior to the financing provided by the City, (ii) repayment of the Project Funds expended on the Project, (iii) repayment to the Developer the amount of its investment in the Project, and (iv) the balance of the proceeds, if any, existing thereafter shall be returned to the City. If the proceeds from the sale of the Property are inadequate to repay the City for the Project Funds expended on the Project, the Developer agrees to pay the deficiency and such payment shall be made at, and as a condition to, the close of escrow concerning the sale of the Property.

M. APPRAISAL OF PROPERTY

The Developer hereby acknowledges that the policy of the City is to secure as collateral an interest in any and all real property being financed with City funds. For projects involving the acquisition of real property, improvements to real property, or a combination thereof, the City will not provide funding in excess of fair market value of the financed Property. For purposes of this Project, in order to determine if funding is available, and the amount of such funding, the City requires an appraisal/valuation indicating the fair market value of the Property, including all improvements to be made to the Property. The City will not disburse any Project Funds for the Project to this Agreement until an appraisal is received to the satisfaction of the City.

N. DEFINITION AND DISPOSITION OF PROGRAM INCOME

For purposes of this Agreement, "Program Income" shall mean the gross income received by the Developer directly generated from the use of HOME funds or matching contribution generated during the Period of Affordability and includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;

2. Gross income from the use or rental of real property owned by the Developer that was acquired, rehabilitated, or constructed with HOME funds or matching contributions, less the costs incidental to generation of the income;

3. Payments of principal and interest on loans made using HOME funds or matching contributions;

4. Proceeds from the sale of loans made with HOME funds or matching contributions;

5. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;

6. Interest earned on the Program Income pending its disposition; and

7. Any other interest or return on the investment permitted under 92.205(b) of HOME funds or matching contributions.

Any Program Income generated by the Project must be deposited into the City's local account for the HOME Program unless the City permits the Developer in writing to retain the Program Income for use in additional projects which qualify for funding under the HOME Program or any other affordable housing program approved by the City.

O. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, the Developer warrants that it has disclosed, on the form attached hereto as Exhibit "H", all principals, including, partners of the Developer, as well as all persons and entities holding more than 1% interest in the Developer or any principal of the Developer. Throughout the term hereof, the Developer shall notify the City in writing of any material change in the above disclosure within 15 days of such change.

VI. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES (24 CFR 92.257)

As a general rule, in accordance with the First Amendment principles of the Separation of Church and State, the Project Funds may not be used for inherent religious activities as cited at 24 CFR 92.257.

B. POLITICAL ACTIVITIES

The Developer will comply with Section 319 of Public Law 101-121 of the Department of Interior Appropriations Act, which prohibits the use of the Project Funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

C. HATCH ACT (CHAPTER 15, TITLE 5, U.S. CODE)

The Developer further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

D. OTHER PROGRAM REQUIREMENTS (24 CFR 92.350-3, 92.358)

The Developer shall carry out its activities in compliance with all federal laws and regulations as described in 24 CFR 92.350-92.358, except that the Developer will not assume the City's environmental responsibilities described at 24 CFR 92.352, nor the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58. More specifically the Developer shall be required to comply with the following:

1. GENERAL (24 CFR 92.350)

The requirements set forth in 24 CFR Part 5, Subpart A, are applicable to participants in the HOME and/or LIHTF Program. The requirements of this subpart include nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964-- FAIR HOUSING ACT--EXECUTIVE ORDER 11063

This Agreement is subject to the requirements of 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 and also obligating the Developer to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--AGE DISCRIMINATION ACT OF 1975 -- SECTION 504 OF THE REHABILITATION ACT OF 1973

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Project Funds.

4. LABOR STANDARDS AND DAVIS BACON ACT (24 CFR 92.354)

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also apply to this Agreement. Each Contractors or subcontractor on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS (24 CFR 92.352)

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING (24 CFR 92.353)

The Developer shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to 24 CFR 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES

The Developer shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for equal employment opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT (24 CFR 92.355)

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to 24 CFR 92.355; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR DEVELOPERS

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES (24 CFR 92.505)

For non-profit organizations the requirements of OMB Circular No. A-122 apply. All Developers of the City's grants, as provided herein, are required to be familiar with the OMB circulars as it pertains to the Agreement.

12. CONFLICT OF INTEREST (24 CFR 92.356)

The Developer, its officers, employees, agent or consultant may not occupy a HOME/LIHTF-assisted affordable housing unit within the Project unless prior written authorization has been granted by the City. This provision does not apply to the Project manager or maintenance worker who is provided housing as part of the compensation for his services.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive Order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits. Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 12166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

E. DRUG-FREE WORKPLACE

As a recipient of the Project Funds, the Developer agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 24 CFR Part 21, which requires the Developer maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

F. ANTI-LOBBYING

Section 319 of Public Law 101-121 of the Department of the Interior Appropriations Act prohibits the Developer from using appropriated federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federally appropriated funds have been paid or will be paid, by or on behalf of the Developer to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of

Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

G. AMERICANS WITH DISABILITIES ACT

The Developer agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the Developer and the activities to be performed by the Developer under the scope of this Agreement. If employing more than fifteen (15) employees, the Developer agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), the Developer agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, the Developer agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

H. AFFIRMATIVE MARKETING (24 CFR 92.351)

The Developer agrees to undertake an affirmative marketing program in conformance with 24 CFR 92 351.

I. MCKINNEY HOMELESS ASSISTANCE ACT (24 CFR 576)

The Developer agrees to abide by 24 CFR Part 576, of the Stewart B. McKinney Homeless Assistance Act.

J. RECORD KEEPING 24 (CFR 92.508)

The Developer shall maintain records in accordance with 24 CFR 92.508.

K. FORFEITURE OF FUNDS

Any material breach of the terms of this Section VI shall result in forfeiture of the Project Funds provided to the Developer pursuant to this Agreement, or any part thereof, as determined appropriate by the City.

L. EXPIRATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, the Developer shall transfer to the City the Project Funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of these funds.

M. HOUSING QUALITY STANDARDS (24 CFR 251)

Housing that is constructed or rehabilitated with HOME/LIHTF must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

N. TREATMENT OF RECAPTURED/REPAYMENT PROJECT FUNDS (24 CFR 92.503)

A sale, transfer or other conveyance of the Property is subject to the requirement that the amount of Project Funds previously invested in the Property and recaptured pursuant to Sections V.M and V.N. above will be treated in accordance with 24 CFR 92.503 and Administrative Guidelines, NRS Chapter 319, and NAC 310 and must be returned to the Neighborhood Development Division of the Economic and Urban Development Department of the City to be reinvested in other affordable housing units.

O. DISPLACEMENT OR DISLOCATION OF TENANTS (24 CFR 353)

In conjunction with the Project, the Developer agrees to minimize displacement or dislocation of current tenants by assisting with their relocation per 24 CFR 92.353. If any tenants are displaced as a result of acquisition or rehabilitation of the Property, the Developer agrees to assume sole financial responsibility for any liability associated with 49 CFR Part 24.

P. OMB CIRCULARS

The OMB Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The OMB Circulars also address many other management issues, including record keeping, procurement, bank accounts, and program income. The Developer is required to be familiar with the OMB Circulars as it pertains to the federal funding received under this Agreement.

VII. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to the requirements of the Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O" and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend $500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

Any agency that expends between $200,000 and $499,999, inclusive, in federal funds will be required to have a CPA Audited Financial Statement submitted to the City. The funds expended may be from one or multiple federal sources.

If the Developer falls under the requirements of OMB A-133 Auditing Rules, the Developer must submit a full and complete copy of each conducted audit to the Economic and Urban Development Department. The Developer is responsible for ensuring that each audit is completed in a proper and timely manner. Failure to submit a copy of the A-133 audit will render the Developer as non-compliant, and no funds may be drawn until the Economic and

Urban Development Department has received and reviewed a copy of the audit. The Developer should refer to the Program Manual which is applicable to the Project for further guidance on this matter.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible. Backup must include the following documents to verify proof of payment: copies of the front and back of the cancelled checks, downloaded check copies from the Developer's bank's website, or bank statements in addition to a paid bill, invoice or receipt.

C. FINANCIAL RECORDKEEPING

The financial records pertaining to all invoices, materials, payrolls, personnel records and other data concerning matters related to this Agreement may be requested from the Developer by a duly authorized representative, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. PROJECT BUDGET

Eligible expenditures for payment by the City will be made in accordance with the Project Budget and, subject to any conditions imposed under this Agreement, shall include semi-annual reports, when seeking reimbursement from the City for Project costs. All eligible expenses will be reimbursable with appropriate back-up documentation such as, but not limited to, paid invoices, the front and back of cancelled checks, bank statements and/or payroll sheets. The Developer shall not make any unapproved changes in the Project Budget. Line items may be revised if permission is requested and approved in writing by the Department Manager or designee.

E. METHOD OF PAYMENT

The City shall reimburse valid invoices for expenditures identified in the Projects Budget, Exhibit "C" attached hereto. Before paying such expenses, the City will review invoice expenditures to determine their consistency with the eligible expenditures approved pursuant to this Agreement. The City reserves the right to refuse reimbursement for expenses, which are ineligible for reimbursement with the Project Funds, or which are not within the scope of this Agreement.

The Developer agrees that disbursement under this Agreement will be made only when the total amount of eligible reimbursable expenses exceeds $1,000, excepting for the final request for payment under this Agreement. If the Developer requests payment in an amount less than the minimum established, payment will be made when the cumulative amount of all eligible reimbursable expenses exceeds $1,000.

The Developer agrees that it may not request disbursement of funds under this Agreement until the funds are needed for payment of Project eligible costs. The amount of each request must be limited to the amount needed and will be paid on a reimbursement basis.

Ten Thousand Dollars ($10,000) of the funds allocated under this Agreement will be retained until the Project is completed and the Developer submits the following:

1. Documentation showing that the rehabilitation work performed on the assisted units meet the applicable local codes and rehab standards, or, if new construction, that the Project has received an occupancy certificate;

2. A certified statement of Final Development Costs which, at a minimum, reports all development costs and expenditures for all federal funds, and the disposition of all of the Project Funds;

3. Completed form HUD-2516 "Contract and Subcontract Activity" for projects involving new construction or rehabilitation;

4. A completed form HUD-40097 "Rental Housing Completion Project Report" or, for owner-occupied projects, form HUD-4096 "Homeownership Project Completion Report";

5. Evidence of the recorded fully executed Deed of Trust securing the City's interest in the Property; and

6. Evidence that the Developer has provided the manager of the Project (Management Agent) with a copy of the federal and/or state regulations and the specific compliance requirements which are applicable to the Project as a result of the Project Funds invested in the Property.

7. Evidence that the City of Las Vegas has been named as additional insured on insurance policy.

8. Copy of project valuation.

9. Completed Section 504 Accessibility Questionaire for the office and public/common space areas.

10. Affirmative Fair Housing Marketing Plan for the project.

F. UNEXPENDED PROJECT FUNDS

The Project Funds must be spent in a timely manner. In the event that the staff of the Economic and Urban Development Department has reason to believe that the total amount of the Project Funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the Project Funds allocated hereunder to another eligible project and/or program.

G. EXPIRATION OR TERMINATION OF AGREEMENT

Upon the expiration or termination of this Agreement, the Developer shall transfer to the City the Project Funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of the Project Funds.

Pursuant to 24 CFR Part 92.504(c)(2)(vii), the Developer must transfer upon expiration or termination of this Agreement all of the unexpended Project Funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of Project Funds provided pursuant to this Agreement.

H. ACCOUNTING METHODS

Expenditures charged to the Project Funds will be accounted for separately from all other revenue sources. These records shall be maintained by the Developer.

I. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following definitions shall apply:

1. Non-expendable personal property is defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of $500 or more and a useful life of more than one year.

2. Real property is defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City in its financial management. The Developer will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the City shall provide the Developer with disposition instructions upon request. If the property is disposed of for cash during this period, the proceeds from such disposition constitute Program Income which must be reported in accordance with the Subsections D and E of Section VI of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If the property is a vehicle, the City shall be named as a lien-holder on the title.

When non-expendable personal property has been fully depreciated in accordance with the City's 5-year straight-line schedule, and the property is disposed of for cash, the Developer may retain such funds provided that the Developer notifies the City in writing and that the Developer uses such funds for the exclusive benefit of the Project.

VIII. DEFAULT, REMEDIES AND MODIFICATION OF AGREEMENT

A. DEFINITION OF DEFAULT

If, during the term of this Agreement, any of the following occurs:

(i) Developer fails to operate the Project for the purpose of providing affordable housing to tenants who qualify for such housing under the HOME Program as required pursuant to Section II above;

(ii) Developer sells, transfers, conveys, or otherwise loses its interest or possession of the Property in contravention of the provisions of Section B 5 of the Project Description, Financing and Requirement, Exhibit A attached to this Agreement;

(iii) Developer fails to provide or maintain the insurance required in Section V G above;

(iv) Developer fails to defend, indemnify and hold the City harmless as required pursuant to Section V.C above;

(v) A petition in bankruptcy is filed by or against the Developer, an assignment by the Developer is made for the benefit of creditors, a receiver, trustee in bankruptcy or similar offer is appointed to take charge of all or a part of the Developer or the Property, or the Developer is adjudicated to be bankrupt; or

(vi) Developer fails to perform any of its other obligations required under this Agreement;

and the occurrence as set forth above is not remedied within 20 days after written notice of default is provided by the City to Developer pursuant to Section VIII F below, then the City may declare the Developer to be in default of this Agreement.

B. CITY REMEDIES FOR DEFAULT

Upon the occurrence of any default described in Section VIII A above, the City shall be entitled to implement any of the following remedies set forth herein:

(i) Temporarily withhold disbursement of the Project Funds pending correction of the deficiency by the Developer;

(ii) Disallow use of the Project Funds for all or part of the cost of the activity, action or expense not in compliance with the requirements of this Agreement;

(iii) Whole or partial suspension or termination of this Agreement, and the current award thereunder, for the Project;

(iv) Withhold further awards for the Project or any other affordable housing project of the Developer;

(v) Declare the HOME Promissory Note to be immediately due and payable, and if the Developer fails to repay the HOME Promissory Note as required herein, proceed to enforce the City's security interest in the Property provided by the HOME Deed of Trust executed in favor of the City;

(vi) Terminate the Agreement; or

(vii) Pursue any other legal or equitable remedy that may be available to the City.

After expiration of the cure period set forth in Section VIII A above, any remedy selected by the City shall be implemented by written notice to the Developer stating the effective date of the remedy. If the City elects to terminate this Agreement as provided herein, the Developer agrees to repay the Project Funds to the City within ten days after receipt of the written notice of termination, and failure to pay as required herein shall entitled the City to declare the HOME Promissory Note to be immediately due and payable and to enforce its security interest in the Property as provided by the HOME Deed of Trust executed in favor of the City pursuant to Section III above and Section B 1 of the Project Description, Financing and Requirements.

C. MODIFICATION OR AMENDMENT

The City and the Developer hereby agree to amend or otherwise revise this Agreement should such modification be required by any applicable federal, state or local laws, rules or regulations. Any change in the provisions of this Agreement, including the exhibits or attachments hereto, may be made only pursuant to a written amendment which is executed by the Developer and by (i) the Mayor, with City Council approval, if the amendment provides only for an increase in the amount of the Project Funds to be provided under this Agreement which is $25,000 or more, or (ii) the Director of the Economic and Urban Development Department, if the amendment provides an increase in the amount of the Project Funds to be provided under this Agreement which is below $25,000, or merely revises the language of the Agreement without any impact on the amount of the Project Funds provided hereunder.

D. AMENDMENT OR REVISION REQUIRED BY STATE OF NEVADA

The Developer and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by the State of Nevada or any applicable state statutes or regulations.

E. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions are not inserted, or is not correctly inserted, then upon the application of either party, this Agreement shall forthwith be physically amended to make such insertion.

F. NOTICES

Any notice required to be given under this Agreement Contract shall be deemed to have been given when the notice is (i) received by the party set forth below by personal service, (ii) telephonically faxed to the telephone number below provided confirmation of transmission is received thereof, or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

CITY:	Director of the Department of Economic and Urban Development City of Las Vegas - City Hall, Second Floor 400 Stewart Avenue Las Vegas, Nevada 89101-2986 Fax No. 702-598-3938
DEVELOPER	Chad I. Rennaker, President PacifiCap Properties Group 412 NW 5th Ave #200 Portland, Oregon 97209 Fax No.503-288-6209

Any change in the addresses stated above shall be made in writing and delivered in the manner provided herein.

Remainder of page intentionally left blank

G. NOTIFICATION OF DEVELOPER CHANGES

The Developer must notify within 15 days the City in writing of any of the following changes: Key staff personnel, Executive Director, changes of more than half of the Board of Directors, Developer name change, change of address, phone, fax or email address. The City must have complete and up to date information on file for the Developer.

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

CITY OF LAS VEGAS

Oscar B. Goodman, Date
Mayor

ATTEST:

6/9/11

Beverly K. Bridges, MMC Date
City Clerk

APPROVED AS TO FORM:

Robert S. Sylvain 6-2-11

Robert S. Sylvain, Date
Deputy City Attorney

CEDAR VILLAGE LIMITED PARTNERHIP, a Nevada Limited Partnership

By: PacifiCap Holdings XXII, LLC, an Oregon Limited Liability Company, General Partner

By: 6-6-11

Chad Rennaker, President Date

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO COMPLY WITH TERMS AND CONDITIONS REQUIRED IN CONNECTON THEREWITH

I, Chad Rennaker, President of PacifiCap Holdings XXII, an Oregon Limited Liability Company, and the General Partner of Cedar Village Limited Partnership, a Nevada Limited Partnership, acting as the General Partner for the Nevada limited partnership, do hereby accept the deferred loan approved by the City Council of the City of Las Vegas, Nevada on the 16th day of March, 2011, and the terms and conditions imposed in connection therewith, which terms and conditions are contained in the Deferred Loan Agreement to Fund Cedar Village Sustainability Project, the original of which this Acceptance is attached thereto and incorporated therein.

Executed this 6th day of June, 2011.

CEDAR VILLAGE LIMITED PARTNERSHIP

By: PacifiCap Holdings XXII, an Oregon Limited Liability Company, General Partner

By: ______________________________
Chad Rennaker, President

State of Oregon)
) ss
County of Multnomah)

OFFICIAL SEAL
HEATHER M BOYD
NOTARY PUBLIC - OREGON
COMMISSION NO. 432326
MY COMMISSION EXPIRES NOV. 12, 2012

On this 6th day of June, 2011, before me, the undersigned, a Notary Public in and for said county and State, personally appeared

Chad I. Rennaker as President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Heather M Boyd
Notary Public

TABLE OF EXHIBITS AND ATTACHMENTS

EXHIBIT "A"
PROJECT DESCRIPTION, FINANCING AND REQUIREMENTS

A. PROJECT DESCRIPTION

The Project involves the rehabilitation of the rental housing complex known as "Cedar Village Apartments," which complex consists of 154 one, two and three bedroom units, and subsequent operation of a certain number of rehabilitated units as floating affordable housing units (identified in Section C 2 below) for the Period of Affordability (defined in Section C 1 below). The Project is on the real property owned by Cedar Village Limited Partnership (the "Developer"), which is legally described in the Legal Description, Exhibit "E" attached to the Agreement. The site of the Property is generally depicted on the Site Map, Exhibit "D" to the Agreement. The rehabilitation work to be performed in connection with the Project is described in the Scope of Work, Attachment 1 to this Project Description, Financing and Requirements.

B. PROJECT FINANCING

1. Public Financing. The City agrees to provide to the Developer a deferred loan in an amount not to exceed $26,068.00 of federal HOME funds, and a deferred loan in an amount not to exceed $264,828.00 of state HOME funds, for a total amount not to exceed $290,896.00 (the "Project Funds"). The Project Funds are to be used to pay for the eligible Project costs incurred by the Developer in connection with the Project. The timing and method of providing Project Funds shall be entirely within the City's discretion. The Project Funds will be used according to the Project Budget, Exhibit "C" attached to the Agreement. Any Project costs in excess of the Project Funds will be the responsibility of the Developer unless otherwise agreed in writing by the City. The Developer assumes responsibility for all operational and maintenance costs of the Project.

The Developer is responsible to the City for completion of the Project on the Property pursuant to this Agreement. As security for the repayment of the Project Funds in the event that the Developer fails to complete the Project as required herein, or fails to perform any other obligations of this Agreement, the Developer agrees to execute the Promissory Note for HOME Funds in the amount of $290,896 (the "HOME Promissory Note"), Attachment 2 to this Project Description, Financing and Requirements. In addition to the execution of the HOME Promissory Note, the Developer, as the owner of the Property, agrees to execute the All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds (the "HOME Deed of Trust"), Attachment 3 to this Project Description, Financing and Requirements, which shall secure the repayment of the HOME Promissory Note and performance of the obligations of this Agreement, including, without limitation, the obligation to rehabilitate and operate the Project according to the requirements of the Agreement, in the event of a default by the Developer under the Agreement.

2. Other Financing. The City acknowledge that the Developer may encumber the Project with one or more deeds of trust or other security interest required by private lenders who provide private financing, in addition to the public financing provided by the City, to be used for rehabilitating the Cedar Village Apartments, which private financing liens or encumbrances will be recorded in the official records of Clark County Recorder's Office. The Developer

acknowledges and agrees that the HOME Deed of Trust will not be subject and subordinate to any other liens, deeds of trust or other security instruments required by private lenders in order to secure additional financing for rehabilitation of the Cedar Village Apartments. Other than the aforementioned encumbrances of the City, other private lenders for the rehabilitation of the Cedar Village Apartments and the senior deed of trust already recorded at the time of this Agreement, the Developer shall not allow the Property to be encumbered or attached in any manner with any liens, encumbrances or other security instruments during the Period of Affordability.

C. PROJECT REQUIREMENTS

1. Period of Affordability. The Project will be operated as affordable housing for a minimum period of 5 years commencing from the date the Project Completion Report, received from the Developer, is imputed into the Computerized Disbursements and Information System established by HUD (the "Period of Affordability").

2. Designation of Project Assisted Units. Of the total 154 units comprising the Cedar Village Apartments, the Developer agrees to designate and operate 16 one-bedroom units, 64 two-bedroom units, and 72 three-bedroom units as affordable housing pursuant to the requirements of the HOME Program (the "HOME Assisted Units). The 152 HOME Assisted Units will be considered floating units that may change during the Period of Affordability so long as the number of HOME Assisted Units remains the same as required herein in terms of number of bedrooms, square footage and apartment features. For the purpose of this Agreement, a "floating unit" means that the Developer may, with the vacation of the HOME Assisted Unit, designate or use another unit for occupancy by a HOME qualified tenant provided such unit is comparable in square footage, number of bedrooms and other apartment features.

3. Tenant Qualifications for Affordable Housing. For the Period of Affordability set forth below, the Developer will not lease any of the HOME Assisted Units to any person or household who at the time of initial occupancy have income determinations that exceed 60% of area median income ("AMI") adjusted for family size as shown on the HOME/LIHTF Program Income Guidelines attached as Exhibit "F" to the Agreement, which guidelines will be updated by the HUD on an annual basis and shall automatically replace Exhibit "F" to the Agreement. For the Period of Affordability, the Developer further agrees that three (3) one-bedroom, thirteen (13) two-bedroom, and fourteen (14) three bedroom units for a total of thirty (30) HOME Assisted Units must be occupied by tenants whose income does not exceed 50% AMI shown on the Program Income Guidelines.

4. Rental Amount Limitation. For the Period of Affordability set forth above, the Developer agrees that the rents to be charged for the HOME Assisted Unit will not exceed the amounts established by HUD annually for the HOME Program, which amounts are set forth in the HOME Program Rent Limits attached as Exhibit "G" to the Agreement." If any tenant receives an additional rent subsidy through any federal or state rental assistance program, the rent of the HOME Assisted Unit may be raised to the amount of the rental assistance program limit only if the following requirements are met: (i) the tenant is paying no more than 30 percent of their adjusted income; (ii) the rent subsidy is project-based (affects the entire project, not just a single unit); and (iii) the tenant's income is less than 50 percent of the area median income.

When a household receives tenant-based rental assistance provided by the Section 8 Program or another funding source, the maximum allowable rent for the HOME-assisted unit cannot exceed the applicable HUD-published HOME rent limits. All tenants in the HOME Assisted Units shall have leases with Developer or their respective assignee, and furthermore, all leases shall be for a period of one year, unless a different period is agreed upon by Developer and the tenant(s).

5. Right of Recapture. If, during the Period of Affordability, any of the following occur: (i) the Developer sells, transfers, conveys or otherwise loses its interest in, or possession of, the Property through foreclosure or any other proceeding, (ii) the Developer fails to provide affordable housing pursuant to the requirements of this Agreement, or (iii) the HOME Assisted Units, or any portion thereof, are converted to non-qualified HOME activities, including, without limitation, the HOME Assisted Units, or any portion thereof, are subleased, the City shall be entitled to recapture the Project Funds invested in the Property, and the Developer agrees to repay the Project Funds to the City upon receipt of demand therefor. The failure to repay the Project Funds as required herein shall entitle the City to declare the principal set forth in the Promissory Note for HOME Funds, and any interest due thereunder, to be immediately due and payable and the City may enforce the security interest granted to the City by the Developer pursuant to the All-Inclusive Deed of Trust for HOME Funds.

6. Usage Records. The Developer will provide the Economic and Urban Development Department with client usage records for the HOME Assisted Units on a annual basis during the Period of Affordability set forth above. These records will contain but are not limited to, the following data:

a. Total clients served;
b. To the extent provided by residents, racial breakdown of clients served including American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/ Other Pacific Islander, White, American Indian/Alaska Native and White, Asian and White, Black/African American and White, American Indian/Alaska Native and Black/African American, Other;
c. To the extent provided by residents, number of clients who report a Hispanic ethnicity;
d. Number and percentage of Low and Very Low Income clients as defined by HUD HOME Program Income Guidelines (Exhibit "F");
e. Number of handicapped clients served;
f. Number of senior citizens served;
g. Number of female head-of-households served;
h. Number of renter households served, and rent charged;
i. Number of owner households served; and
j. Monthly rent paid by each household served.

7. Program Income. The Project Funds provided to the Developer must be returned to the City upon a sale, transfer, or other conveyance of the assisted property (other than as authorized by this Resolution) prior to the expiration of the Period of Affordability.

ATTACHMENT "1" TO EXHIBIT "A"
SCOPE OF WORK

(next page)

SCOPE OF WORK

Cedar Village Sustainability Project-

Replace 5 of the 75 gallon gas fired hot water boilers. Install an additional 10 each 199,000 btu 75 gallon boilers. Disconnect, remove and dispose of old boilers. Connect new boilers to existing gas lines and supply lines.

Replace 1 of the 40 gallon gas fired hot water boilers. Disconnect, remove and dispose of old boilers. Connect new boilers to existing gas lines and supply lines.

Replace 226 thru wall heating and cooling systems with new electric heat pumps. Cooling to be 14 seer. Disconnect, remove and dispose of existing thru wall heaters.

ATTACHMENT "2" TO EXHIBIT "A"
PROMISSORY NOTE FOR HOME FUNDS

(next page)

PROMISSORY NOTE FOR HOME FUNDS

(SECURED BY ALL-INCLUSIVE DEED OF TRUST)

March 16, 2011
$290,896 Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of the City of Las Vegas (herein "Holder"), a municipal corporation within the State of Nevada, at 400 Stewart Avenue, Las Vegas, Nevada 89101, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of Two Hundred Ninety Thousand Eight Hundred Ninety Six Dollars ($290,896) (the "Indebtedness"). This Note will be non-recourse to the Maker and shall bear no interest.

The Indebtedness represented by this Note shall be due and payable in its entirety on the earlier of (i) the date that Maker sells, transfers, conveys or otherwise loses its interest in or possession of the Property (defined below) as prohibited by that certain Deferred Loan Agreement to Fund Cedar Village Sustainability Project dated (the "Agreement") prior to expiration of the Period of Affordability (defined in the Agreement); (ii) during the Period of Affordability, the date that Maker fails to provide affordable housing to tenants eligible for such housing under the HOME Program as mandated by the Agreement, or (iii) the date that Maker fails to comply with any of the requirements of the Agreement.

Maker and any endorsers or guarantors hereof and all others who may become liable for all or part of the Indebtedness, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for the Indebtedness, and any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability.

In the event any performance by Maker required by the terms hereof is not performed when the same become due, then at any time thereafter, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of the performance thereof from any person thereafter shall not constitute a waiver of Holder's option.

This Note is secured by that certain All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds (the "All-Inclusive Deed of Trust") of even date herewith executed by Maker, as Trustor, to Holder, as Trustee and Beneficiary therein, which All-Inclusive Deed of Trust encumbers that certain real property more particularly described therein (the "Property").

Time is expressly made of the essence with respect to every provision hereof and the All-Inclusive Deed of Trust. This Note shall be governed by, construed and enforced exclusively in accordance with the laws of the State of Nevada.

With respect to any default under this Note, the notice and cure provisions set forth in the Agreement shall apply to this Note.

IN WITNESS WHEREOF, Maker has caused this Note to be executed on its behalf by its duly authorized officer made effective as of the date first above written.

Cedar Village Limited Partnership, a Nevada Limited Partnership

By: PacifiCap Holidngs XXI, an Oregon Limited Liability Company, General Partner

By: ______________________________
Chad Renmaker, President

ATTACHMENT “3” TO EXHIBIT “A”
ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS
SECURING HOME FUNDS

(next page)

APN # 139-36-210-006

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Las Vegas
Economic and Urban Development
Department-Second Floor
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Earlie King Las Vegas, NV 89101

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING HOME FUNDS

THIS ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING HOME FUNDS (this "All-Inclusive Deed of Trust") is made this 16th day of March, 2011, by Cedar Village Limited Partnership. (herein "Trustor"), a limited partnership organized under the laws of the State of Nevada, whose address is 2850 E. Cedar Avenue, Las Vegas, Nevada 89101, to City of Las Vegas (herein "Trustee" and "Beneficiary"), a municipal corporation within the State of Nevada, with offices located at City Hall, 400 Stewart. Las Vegas, Nevada 89101.

WITNESSETH:

Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that property in the City of Las Vegas, County of Clark, State of Nevada, described on Exhibit A attached hereto (the "Property"), together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

This All-Inclusive Deed of Trust is executed for the purpose of securing (1) payment of the sum of Two Hundred Ninety Thousand Eight Hundred Ninety Six Dollars ($290,896) (the "HOME Funds") without interest thereon according to the terms of that certain Promissory Note for HOME Funds of even date herewith ("the Secured Note") executed by Trustor and made payable to the order of Beneficiary, and extensions or renewals thereof, and (2) the performance of each obligation of Trustor incorporated by reference or contained herein.

A. GENERAL PROVISIONS:

1. This is an All-Inclusive Deed of Trust securing the Secured Note to the City of Las Vegas, the performance of the obligations of the Trustor to Beneficiary under the Deferred Loan Agreement to Fund Cedar Village Sustainability Project dated March 16, 2011 (the "Agreement"). Trustor shall abide by the terms of the Agreement. Trustor agrees to rehabilitate the Property to use the Project to provide decent, safe, and sanitary rental units to HOME

Program eligible tenants. Trustor agrees to maintain and operate the Property as a drug-free environment. Trustor agrees to perform all of the obligations set forth in the Agreement, including, without limitation, the obligation to designate and maintain within the Property 152 rental units as floating HOME assisted units (the "HOME Assisted Units"), which rental units must be used to provide affordable housing pursuant to the requirements of the Agreement and the HOME Program for the Period of Affordability as defined in the Agreement (5 years) unless terminated earlier pursuant to the Agreement. Trustor agrees to abide by the HOME rules and regulations, specifically 24 CFR 92.

2. Trustor agrees to repay the HOME Funds if, prior to the expiration of the Period of Affordability, Trustor fails to comply with the requirements of the Agreement, including, without limitation, if a sale, transfer, conveyance or loss of ownership or possession of the Property occurs as prohibited in the Agreement; provided, however, that the foregoing shall not apply to the transfer of the membership interests in Trustor. Notwithstanding such transfer of membership interests, the HOME Assisted Units must be used as affordable housing until expiration of the Period of Affordability.

The City of Las Vegas requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to it at the following address: City of Las Vegas, Economic and Urban Development Department, 400 Stewart Avenue – 2nd Floor, Las Vegas, NV 89101.

B. TO PROTECT THE SECURITY OF THIS ALL-INCLUSIVE DEED OF TRUST, TRUSTOR AGREES:

1. To keep the Property in good condition and repair; not to remove or demolish and build thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this All-Inclusive Deed of Trust.

4. To pay (a) at least ten days before delinquency, all taxes and assessments affecting the Property, including assessments on appurtenant water stock: (b) when due, subject to the right to contest as set forth below, all encumbrances, charges and liens, with interest, on the Property or

any part thereof, which appear to be prior or superior hereto: (c) all allowable expenses of this Trust.

If Trustor fails to make any payment or to do any act as herein provided, then Beneficiary or Trustee may, but without any obligation so to do, and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, make or do the same in such manner and to such extend as either may deem necessary to protect the security hereof, and Beneficiary or Trustee are hereby authorized to enter upon the Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers; pay reasonable expenses incurred in connection therewith, including reasonable attorneys fees.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate provided in the Secured Note.

C. IT IS MUTUALLY AGREED:

1. Any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money's received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of amounts due hereunder, and if such proceeds are insufficient then Trustor shall have funded any deficiency, and (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the amounts due hereunder in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the amounts due hereunder.

3. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

4. At anytime or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of the Property;

consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

5. Upon written request of Beneficiary stating the Period of Affordability has expired, that all sums secured hereby and due have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

6. Notwithstanding anything to the contrary contained herein, Trustor hereby irrevocably assigns, gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness hereby secured, to enter upon and take possession of the Property or any part thereof in its own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.

7. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause to be sold the Property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time may then be required by law following the recordation of said notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to such purchaser its deed conveying the property so sold, but without covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary as hereinafter defined, may purchase as such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate provided in the Secured Note; all other sums then secured hereby; and the remainder, if any to the person or persons legally entitle thereto.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof or proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this All-Inclusive Deed of Trust is recorded and the name and address of the Trustee.

9. This All-Inclusive Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine, and the singular number includes the plural.

10. Trustee accepts this Trust when this All-Inclusive Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

D. THE PARTIES FURTHER AGREE:

1. Trustor shall perform and observe all obligations to be performed and observed by Trustor under the All-Inclusive Deed of Trust securing the Secured Note.

2. The following Covenants, Nos. 1, 3, 4 (rate of interest is the default rate stated in the Note), 5, 6, 7 (attorneys' fees in the amount provided for in the Note), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this All-Inclusive Deed of Trust, provided, however, that the express covenants of this All-Inclusive Deed of Trust shall control to the extent that the same are inconsistent with Covenant Nos. 1, 3, 4, 5 and 9 and, provided further, that Covenant Nos. 6, 7 and 8 shall control over the express covenants of this All-Inclusive Deed of Trust to the extent the same are inconsistent with Covenant Nos. 6, 7 and 8.

3. If an event of default occurs under any of the terms of the Secured Note or in the obligations under this All-Inslusive Deed of Trust, prior to exercising any remedies thereunder, Beneficiary shall give the Trustor written notice of such default. Trustor shall have the same period of time after such notice is given within which to cure the default as is provided in the Agreement prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note.

4. If a non-monetary event of default occurs under the terms of the Secured Note, prior to exercising any remedies thereunder Beneficiary shall give Trustor written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time, if any, as may be specified in the Secured Note. If the default is such that it is not reasonably capable of being cured within thirty (30) days, or such longer period if so specified under the Secured Note, and if Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary (not to exceed 90 days) to cure the default prior to exercise of any remedies by Beneficiary. Notwithstanding the foregoing, in no event shall Beneficiary be precluded from exercising its remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given.

5. Notwithstanding the contrary contained herein, this is a non-recourse All Inclusive Deed of Trust and Beneficiary shall have no recourse against the Trustor or to any asset of the Trustor other than the Property, nor any right to a deficiency judgment in order to satisfy the indebtedness for payment of principal and interest evidenced by the Secured Note.

TRUSTOR: Cedar Village Limited Partnership, a Nevada Limited Partnership

By: PacifiCap Holidngs XXI, an Oregon Limited Liability Company, General Partner

By: ______________________

Chad Rennaker, President

OFFICIAL SEAL
HEATHER M BOYD
NOTARY PUBLIC - OREGON
COMMISSION NO. 432325
MY COMMISSION EXPIRES NOV. 12, 2012

STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

On this 6th day of June, 2011, Chad I. Rennaker personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Multnomah, the day and year first above written.

Notary Public Heather M Boyd My commission expires 11/12/12

EXHIBIT A TO THE ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING HOME FUNDS

LEGAL DESCRIPTION

A.P.N. 139-36-210-006

THE EAST 345.98 FEET OF LOT ONE (1) AND THE NORTH 299.5 FEET OF THE EAST 345.98 FEET OF LOT TWO (2), BOTH IN BLOCK SEVEN (7) OF THE ARTESIAN ACRES, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 1 OF PLATS, PAGE 38, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXHIBIT "B"
SCHEDULE OF PERFORMANCE

(next page)

SCHEDULE OF PERFORMANCE

Cedar Village
Development and Completion Schedule

Estimated Date	Milestone
6-22-2011	Start of Rehabilitation Work
11-30-2011	Construction complete

EXHIBIT "C"
PROJECT BUDGET

(next page)

PROJECT BUDGET

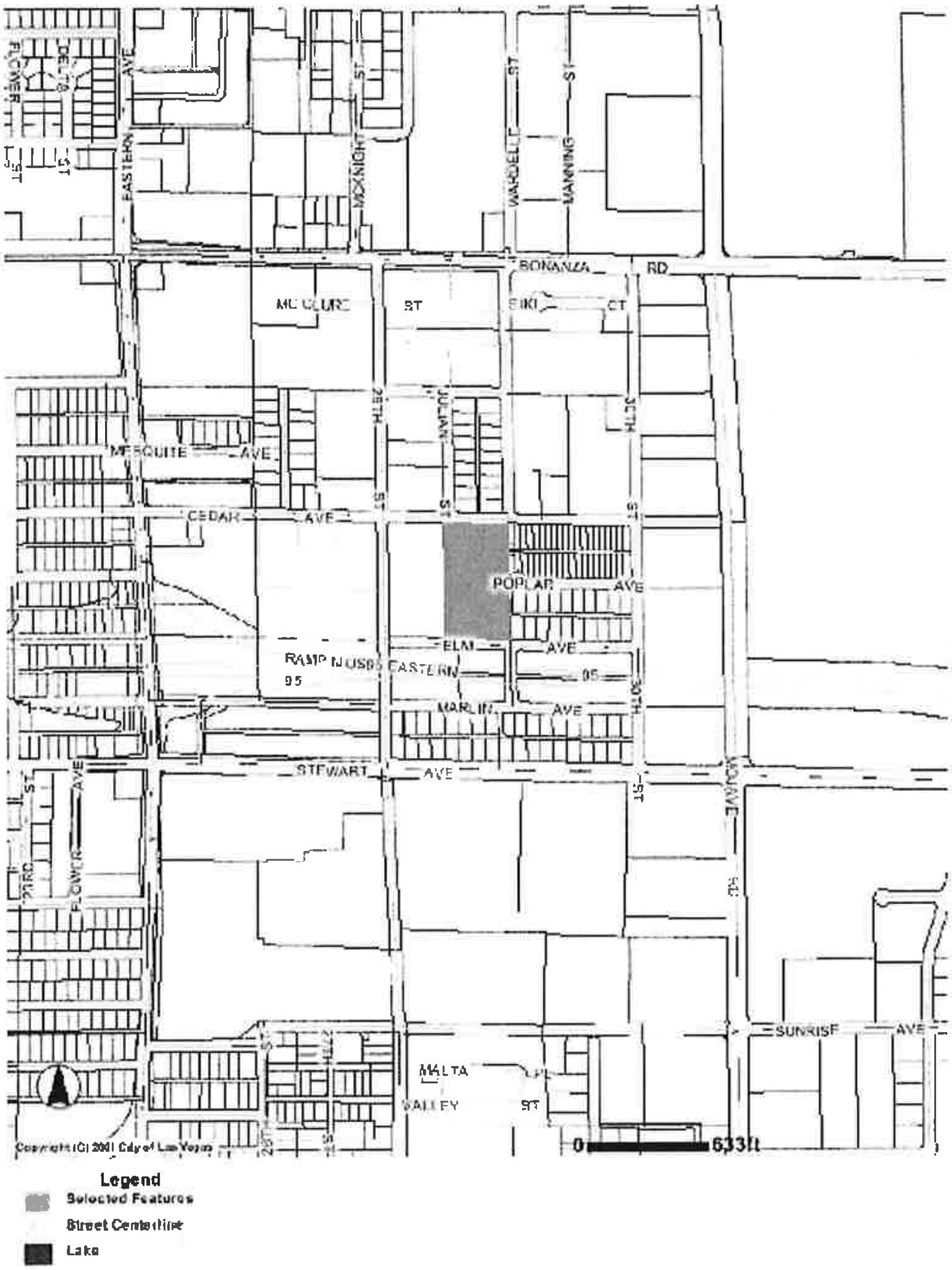
CEDAR VILLAGE SUSTAINABILITY PROJECT

	Total Cost	HOME Funds	Other
Installation of Boilers and PTAC units	$288,496	$288,496	
Taxes during construction	5,000		$5,000
Engineering	1,200	1,200	
Construction Control	1,200	1,200	
Total Cost	$295,896	$290,896	$5,000

EXHIBIT "D"
SITE MAP

(next page)

Cedar Village



http://major.lasvegasnevada.gov/servlet/com.esri.esrimap.Esrimap?ServiceName=clvcamps... 6/2/2011

EXHIBIT "E"
LEGAL DESCRIPTION

(next page)

LEGAL DESCRIPTION

A.P.N. 139-36-210-006

THE EAST 345.98 FEET OF LOT ONE (1) AND THE NORTH 299.5 FEET OF THE EAST 345.98 FEET OF LOT TWO (2), BOTH IN BLOCK SEVEN (7) OF THE ARTESIAN ACRES, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 1 OF PLATS, PAGE 38, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXHIBIT "F"
HOME/LIHTF PROGRAM INCOME GUIDELINES

(next page)

HOME/LIHTF PROGRAM INCOME GUIDELINES

U.S. Department of Housing and Urban Development (HUD) (Effective April, 2010)
Median Family Income ($65,700)

FAMILY SIZE	INCOME NOT TO EXCEED	
1	30%	13,800
	50%	23,000 (Very Low-Income)
	60%	27,600
	80%	36,800 (Low-Income)
2	30%	15,800
	50%	26,300 (Very Low-Income)
	60%	31,560
	80%	42,050 (Low-Income)
3	30%	17,750
	50%	29,600 (Very Low-Income)
	60%	35,520
	80%	47,300 (Low-Income)
4	30%	19,700
	50%	32,850 (Very Low-Income)
	60%	39,420
	80%	52,550 (Low-Income)
5	30%	21,300
	50%	35,500 (Very Low-Income)
	60%	42,600
	80%	56,800 (Low-Income)
6	30%	22,900
	50%	38,150 (Very Low-Income)
	60%	45,780
	80%	61,000 (Low-Income)
7	30%	24,450
	50%	40,750 (Very Low-Income)
	60%	48,900
	80%	65,200 (Low-Income)
8	30%	26,050
	50%	43,400 (Very Low-Income)
	60%	52,080
	80%	69,400 (Low-Income)

EXHIBIT "G"
HOME/LIHTF PROGRAM RENT LIMITS

(next page)

HOME/LIHTF PROGRAM RENT LIMITS

U.S. Department of Housing and Urban Development (HUD)
Program Limits (Effective May 2010)

Program	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom	6-Bedroom
Low Home Rent Limit	$575	616	740	854	953	1,051	1,149
High Home Rent Limit	728	781	939	1,077	1,181	1,285	1,389
For Information Only:							
Fair Market Rent	$767	904	1,063	1,478	1,778	2,045	2,311
50% Rent Limit	575	616	740	854	953	1,051	1,149
65% Rent Limit	728	781	939	1,077	1,181	1,285	1,389

EXHIBIT "H"
DISCLOSURE OF PRINCIPALS

(next page)

DISCLOSURE OF PRINCIPALS

The principals and partners of Cedar Village Limited Partnership *and all persons and entities holding* more than 1% interest in Cedar Village Limited Partnership or any principal of Cedar Village Limited Partnership, are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
	AMTAX Holdings 242, LLC	101 SW Main Street, Suite 295 Portland, OR 97204	503-228-6367

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

OFFICIAL SEAL
HEATHER M BOYD
NOTARY PUBLIC - OREGON
COMMISSION NO. 432325
MY COMMISSION EXPIRES NOV. 12, 2012

Cedar Village, Limited Partnership

By: ____________________

Subscribed and sworn to before me this
6th day of June, 2011.

Notary Public

DEFERRED LOAN AGREEMENT TO FUND VEGAS HEIGHTS SINGLE FAMILY INFILL PROJECT-PHASE II

(Federal HOME Funds)

THIS DEFERRED LOAN AGREEMENT TO FUND VEGAS HEIGHTS SINGLE FAMILY INFILL PROJECT-PHASE II (this "Agreement") is made and entered into this 16th day of March, 2011, by and between the City of Las Vegas (the "City"), a municipal corporation of the State of Nevada, with offices located at City Hall, 400 Stewart, Las Vegas, Nevada 89101, and Habitat for Humanity Las Vegas, Inc. (the "Developer"), a non-profit corporation organized under the laws of the State of Nevada, with a mailing address of 1401 North Decatur Boulevard. Suite 35, Las Vegas Nevada 89108. The City and the Developer are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

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

WHEREAS, the County has previously entered into an Interlocal Agreement with the State of Nevada whereby the County will administer certain HOME Program and Low-Income Housing Trust Fund ("LIHTF") monies allocated to the County by the Housing Division, Department of Business and Industry, State of Nevada ("NHD"); and

WHEREAS, the County, as the Entitlement Grantee for the HOME Program is responsible for planning, administration, implementation, and evaluation of the 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 and LIHTF Program funds allocated to the County by HUD; and

WHEREAS, the County, pursuant to the terms and conditions of the Interlocal Agreement with the City, shall transfer HOME Program funds to the City; and

WHEREAS, the City has entered into a Grant Agreement with HUD for participation in the HOME Program set forth under 24 CFR Part 92 as amended; and

WHEREAS, the City, as the entitlement grantee under the HOME Program, is responsible for the distribution of HOME Program funds for projects which have been determined to be eligible for such funding, and in furtherance of the goals and objectives of the HOME Program; and

WHEREAS, the Developer has requested financial assistance from the City under the HOME Program for the purpose of completing the Project (more fully described below), which is commonly known and referred to as the "Vegas Heights Single Family Infill Project- Phase II"; and

WHEREAS, the Las Vegas City Council, at its meeting on March 16, 2011, after determining that the Project will provide a substantial benefit to the inhabitants of the City, allocated federal HOME funds in the amount set forth below to be used for the Project.

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:

I DEVELOPER PROJECT RESPONSIBILITIES

In consideration for the allocation of the Project Funds (defined below) by the City for the deferred loan made to the Developer pursuant to this Agreement, the Developer agrees to complete the Project described in the Project Description, Financing and Requirements, Exhibit "A" attached hereto and incorporated herein according to the requirements set forth in this Agreement, including the purchase of each of the parcels of real property (the "Property") legally described in the Legal Description, Exhibit "D" attached and incorporated herein. The single family homes to be constructed on each of the parcels comprising the Property will comply with the basic concept drawing set forth in the Project Rendering, Exhibit "F" attached hereto and incorporated herein, which is hereby approved by the City Council with the approval of this Agreement. Any substantial change or deviation from the Project Rendering requires the approval of the City Council.

II CITY PROJECT RESPONSIBILITIES

With the execution of this Agreement, the City agrees to provide the Developer with a deferred loan of federal HOME funds in an amount not to exceed Fifty-Four Thousand Dollars ($54,000) (the "Project Funds"). For purposes of this Agreement, a "deferred loan" means the Developer is released from the obligation of repayment of the HOME Funds if the Developer performs all of its obligations under this Agreement.

The Project Funds are to be used only to reimburse the Developer for certain eligible Project costs incurred in the purchase of the parcels comprising the Property for the Project. Provided the conditions set forth in Section III below have been satisfied, the City agrees to deposit into each escrow that portion of the Project Funds which are needed by the Developer to acquire each parcel after the request for payment has been received from the Developer and approved by the City. In the event that the Developer elects to close escrow on any parcel without the aforementioned deposit, the Developer may seek reimbursement from the City.

III CONDITIONS TO THE RELEASE OF PROJECT FUNDS

The City's obligation to provide the Project Funds to the Developer for the eligible Project costs of the Project shall be subject to the following conditions:

(i) An environmental review as required pursuant to 92 CFR 58 is completed for the Property and provided by the City. Notwithstanding any other provision of the Agreement, this Agreement does not constitute a commitment of funds or site approval until the satisfactory completion of the environmental review by the City. With the completion of the environmental review, the City shall make the determination of whether to proceed with the Project as proposed, modify the Project, or cancel the Project in its entirety;

(ii) The City has received approval from the U.S. Department of Housing and Urban Development, as may be required, to use the Project Funds for the Project;

(iii) The Neighborhood Development Division Manager of the Economic and Urban Development Department of the City has provided the Developer with a written Notice to Proceed with the Project. With issuance of the Notice to Proceed, the Developer agrees to provide the City with the written minutes of all construction meetings until issuance of the Certificate of Occupancy on the Project. The failure to comply with the requirements of this provision may result in the City denying reimbursement of eligible Project costs submitted by the Developer under this Agreement;

(iv) A preliminary title report is provided to the City indicating that the condition of title for each parcel comprising the Property to be acquired by the Developer is held in a manner which is acceptable to the City, and a title insurance policy, in a form and with a title company acceptable to the City, is issued at the close of escrow in the minimum amount of the purchase price of each parcel. Each title insurance policy issued on each parcel shall name the City as an insured party thereunder. Issuance of the title insurance policy shall be a condition to the close of escrow for each of the parcels to be acquired by the Developer; and

(v) A land appraisal is provided to the City ascertaining the fair market value of each parcel comprising the Property as required pursuant to Section V O of this Agreement.

IV PERIOD OF PERFORMANCE

This Agreement will commence as of the date set forth in the introductory paragraph (which date shall be the date of approval by the City Council), conditioned upon satisfactory completion of the environmental review and receipt by the City of authorization to release the Project Funds from HUD, and continue in force and effect until expiration of the Period of Compliance (defined in Section C5 of the Project Description, Financing and Requirements) unless terminated earlier pursuant to Section VIII B of this Agreement.

The Project Funds must be expended on or before December 30, 2011, for the acquisition of the parcels that comprise the Property, unless an extension not to exceed six (6) months is granted by the City. The Developer agrees that the Project shall proceed according to the timelines set forth in the Project Schedule, Exhibit "B" attached hereto and incorporated herein as a part of this Agreement. The construction of the single family residential housing on each parcel comprising the Property, and each sale thereof to a qualified homebuyer, must be completed by December 31, 2012. Any request for an extension of the timelines or deadlines set forth herein must be made in writing by the Developer and granted in writing by the Director of the Department of Economic and Urban Development (which approval shall not be unreasonably withheld).

V CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE HOME/LIHTF PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS

The Developer agrees to comply with the requirements, policies, regulations and criteria of time the HOME/LIHTF Programs specified in the Economic and Urban Development Department HOME/LIHTF Program Manual. The Developer shall obtain any and all applicable federal, state, and local permits, licenses, notices or certificates required to construct the Project. The Developer further agrees to abide by all applicable federal, state, and local regulations, statutes, ordinances and laws. The failure to comply with any of the above may result in the forfeiture of the Project Funds provided under this Agreement.

B. DEVELOPER RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

The Developer has requested financial support from the City to enable it to complete the Project contemplated herein. The City shall have no relationship whatsoever with the Project except for providing financial support and the receipt of the Reports required from the Developer under this Agreement. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by the Developer, subject only to review by the Economic and Urban Development Department Director, or authorized designee, to assure continuing eligibility for the Project Funds.

C. INDEMNIFICATION

The Developer agrees to protect, defend, indemnify and save the City, its officers, employees and agents, harmless from and against any and all damages, claims, suits, liens, judgments or any other form of liability of whatever nature for injuries to, or death of, any person caused by, connected with, or arising out of any activities or performance undertaken pursuant to this Agreement. The Developer's obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph shall include reasonable attorneys' fees incurred by the City in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the City in enforcing and/or obtaining compliance with the provisions of this paragraph.

D. ON-SITE MONITORING

The Project funded under this Agreement will be subject to on-site monitoring by duly authorized representatives (including independent auditors) of the City, HUD, the Comptroller of the United States, or any combination thereof. The representatives will be announced, at a minimum, 24 hours in advance of any on-site visits, which shall occur during normal operating hours. During any on-site visit, the representatives shall be granted access to any and all records pertaining to the Project. The representatives may interview any employee of the Developer, or any entity associated with the Project, who volunteers to be interviewed.

The Developer shall allow the representatives to conduct such reviews, audits and on-site monitoring of the Project as the reviewing entity deems appropriate in order to determine:

1. Whether the Project is being operated in a manner consistent with the Consolidated Plan submitted to and approved by HUD and the national and primary objectives of the HOME Program and/or LIHTF Program, whichever is applicable;

2. Whether the objectives of the Project are being achieved;

3. Whether the Project is being operated in an efficient and effective manner;

4. Whether management control systems and internal procedures have been established to meet the objectives of the Project;

5. Whether the financial operations of the Project are being conducted properly;

6. Whether the periodic reports to the City contain accurate and reliable information; and

7. Whether all of the activities of the Project are conducted in compliance with the provisions of applicable Federal/State laws and regulations and this Agreement.

E. MAINTENANCE OF RECORDS

The Developer agrees to maintain financial records and supporting documentation pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain them for a period of ten (15) years, except those records subject to audit findings which shall be retained for five (5) years after such findings have been resolved. In the event the Developer goes out of existence, the Developer shall turn over to the City all of its records relating to this Agreement which will be retained by the City for the required period of time.

F. AUDITING OF RECORDS AND BOOKS

The Developer agrees to permit the City, or its designated representative(s), (including independent auditors, HUD or the Comptroller of the United States or any combination thereof) 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 the Developer's operation hereunder. The Developer further understands and agrees that the inspection and audit will be exercised only after reasonable advance written notice to the Developer. If the records or books are not located within Clark County, Nevada, the Developer agrees to deliver the records or books to the address within the City of Las Vegas designated by the City. If the City, or its designated representative(s), find that the records delivered by the Developer are incomplete, the Developer agrees to pay the City or its representative(s), the costs to travel (including transportation, lodging, meals, and other related expenses) to the Developer's offices to inspect and audit, as deemed necessary, all records of the Project relating to finances, as well as other records (such as the performance records) that may be required by relevant directives of funding sources of the City.

G. INSURANCE

1. Insurance Policies. The Developer shall procure and maintain at its own expense during the entire term of this Agreement, the following insurance coverage:

a. Industrial/Workers' Compensation Insurance protecting the Developer and the City from potential Developer employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement.

b. General Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, and Two Million Dollars ($2,000,000) in the aggregate, for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to policy of insurance must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverage for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.

c. Automobile Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by the Developer (owned or hired) in the performance of the services under this Agreement.

d. Professional Liability Insurance in an amount of not less than One Million Dollars ($1,000,000). Coverage may be on a "claims made" basis or on an "occurrence" basis. If coverage is provided on a "claims made" basis, the Developer shall maintain coverage for one (1) year following the completion of this Agreement.

e. The Developer shall carry or provide Comprehensive Fire and Hazard Insurance covering the full replacement costs of the Project.

The insurance policies required under this Section are in addition to, and not in lieu of, the Developer's indemnification obligation provided under Section V.C.

2. Certificates of Insurance. Prior to the commencement of its performance under this Agreement, the Developer shall have on file with the City current certificates of insurance evidencing the policies required herein.

a. Developer shall furnish the renewal certificates for the required insurance during the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare the Developer in default of its obligation under this Section.

b. Except for the Professional Liability Insurance, the City shall be named as an additional insured party under the insurance policies required under this Section.

3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Developer, including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VIII, A IX, A X, etc.).

4. Lapse of Insurance. If the Developer fails to maintain any policy of insurance required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order to maintain the required coverage. The Developer is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from the Developer or deduct the amount paid from any sums due the Developer under this Agreement.

5. Primary Coverage. The Developer's insurance shall be the primary coverage with respect to the City, its officers, employees and agents. Any other coverage (insurance or otherwise) available to the City, its officers, employees and agents shall be considered coverage in excess to that required of the Developer and shall not contribute with it.

6. Notice of Cancellation. Each insurance policy supplied by the Developer must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits until thirty (30) days prior written notice by certified mail "return receipt requested" has been given to the City. This notice requirement does not waive the insurance requirements contained herein.

H. IRS REGULATIONS

The Developer agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he or she is paid $600 or more (or as updated pursuant to IRS regulations), and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. The 1099 instructions can be obtained on the IRS website.

I. LIMIT ON ASSIGNMENT OF INTEREST

The Developer may not assign any part of its rights in this Agreement without the written consent of City. Any such assignment of rights without the consent of City shall result in the forfeiture of all the HOME/LIHTF Funding, or any part thereof, as determined by City.

J. AGREEMENT REVISIONS

Any change in the provisions of this Agreement, including the exhibits and attachments hereto, may be made only pursuant to a written amendment which is executed by the Developer and by (i) the Mayor, with City Council approval, if the amendment provides an increase in the Project funds of $25,000 or more, or (ii) the Economic and Urban Development Department

Director or Neighborhood Division Manager, if the Amendment is below $25,000, or merely revises the language of the Agreement without any impact on the Project funds.

K. THIRD PARTY CONTRACTS

The Developer shall provide reasonable advance notice to, and obtain the written consent from, the City prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party. An example of said the contractual agreement is to be provided by the City. The advance notice shall demonstrate the necessity of such services and shall provide for an adequate remedy in the event the professional services are not rendered in a manner consistent with the terms of this Agreement.

L. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, the Developer warrants that it has disclosed, on the form attached hereto as Exhibit "I", all principals, including, partners of the Developer, as well as all persons and entities holding more than 1% interest in the Developer or any principal of the Developer. Throughout the term hereof, the Developer shall notify the City in writing of any material change in the above disclosure within 15 days of such change.

M. GROUND BREAKING CEREMONIES

The Developer understands and agrees that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Developer. In addition, the Developer agrees to coordinate with the City any ceremonial events concerning the Project including the review and approval of the date for groundbreaking ceremonies, the invitations, invitation list, press release, and the ceremonial programs. The City will be responsible for scheduling the ceremonial event with City elected officials.

N. INCOMPLETE PROJECT

If, for any reason whatsoever, subsequent to the execution of this Agreement, the Developer is unable to begin or complete the Project, the Developer agrees to repay the Project Funds to the City. As an alternative to the repayment of the Project Funds as provided herein, if so approved by the City, the Developer may transfer ownership of the Property by deed to the City at no cost to the City. In the event of such transfer, the City will make reasonable efforts to ensure the Property is utilized for a project which is eligible to receive the Project Funds, or the City may sell the Property and return the amount of the Project Funds utilized for the purchase to its source.

As an alternative to repayment of the Project Funds or conveyance of the Property to the City as provided herein, if so approved by the City, the Developer may elect to sell the Property, provided arrangements have been made through escrow for the net proceeds resulting therefrom to be used for the repayment of the Project Funds to the City. For purposes of this Agreement, "net proceeds" means the sales price of the Property minus any superior loan repayment and closing costs. Any balance remaining thereafter shall be treated as Program Income pursuant to

Section VI below. If the proceeds from the sale of the Property are inadequate to repay the City for the Project Funds expended on the Project, the Developer agrees to pay the deficiency and such payment shall be made at, and as a condition to, the close of escrow.

O. APPRAISAL OF PROPERTY

The Developer hereby acknowledges that the policy of the City is to secure as collateral an interest in any and all real property being financed with federal funds. For projects involving the acquisition of real property, improvements to real property, or a combination thereof, the City will not provide funding in excess of fair market value of the financed Property. For this Project, in order to determine if funding is available, and the amount of such funding, the City requires an appraisal indicating the fair market value of the Property, including all improvements to be made to the Property. The City will not disburse any funds for new construction pursuant to this Agreement until an appraisal is received to the satisfaction of the City.

VI FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES (24 CFR 92.257)

As a general rule, in accordance with the First Amendment principles of the Separation of Church and State, the Project Funds may not be used for inherent religious activities as cited at 24 CFR 92.257.

B. POLITICAL ACTIVITIES

The Developer will comply with Section 319 of Public Law 101-121 of the Department of Interior Appropriations Act, which prohibits the use of the Project Funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

C. HATCH ACT (CHAPTER 15, TITLE 5, U.S. CODE)

The Developer further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

D. DISPOSITION OF PROGRAM INCOME (24 CFR 92.2)

The Developer agrees that Program Income, as defined in 24 CFR 92.2, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with the Project Funds or matching contributions;

2. Gross income from the use or rental of real property owned by the participating jurisdiction, State recipient or a developer that was acquired, rehabilitated, or constructed with the Project Funds or matching contributions, less the costs incidental to generation of the income;

3. Payments of principal and interest on loans made using the Project Funds or matching contributions;

4. Proceeds from the sale of loans made with the Project Funds or matching contributions;

5. Proceeds from the sale of obligations secured by loans made with the Project Funds or matching contributions;

6. Interest earned on program income pending its disposition; and

7. Any other interest or return on the investment permitted under 92.205(b) of the Project Funds or matching contributions.

Any Program Income generated by the Project must be deposited in the City's local account established in connection with the program whose funding has been provided to the Developer pursuant to this Agreement unless the City permits the Developer to retain the Program Income for an additional project or projects pursuant to the written agreement required by 24 CFR 92.504.

E. OTHER PROGRAM REQUIREMENTS (24 CFR 92.350-3, 92.358)

The Developer shall carry out its activities in compliance with all federal laws and regulations as described in 24 CFR 92.350-92.358, except that the Developer will not assume the City's environmental responsibilities described at 24 CFR 92.352, nor the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58. More specifically, the Developer shall be required to comply with the following provisions set forth below.

1. GENERAL (24 CFR 92.350)

The requirements set forth in 24 CFR Part 5, Subpart A, are applicable to participants in the HOME Program. The requirements of this subpart include nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964-- FAIR HOUSING ACT--EXECUTIVE ORDER 11063

This Agreement is subject to the requirements of 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 and also obligating the Developer to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--AGE DISCRIMINATION ACT of 1975 -- SECTION 504 OF THE REHABILITATION ACT OF 1973

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with the Project Funds.

4. INTENTIONALLY OMITTED

5. ENVIRONMENTAL STANDARDS (24 CFR 92.352)

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING (24 CFR 92.353)

The Developer shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to 24 CFR 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES

The Developer shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for equal employment opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT (24 CFR 92.355)

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to 24 CFR 92.353; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR DEVELOPERS

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES (24 CFR 92.505)

If the developer is a non-profit organization, OMB Circular No A-122 and the requirements set forth therein apply to the Project.

12. CONFLICT OF INTEREST (24 CFR 92.356)

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the City as Recipient, or of any designated public agencies, who exercise or have exercised any functions or responsibilities with respect to HOME/LIHTF activities assisted pursuant to 24 CFR 92.356, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a HOME-assisted activity, or with respect to the proceeds of the HOME-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

The Developer, its officers, employees, agent or consultant may not occupy a HOME-assisted affordable housing unit within the Project unless prior written authorization has been granted by the City. This provision does not apply to the Project manager or maintenance worker who is provided housing as part of the compensation for his services.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive Order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits. Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 12166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

F. DRUG-FREE WORKPLACE

As a recipient of the Project Funds, the Developer agrees that it shall comply with the provisions of the Drug Free Workplace Act of 1988, 24 CFR Part 21, which requires the

Developer maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

G. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits the Developer from using appropriated federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federally appropriated funds have been paid or will be paid, by or on behalf of the Developer to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

H. AMERICANS WITH DISABILITIES ACT

The Developer agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the Developer and the activities to be performed by the Developer under the scope of this Agreement. If employing more than fifteen (15) employees, the Developer agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), the Developer agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, the Developer agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

I. AFFIRMATIVE MARKETING (24 CFR 92.351)

The Developer agrees to undertake an affirmative marketing program in conformance with 24 CFR 92 351 (b).

J. MCKINNEY HOMELESS ASSISTANCE ACT (24 CFR 576)

The Developer agrees to abide by 24 CFR Part 576, of the Stewart B. McKinney Homeless Assistance Act.

K. RECORD KEEPING (24 CFR 92.508)

The Developer shall maintain records in accordance with 24 CFR 92.508.

L. FORFEITURE OF FUNDS

Any material breach of the terms of this Section VI shall result in forfeiture of all of the Project Funds pursuant to this Agreement, or any part thereof, as determined by the City.

M. EXPIRATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, the Developer shall transfer to the City the Project Funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of these funds.

N. PROPERTY STANDARDS (24 CFR 92.251and 92.504(d))

Housing that is constructed or rehabilitated with HOME funds must meet all applicable codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion and for the duration of the Agreement.

O. SALE, TRANSFER OR OTHER CONVEYANCE OF PROPERTY (24 CFR 92.503) (24 CFR 92.254)

A sale, transfer, or other conveyance of the assisted Property is subject to the requirement that the amount of Project Funds previously invested in the Property will be treated in accordance with 24 CFR 92.503 and 254 and Administrative Guidelines, NRS Chapter 319, and NAC Chapter 319 and returned to the Neighborhood Development Division of the Economic and Urban Development Department of the City to be reinvested in other affordable housing units.

P. DISPLACEMENT OR DISLOCATION OF TENANTS (24 CFR 353)

In conjunction with the Project, the Developer agrees to minimize displacement or dislocation of current tenants by referring eligible dislocated tenants to the Clark County Housing Authority for tenant-based assistance, and by assisting with their relocation per 24 CFR 92.353. If any tenants are displaced as a result of acquisition or rehabilitation of the Property, the Developer agrees to assume sole financial responsibility for any liability associated with 49 CFR Part 24.

Q. OMB CIRCULARS

The administration of the HOME Program is subject to the uniform policies and requirements of the Office of Management and Budget's Circulars (the "OMB Circulars") and federal regulations implementing the Circulars. The OMB Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The OMB Circulars also address many other management issues, including record keeping, procurement, bank accounts, and program income. The Developer is required to be familiar with the OMB Circulars as it pertains to the federal funding received under this Agreement.

VII. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to the requirements of the Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O" and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend $500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

Any agency that expends between $200,000 and $499,999 in federal funds will be required to have a CPA Audited Financial Statement submitted to the City. The funds expended may be from one or multiple federal sources.

If the Developer falls under the requirements of OMB A-133 Auditing Rules, the Developer must submit a full and complete copy of each conducted audit to the Economic and Urban Development Department. The Developer is responsible for ensuring that each audit is completed in a proper and timely manner. Failure to submit a copy of the A-133 audit will render the Developer as non-compliant, and no funds may be drawn until the Economic and Urban Development Department has received and reviewed a copy of the audit. The Developer should refer to the HOME/LIHTF Program Manual for further guidance on this matter.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible. Backup must include the following documents to verify proof of payment: copies of the front and back of the cancelled checks, downloaded check copies from the Developer's bank's website, or bank statements in addition to a paid bill, invoice or receipt.

C. FINANCIAL RECORDKEEPING

The financial records pertaining to all invoices, materials, payrolls, personnel records and other data concerning matters related to this Agreement may be requested from the Developer by a duly authorized representative, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. PROJECT BUDGET

Eligible expenditures for payment by the City will be made in accordance with the Project Budget and, subject to any conditions imposed under this Agreement, shall include semi-annual reports, when seeking reimbursement from the City for Project costs. All eligible expenses not paid through escrow will be reimbursable with appropriate back-up documentation such as, but not limited to, paid invoices, the front and back of cancelled checks, bank statements and/or payroll sheets. The Developer shall not make any change in the Project Budget. Line items may be revised if permission is requested and approved in writing by the Economic and Urban Development Department Director or Neighborhood Development Division Manager.

E. METHOD OF PAYMENT

The City shall provide funding for valid invoices for expenditures identified in the Projects Budget, Exhibit "C" attached hereto. Before paying such expenses, the City will review invoice expenditures to determine their consistency with the eligible expenditures approved pursuant to this Agreement. The City reserves the right to refuse reimbursement for expenses, which are HOME-ineligible or which are not within the scope of this Agreement.

The Developer agrees that disbursement under this Agreement will be made only when the total amount of eligible reimbursable expenses exceeds $1,000, excepting for the final request for payment under this Agreement. If the Developer requests payment in an amount less than the minimum established, payment will be made when the cumulative amount of all eligible reimbursable expenses exceeds $1,000.

The Developer agrees that it may not request disbursement of funds under this Agreement until the funds are needed for payment of Project eligible costs. The amount of each request must be limited to the amount needed and will be paid on a reimbursement basis.

Five Hundred Dollars ($500.00) per lot of the funds allocated under this Agreement will be retained until the Project is completed and the Developer submits the following:

1. Documentation showing that the homes meet the Housing Quality Standards, or, if new construction, that the Project has received an occupancy certificate;

2. Completed form HUD-2516 "Contract and Subcontract Activity" for projects involving new construction or rehabilitation;

3. A completed form HUD-40097 "Rental Housing Completion Project Report" or, for owner-occupied projects, form HUD-4096 "Homeownership Project Completion Report";

4. Evidence of the recorded fully executed Deeds of Trust securing the City's interest in the Property; and

5. Evidence the Homebuyer has completed home buyer training and counseling courses to include the subject of foreclosure prevention.

F. UNEXPENDED FUNDS

The HOME Funds provided to the Developer under this Agreement must be spent in a timely manner. In the event that the staff of the Economic and Urban Development Department has reason to believe that the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the HOME Funds allocated hereunder to another HOME eligible project/program.

G. ACCOUNTING METHODS

Expenditures charged to the HOME Funds will be accounted for separately from all other revenue sources. These records shall be maintained by the Developer.

H. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following definitions shall apply:

1. Non-expendable personal property is defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of $500 or more and a useful life of more than one year.

2. Real property is defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City in its financial management. The Developer will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the City shall provide the Developer with disposition instructions upon request. If the property is disposed of for cash during this period, the proceeds from such disposition constitute Program Income which must be reported in accordance with the Subsections D and E of Section VI of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If the property is a vehicle, the City shall be named as a lien-holder on the title.

When non-expendable personal property has been fully depreciated in accordance with the City's 5-year straight-line schedule, and the property is disposed of for cash, the Developer may retain such funds provided that the Developer notifies the City in writing and that the Developer uses such funds for the exclusive benefit of the Project.

Pursuant to 24 CFR Part 92.504(c)(2)(vii), the Developer must transfer upon expiration or termination of this Agreement any HOME Funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of HOME Funds provided pursuant to this Agreement.

VIII DEFAULT, REMEDIES AND MODIFICATION OF AGREEMENT

A. DEFINITION OF DEFAULT

If, during the term of this Agreement, any of the following occurs:

(i) The Developer fails to acquire the parcels comprising the Property as required pursuant to Section II above;

(ii) The Developer sells, transfers, conveys, or otherwise loses its rights, title or interest in, or possession of, the Property in violation contravention of the provisions of Section C 2 of the Project Description, Financing and Requirements;

(iii) The Developer fails to provide or maintain the insurance required in Section V G above;

(iv) The Developer fails to defend, indemnify and hold the City harmless as required pursuant to Section V C above;

(v) A petition in bankruptcy is filed by or against the Developer, an assignment by the Developer is made for the benefit of creditors, a receiver, trustee in bankruptcy or similar offer is appointed to take charge of all or a part of the Developer or the Property, or the Developer is adjudicated to be bankrupt; or

(vi) The Developer fails to perform any of its other obligations required under this Agreement;

and the occurrence as set forth above is not remedied within 20 days after written notice of default is provided by the City to Developer pursuant to Section VIII C below, then the City may declare the Developer to be in default of this Agreement.

B. REMEDIES FOR DEFAULT

Upon the occurrence of any default described in Section VIII A above, the City shall be entitled to implement any one or more of the following remedies set forth herein:

(i) Temporarily withhold disbursement of the Project Funds pending correction of the deficiency by the Developer;

(ii) Disallow use of the Project Funds for all or part of the cost of the activity, action or expense not in compliance with the requirements of this Agreement;

(iii) Suspend in whole or in part any further performance by the City or the Developer, or both, under this Agreement, and the disbursement of the Project Funds to be provided herein for the Project;

(iv) Withhold any further allocation of funding for the Project or funding for any other affordable housing project of the Developer;

(v) Terminate the Agreement without any further liability on the part of the Developer;

(vi) Demand repayment of all or a portion of the Project Funds from the Developer, and if the Developer fails to repay the Project Funds as required herein, proceed to enforce the City's security interest in the Property provided by the Short Form Deed of Trust executed in favor of the City;

(vii) Terminate the Agreement, demand repayment of all or a portion of the Project Funds from the Developer, and if the Developer fails to repay the Project Funds as required herein, proceed to enforce the City's security interest in the Property provided by the Short Form Deed of Trust executed in favor of the City; or

(viii) Pursue any other legal or equitable remedy that may be available to the City.

After expiration of the cure period set forth in Section VIII A above, any remedy selected by the City shall be implemented by written notice to the Developer stating the effective date of the remedy.

C. NOTICES

Any notice required to be given under this Agreement shall be deemed to have been given when the notice is (i) received by the party set forth below by personal service, (ii) telephonically faxed to the telephone number below provided confirmation of transmission is received thereof, or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

CITY:	Director of the Department of Economic and Urban Development City of Las Vegas City Hall, Second Floor 400 Stewart Avenue Las Vegas, Nevada 89101-2986 Fax No. 702-598-3938
DEVELOPER	Executive Director Habitat for Humanity Las Vegas, Inc. 1401 North Decatur Boulevard, Suite 35 Las Vegas, Nevada 89108 Fax No.702-638-6478

Any change in the addresses stated above shall be made in writing and delivered in the manner provided herein.

D. AMENDMENT OR REVISION REQUIRED BY HUD

The Developer and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable federal statutes or regulations.

E. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions are not inserted, or is not correctly inserted, then upon the application of either party, this Agreement shall forthwith be physically amended to make such insertion.

F. NOTIFICATION OF AGENCY CHANGES

The Developer must notify within 15 days the City in writing of any of the following changes: Key staff personnel, Executive Director, changes of more than half of the Board of Directors, Developer name change, change of address, phone, fax or email address. The City must have complete and up to date information on file for the Developer.

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

CITY OF LAS VEGAS

By: Carolyn G. Goodman
Carolyn G. Goodman Date
Mayor

ATTEST:

By: Beverly K. Bridges 7/7/11
Beverly K. Bridges, MMC Date

APPROVED AS TO FORM:

By: Robert S. Sylvain 7-5-11
Robert S. Sylvain, Date
Deputy City Attorney

HABITAT FOR HUMANITY LAS VEGAS, INC.

By: Chris Higgins 7-6-11
Chris Higgins Date
Interim Executive Director

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH GRANT CONDITIONS

I, Chris Higgins, Interim Executive Director of Habitat for Humanity Las Vegas, Inc., a Nevada non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan approved by the City Council of the City of Las Vegas, Nevada on the 16th day of March, 2011, and the conditions imposed in connection therewith, which are set forth in that certain Deferred Loan Agreement to Fund Vegas Heights Single Family Infill Project-Phase II, a copy of which is attached hereto and incorporated herein.

Executed this 6Th day of July, 2011.

Habitat for Humanity Las Vegas, Inc.

By: Chris Higgins
Chris Higgins, Interim Executive Director

STATE OF NEVADA)
) SS:
COUNTY OF CLARK)

On this 6 th day of JULY, 2011, before me, the undersigned Notary Public in and for said county and State, personally appeared of Habitat for Humanity Las Vegas, Inc., known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Gloria Sanchez
Notary Public

GLORIA SANCHEZ
Notary Public State of Nevada
No. 98-2756-1
My appt. exp. Mar. 30, 2012

TABLE OF EXHIBITS AND ATTACHMENTS

EXHIBIT "A"
PROJECT DESCRIPTION, FINANCING AND REQUIREMENTS

A. PROJECT DESCRIPTION

For purposes of the Agreement, the Project shall consist of the following: (i) the purchase of the two (2) parcels of real property identified below, (ii) the construction of affordable single family residential housing on each parcel, and (iii) the resale of the improved lots to homebuyers who qualify for the purchase thereof under the Agreement and the HOME Program The parcels which comprise the Property are legally described in the Legal Description, Exhibit "D" attached to the Agreement. The location of the Property is depicted on the Site Map, Exhibit "E" attached to the Agreement. A rendering of the single family homes to be constructed on each parcel is generally depicted on the Project Renderings, Exhibit "F" attached to the Agreement

B. PROJECT FINANCING

The Project is being developed by the Developer using both public and private financing

1. Public Financing. The City agrees to provide up to Fifty-Four Thousand Dollars ($54,000) in Federal HOME funds (the "Project Funds") to the Developer to be used in the purchase of the parcels comprising the Property as part of the acquisition phase of the Project. The timing and method of providing the Project Funds shall be entirely within the City's discretion. The Project Funds will be used according to the Project Budget, Exhibit "C" attached to the Agreement. Any Project costs in excess of the Project Funds will be the responsibility of the Developer unless otherwise agreed in writing by the City. The Developer assumes responsibility for all operational and maintenance costs of the Project.

2. Developer Financing. The Developer will be responsible for financing all other costs to the Project, including the sale of each improved parcel comprising the Property, to qualified homebuyers. The City hereby acknowledges that each parcel sold to a qualified homebuyer by the Developer will be encumbered by a deed of trust or other security interest (the "Homebuyer Deed of Trust") created by the Developer to secure its financing of the sale of the parcel to the homebuyer, which document will be recorded in the Official Records of Clark County Recorder's Office.

The Developer may also encumber the parcel purchased by the homebuyer with an additional deed of trust to secure other amounts due from the homebuyer to the Developer (the "Subordinate Developer Deed of Trust"). The Developer acknowledges and agrees that the Subordinate Developer Deed of Trust shall be subject and subordinate to lien, terms, covenants and conditions of the Homebuyer Deed of Trust. Other than the Homebuyer Deed of Trust and the Subordinate Developer Deed of Trust, the Developer shall not encumber the parcel purchased by the homebuyer, and shall prohibit the homebuyer from encumbering or allowing the same to be encumbered or attached in any manner with any liens, encumbrances or other security instruments during the Period of Affordability.

C. PROJECT REQUIREMENTS

1. Project Completion Date. The acquisition of the parcels that comprise the Property and resale of the affordable single family residences constructed thereon is to be completed no later than the deadline set forth in Section IV of the Agreement.

2. Developer's Ownership of the Property. Until such time as the Developer has completed the Project, including the sale of each parcel comprising the Property to a qualified homebuyer, the Developer shall not sell, convey, transfer or otherwise lose its rights, title or interest in or possession of the Property, or any parcel comprising the Property, except to a homebuyer who qualifies to purchase the parcel under the HOME Program.

3. Right of Repayment. If the Developer fails to comply with the prohibition set forth Section 2 above, the City shall be entitled to repayment of the Project Funds invested in the Property, and the failure to repay the Project Funds after demand therefor is received from the City within the time provided for such payment under Section VIII of the Agreement shall constitute a default in the performance by the Developer. In the event of such default, the City shall be entitled to any of the remedies set forth in Section VIII B, including, without limitation, foreclosing on its security interest in the Property conveyed by the Developer pursuant to the Short Form Deed of Trust. In the event of foreclosure under the Short Form Deed of Trust, the City agrees to accept the amount of the Net Proceeds (the sales price minus the repayment of any superior loan and any closing costs), not to exceed the amount of Project Funds invested in such parcel, generated from such sale in satisfaction of the Developer's obligation to repay the Project Funds provided under this Agreement.

4. Short Form Deed of Trust. As security for the repayment of the Project Funds in the event that the Developer fails to perform the obligations of this Agreement, the Developer agrees to execute the Short Form Deed of Trust, Attachment 1 to this Project Description, Financing and Requirements. The City agrees, upon request of the Developer, to execute a deed of reconveyance at the time of sale to a homebuyer who qualifies for such purchase under the HOME Program and the Agreement releasing its interest in the purchased parcel.

5. Homebuyer Loan Agreement with Developer. With the sale of each parcel comprising the Property, a homebuyer loan agreement (the "Homebuyer Loan Agreement") will be executed between the homebuyer and the Developer providing for financial assistance to the homebuyer in the purchase of the parcel.

As part of the Homebuyer Loan Agreement, in language essentially the same as set forth below, the Developer shall include the following HOME Program restrictions:

(i) The Property must be used as the homebuyer's principal place of residence for the Period of Compliance (defined below),

(ii) The Property, or any portion thereof, must not be leased or subleased by the homebuyer during the Period of Compliance, and

(iii) The homebuyer must not sell, transfer, convey or otherwise lose ownership or possession of the parcel, either through a sale, foreclosure or any other proceeding, during the Period of Compliance unless prior thereto homebuyer has repaid the HOME Funds invested in the parcel in the amount of Twenty-Seven Thousand Dollars ($27,000) from the Net Proceeds, if any, generated by the sale, transfer, conveyance or loss of ownership or possession of the Property.

For purposes of this Agreement with the homebuyer, the following definition of terms shall apply:

(i) "Period of Compliance" shall mean the period of time that commences with the first full month after the recordation of the Homebuyer Deed of Trust securing the purchase money loan provided by the Developer to the homebuyer, and continuing in effect for 120 months (10 years) thereafter.

(ii) "Net Proceeds" shall mean the purchase price paid as consideration for the sale, transfer, conveyance or disposition of the Property minus the purchase money loan provided by the Developer to the homebuyer to finance the purchase of the parcel and the foreclosure or closing costs incurred in connection therewith.

For purposes of subsection (iii) above, the obligation to repay the HOME Program funds does not arise, and the restrictions imposed by this provision are not considered to have been breached, if (a) upon the death of the homebuyer, the heir or devisee of the Property qualifies for affordable housing under the HOME Program and agrees to reside and occupy the Property for the remaining Period of Compliance subject to the restrictions imposed herein, (b) upon the divorce of the homebuyer, the spouse of the homebuyer is entitled to continue residing on the Property for the Period of Compliance pursuant to any temporary court order or decree of divorce, or (c) if the homebuyer, as Trustor of the Property, consists of more than one person, and one of the persons comprising Trustor has died, the surviving person or persons continue to reside and occupy the Property as required herein.

6. Required Documents for Sale of Each Parcel.

a. Grant, Bargain and Sale Deed. With the sale of each parcel comprising the Property, the Developer agrees to convey the parcel to the homebuyer pursuant to a Grant, Bargain and Sale Deed. The Grant, Bargain and Sale Deed shall be substantially in the form of Attachment 2 to the Exhibit A.

b. HFH Promissory Note. With the sale of each parcel comprising the Property, the Developer shall require execution by the homebuyer of the Habitat for Humanity Promissory Note (the "HFH Promissory Note") in an amount to be determined subsequent to the execution of this Agreement executed in favor of the Developer, which amount represents the purchase money loan provided by the Developer to finance the purchase of the parcel by the homebuyer. The HFH Promissory Note shall be substantially in the form of Attachment 3 attached to this Project Description, Financing and Requirements. The indebtedness evidenced by the HFH Promissory Note will be superior and prior in right of payment to the subsequent right of payment in full of the HOME Promissory Note.

c. HOME Promissory Note. With the sale of each parcel comprising the Property, the Developer shall require execution by the homebuyer of the Promissory Note for the Federal HOME Funds (the "HOME Promissory Note") in the amount of Twenty-Seven Thousand Dollars ($27,000) executed in favor of the City, which amount represents the amount of HOME Funds invested in the parcel acquired by the homebuyer. The HOME Promissory Note shall be substantially in the form of Attachment 4 attached to this Project Description, Financing and Requirements. The HOME Promissory Note will be for a term which coincides with the Period of Compliance, and the obligation of repayment by the homebuyer will terminate with the expiration thereof, provided the homebuyer has complied with the requirements and restrictions of the Homebuyer Loan Agreement, Homebuyer Deed of Trust and the HOME Program. The indebtedness evidenced by the HOME Promissory Note will be subordinate and subsequent in right of payment to the prior right of payment in full of the HFH Promissory Note.

d. Homebuyer Deed of Trust. With the sale of each parcel comprising the Property, the Developer shall require execution by the homebuyer of the Homebuyer Deed of Trust and Assignment of Rents (the "Homebuyer Deed of Trust") encumbering the parcel purchased by the homebuyer. The Homebuyer Deed of Trust is given as security for the repayment of the HFH Promissory Note and the HOME Promissory Note if the homebuyer fails to comply with the requirements under the Homebuyer Loan Agreement and the HOME Program. The Homebuyer Deed of Trust shall be substantially in the form of Attachment 5 to this Project Description, Financing and Requirements, which will be recorded in the public records of the office of the County Recorder for Clark County, Nevada. The Homebuyer Deed of Trust shall be senior in priority to the Subordinate Developer Deed of Trust. The Developer agrees to include as part of each Homebuyer Deed of Trust shall include essentially the same restrictions as set forth in subsection 4 above.

7. Foreclosure or Sale of Homebuyer Parcel.

a. In General. This Section 7 is intended by the parties hereto to set forth the obligations of the Developer in the event of a foreclosure on, or resale of, one of the parcels comprising the Property, which is purchased by a homebuyer as affordable housing under the HOME Program.

b. Definition of Net Proceeds. For purposes of this Section 7, "Net Proceeds" shall mean the purchase price of the parcel paid in connection with the foreclosure or non-foreclosure sale thereof minus the purchase money loan provided by the Developer to the homebuyer to finance the purchase of the parcel and the foreclosure or closing costs incurred in connection therewith.

c. Developer Obligation of Foreclosure. If, during the Period of Compliance, the homebuyer fails to comply with the HOME Program requirements set forth in subsection 5 above, which requirements shall be included in the Homebuyer Loan Agreement, Homebuyer Deed of Trust and the Grant, Bargain and Sale Deed , the Developer agrees, after receipt of a written request from the City describing such failure or the Developer's own discovery of such failure, and after proper notice and time to remedy the failure has been provided to the homebuyer as required by law or any contractual obligation, to commence and complete the process of regaining ownership and possession of the parcel, either by foreclosure, deed in lieu of foreclosure or any other manner or process, and to either (i) repay that portion of the HOME Funds invested in the Property as required pursuant to Section 7c below or (ii) resell the parcel as required pursuant to subsection 7d below, whichever is applicable in the situation. If there is a foreclosure sale on any parcel comprising the Property, the Developer will include the amount of the HOME Promissory Note as part of its bid submitted at the foreclosure sale to regain ownership and possession of that parcel.

d. Foreclosure Proceeds: Right of Repayment. If, during the Period of Compliance, the Developer forecloses against any parcel comprising the Property purchased by a qualified homebuyer under the HOME Program pursuant to the Homebuyer Deed of Trust or Subordinate Developer Deed of Trust, and the foreclosure results in Net Proceeds being generated from the foreclosure sale thereof to a third party, the City shall be entitled to repayment of the HOME Funds invested in the Property from the Net Proceeds of the foreclosure sale, which amount is evidenced by the HOME Promissory Note executed by the homebuyer. The Developer agrees to pay to the City from the Net Proceeds of the foreclosure sale the amount of HOME Funds invested in the parcel, or such lesser amount if payment of the entire amount is not possible from the Net Proceeds, and such payment shall be made within ten (10) days from the date the Developer receives payment of the proceeds from foreclosure sale. The failure of the Developer to repay HOME Funds as required herein shall constitute a material breach of this Agreement. With the payment of the amount of HOME Funds invested in the parcel, or such lesser amount thereof as is possible from the Net Proceeds, the parcel shall be released from the restrictions imposed by the HOME Program.

e. No Foreclosure Proceeds: Developer Obligation of Resale. If, during the Period of Compliance, the Developer forecloses on the Homebuyer Deed of Trust in connection with any parcel comprising the Property, and the foreclosure sale results in the Developer regaining ownership and/or possession of the parcel, either through the foreclosure, deed in lieu of foreclosure or any other manner or proceeding, without generating any proceeds in connection therewith, the Developer agrees to resell the parcel as affordable housing to a subsequent homebuyer who qualifies for the purchase thereof under the HOME Program. The sale of the parcel to a subsequent qualified homebuyer will transpire in the same manner as required under this Agreement for the first time homebuyer of the parcel, except that the Period of Compliance for the subsequent homebuyer will be reduced by the period of time that first homebuyer occupied the parcel in compliance with the requirements of this Agreement, the Homebuyer Deed of Trust and the HOME Program. The period of time that the Developer takes to effectuate the resale of the parcel shall not be included in reducing the Period of Compliance for the subsequent homebuyer.

f. Sale by Homebuyer: Right of Repayment. If, during the Period of Compliance, the homebuyer seeks to sell the parcel previously purchased as affordable housing under the HOME Program, the City shall be entitled to repayment of the HOME Funds invested in the parcel from the Net Proceeds of the sale. The Developer agrees not to release the parcel from the encumbrance of the Homebuyer Deed of Trust until such payment has been to made to the City from the Net Proceeds of the sale, or assurances that are acceptable to the City have been given that such payment will be made to the City as a condition to the close of escrow in connection with the sale of the parcel.

g. Sale by Developer: Right of Repayment. If, during the Period of Compliance, the Developer forecloses on any parcel comprising the Property pursuant to the Homebuyer Deed of Trust, and the Developer intends to resell the parcel to a homebuyer who does not qualify for affordable housing under the HOME Program, the Developer agrees to repay the City from the Net Proceeds of the sale the amount of the HOME Funds invested in the parcel, which amount is set forth in the HOME Promissory Note executed by the homebuyer as a condition to the purchase of the parcel. If acceptable to the City, repayment of the HOME Funds may be made a condition to the close of escrow for the purchase of the parcel by the subsequent homebuyer. The failure of the Developer to repay all of the HOME Funds invested in the parcel, or such portion thereof as is available for payment, from the Net Proceeds of the sale as required herein shall constitute a material breach of this Agreement. With the repayment of the HOME funds invested in the parcel form the Net Proceeds, or such portion thereof as is available from the Net Proceeds, the Developer shall be released from any further obligations under this Agreement concerning the parcel.

8. Period of Compliance. Each homeowner who purchases a single family residential home on a parcel comprising the Property shall be required by the Developer to comply with the certain restrictions imposed in connection therewith by the HOME Program rules and regulations and this Agreement, which restrictions shall be set forth in the Homebuyer Deed of Trust. The restrictions shall be in effect for a period of ten (10) years, commencing upon recordation of the Homebuyer Deed of Trust and continuing in effect for a period of 120 months thereafter (the "Period of Compliance"). The Project Funds are subject to recapture by the City if, during the Period of Compliance, the homebuyer fails to comply with the restrictions imposed in connection with the purchase of the improved parcel, including the sale, transfer or lose of possession or title to the parcel purchased by the homebuyer.

9. Homebuyer Qualifications. The Developer agrees to sell each parcel that comprises the Property only to a homebuyer who qualifies for the purchase of affordable housing under the rules and regulations of the HOME Program and the requirements of this Agreement.

10. Homeowner Insurance. The Developer shall ensure that the homebuyer for each parcel comprising the Property obtain, and maintain during the Period of Compliance, homeowner's insurance covering the full replacement costs of the single family residence constructed thereon. The City must be named as an additional insured in all policies of insurance required pursuant to this Agreement.

11. Homebuyer Training and Counseling. Prior to the close of escrow in connection with the parcel purchased by the homebuyer, and as a condition thereto, the Developer agrees to provide evidence that (i) the homebuyer has completed the required home buyer training and counseling courses, which includes the subject of foreclosure prevention, (ii) the homebuyer has purchased the required homeowner's insurance, and (iii) the homebuyer is made aware that the

Project Funds invested in the homebuyer's parcel is subject to recapture by the City if the homebuyer fails to comply with the restrictions imposed in the Homebuyer Deed of Trust, including the restriction that the parcel must be used as the homebuyer's principal residence during the Period of Compliance.

12. Purchase Price. The Developer agrees that the initial purchase price and appraised value of each parcel that comprises the Property shall not exceed 95% of the medium purchase price for the housing type in the area as determined by US Department of Housing and Urban Development, which is set forth in the FHA Maximum Mortgage Limits for Clark County, Exhibit H attached to and incorporated herein as a part of the Agreement.

ATTACHMENT 1 TO EXHIBIT A

SHORT FORM DEED OF TRUST

APN 139-21-510-084 and 139-21-510-340

WHEN RECORDED MAIL TO:
Economic and Urban Development
Department,
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Earlie King

MAIL TAX BILL TO:
Habitat for Humanity Las Vegas, Inc.
1401 North Decatur Blvd
Las Vegas, Nevada 89108

SHORT FORM DEED OF TRUST

THIS SHORT FORM DEED OF TRUST ("Deed of Trust") is made this __ day of ____, 2011, by Habitat for Humanity Las Vegas, Inc., as Trustor, a Nevada non-profit corporation, whose principal office is located at 1401 North Decatur Boulevard, Suite 35, Las Vegas, Nevada 89108, to the City of Las Vegas, as Trustee, a municipal corporation within the State of Nevada, whose principal office is located at 400 Stewart Avenue, Las Vegas, Nevada, 89101, Attention: Economic and Urban Development Department, for the benefit of the City of Las Vegas, as Beneficiary.

WITNESSETH:

WHEREAS, Trustor has received a deferred loan of federal HOME funds in the amount of Fifty-four Thousand Dollars, ($54,000) (the "Federal HOME Loan") from Beneficiary and, as a condition to the receipt of such loan, has agreed to faithfully perform the obligations set forth in that certain Deferred Loan Agreement to Fund Vegas Heights Single Family Infill Project-Phase II dated March 16, 2011 (the "Agreement"), executed by and between Trustor and Beneficiary, which provides for the repayment of the Federal HOME Loan if Trustor fails to comply with the requirements of the Agreement; and

NOW, THEREFORE, for the purpose of securing each obligation of Trustor contained herein and in the Agreement, Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that certain property (the "Property") located in the City of Las Vegas, Clark County, State of Nevada, legally described as:

See Attachment 1 attached hereto and by this reference is made a part hereof.

To protect the security of this Deed of Trust, Trustor agrees to (i) abide by the terms of this Deed of Trust and the Agreement, (ii) to acquire, improve and resale the individual parcels that comprise the Property pursuant to the requirements of the Agreement (iii) to abide by any

To protect the security of this Deed of Trust, Trustor agrees to (i) abide by the terms of this Deed of Trust and the Agreement, (ii) to acquire, improve and resale the individual parcels that comprise the Property pursuant to the requirements of the Agreement (iii) to abide by any and all applicable HOME program rules and regulations as provided by 24 CFR Part 92, and (iv) to repay the Federal HOME Loan to Beneficiary if Trustor, after proper notice thereof, is found to be in violation of the provisions of this Deed of Trust or the Agreement.

So long as Trustor shall well and truly perform its obligations to Beneficiary under the Agreement, the obligations of Trustor under this Deed of Trust and the Agreement will terminate with respect to each individual parcel comprising the Property when Trustor has conveyed the parcel to a homebuyer who qualifies for the purchase of the parcel and improvements thereon under the HOME Program. Trustee, on request of Trustor, its successors or assigns, shall reconvey to Trustor, its successors or assigns, at the time of such sale, all of Trustee's estate in the parcel heretofore conveyed to Trustee by Trustor under this Deed of Trust, provided Trustor has obtained from the homebuyer execution of the Homebuyer Deed of Trust attached as Exhibit A-2 to the Agreement which secures repayment of the Federal HOME Loan by the homebuyer if, during the Period of Compliance (defined in the Homebuyer Deed of Trust), the homebuyer fails to comply with the requirements set forth therein.

The following Covenant Nos. 1, 2, 3, 4, 5, 6, 7, 8, and 9 of Nevada Revised Statutes (NRS) 107.030 are hereby adopted and made a part of the Deed of Trust. Such provisions so incorporated shall have the same force and effect as though specifically set forth and incorporated in this Deed of Trust.

Trustor requests that a copy of any Notice of Default, Notice of Sale or Notice of Lien pertaining to the Property hereunder be mailed to Trustor at the address set forth in the first paragraph above.

TRUSTOR:

____

Habitat for Humanity, Inc., a Nevada non-profit corporation

____

By: ______________,

State of Nevada)
)
County of Clark)

On this _____ day of _______________, 20___, before me, the undersigned, a Notary Public in and for said County and State, personally appeared, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

____

Notary Public

ATTACHMENT 2 TO EXHIBIT A-1

GRANT, BARGAIN AND SALE DEED
WITH AFFORDABLE HOUSING RESTRICTIONS

(next page)

APN : ___________________

WHEN RECORDED RETURN TO:

Habitat for Humanity Las Vegas
1401 N. Decatur Blvd., Suite 35
Las Vegas, Nevada 89108

GRANT, BARGAIN AND SALE DEED
WITH AFFORDABLE HOUSING RESTRICTIONS

Habitat for Humanity Las Vegas, Inc., a Nevada non-profit corporation, as "Grantor," does hereby Grant, Bargain, Sell and Convey to _______________, as "Grantee," the real property located in Clark County, Nevada, more particularly described on Exhibit A attached hereto and incorporated herein by the reference, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or otherwise appertaining (the "Property").

SUBJECT TO:

1. General taxes for the current fiscal tax year.

2. All covenants, conditions, restrictions, reservations, rights, right-of-way and easements recorded against the Property prior to or concurrently with this Grant, Bargain and Sale Deed, and all other matters of record.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on the date set forth below.

Dated as of _______________, 201_.

GRANTOR:

Habitat for Humanity Las Vegas, Inc.,
A Nevada non-profit corporation

By: ______________________________
Its: ______________________________

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

This instrument was acknowledged before me on _______________ by __________________ as _______________________ of Habitat for Humanity Las Vegas, Inc., a Nevada non-profit corporation.

____
Notary Public

ATTACHMENT 3 TO EXHIBIT A-1

HABITAT FOR HUMANITY PROMISSORY NOTE

(next page)

HABITAT FOR HUMANITY PROMISSORY NOTE

$ ____________________

Las Vegas, Nevada
2011

FOR GOOD AND VALUABLE CONSIDERATION, ____________________, ("Obligors") hereby promises to pay to the order of HABITAT FOR HUMANITY, LAS VEGAS, INC., a Nevada nonprofit corporation ("Holder"), in lawful money of the United States of America at 1401 North Decatur Boulevard, Suite 35, Las Vegas, Nevada 89108, or such other place as Holder may from time to time designate, the principal sum of ____________________ ______ ($ _________). There will be no interest charged on the unpaid principal sum, except that interest may be charged upon default in accordance with the provisions of Article 4 of this Note.

1. Interest and Payments. Upon ____________________, ("the Commencement Date") and the first day of each consecutive calendar month thereafter, Obligors shall pay to the Holder principal installments in the amount of ____________________ ($ ______) plus Monthly Escrow Amounts pursuant to the underlying deed of trust and a monthly processing fee of Nine and No/100ths Dollar ($9.00). All accrued but unpaid interest, if any and unpaid principal shall be due and payable in full on ____________, (the date which is the first day of the Three Hundred Sixtieth (360) consecutive calendar months following the Commencement Date).

2. Prepayment. The Obligors shall be entitled to prepay the principal amount of this Note in part at any time without penalty. Any partial prepayment shall be applied against the principal outstanding and shall not postpone the due date of any subsequent monthly installments.

3. Prohibition on Transfer and Encumbrances. The sale, lease, exchange, conveyance, transfer, mortgage, assignment, pledge or encumbrance, either voluntarily or involuntarily, or the agreement to do so, without prior written consent of Holder being first obtained, of (1) any right, title or interest of Obligors or any successors to Obligors, in and to the real property ("Property") described in the Deed of Trust, or (2) any beneficial ownership interests in Obligors, shall give Holder the right, at its sole and exclusive option, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in this Note, immediately due and payable.

4. Events of Default. Each of the following shall be an "Event of Default" under this Note:

A. Note Payments. A default in any payment of principal or interest due on this Note, or

B. Other Defaults. Any other default or breach of any obligation of Obligor under this Note or the Deed of Trust. In addition to the obligation to perform under this Note or the Deed of Trust, Maker has executed that certain Promissory Note for Federal Home Funds of even date herewith in the amount of $27,000 in favor of the City of Las Vegas (the "HOME Promissory Note"). The HOME Promissory Note is subject to repayment if Maker fails to perform the requirements set forth therein, the Homebuyer Loan Agreement, the HOME Promissory Note and the Homebuyer Deed of Trust and Assignment of Rents securing the HOME Promissory Note. Any breach of the aforementioned documents shall constitute a breach of the terms and conditions of this Note.

C. Acceleration. Upon the occurrence of any Event of Default under this Note, Holder shall have the right, at its option, to declare the full outstanding principal amount, plus all interest (if any) accrued hereunder, immediately due and payable; and any such outstanding principal and accrued interest shall thereafter bear interest at the "Default Interest Rate," which shall be the higher of (i) ten percent (10%) per annum, or (ii) the interest rate provided for in NRS 99.040. Notwithstanding the foregoing or any other provision of this Note, in no event shall the Default Interest Rate or any other rate of interest under this Note exceed the maximum rate permitted by law; and if such rate of interest, computed in the amount provided for in this Note, should exceed said maximum legal rate, then the rate of interest shall be automatically reduced to such maximum legal rate. The imposition of the Default Interest Rate shall be in addition to and not in lieu of any other rights and remedies provided for in the Deed of Trust securing this note or otherwise by law. The remedies of Holder as provided herein and in the Deed of Trust or otherwise provided by law shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefore may arise under the terms of such documents.

5. Late Charge. If any payment of principal or interest owed under this Note (including any final or "balloon" payment) shall become overdue for a period in excess of twelve (12) consecutive calendar days, Obligors agrees to pay a "late charge" equal to ten percent (10%) of the payment so overdue. In connection therewith, Obligors and Holder agree as follows:

A. Holder's Cost. Because of such late payment, Holder will incur certain costs and expenses including, but not limited to, administrative costs, collection costs, loss of interest, and other direct and indirect costs in an uncertain amount.

B. Liquidated Amount. It would be impractical or extremely difficult to fix the exact amount of such costs in such event, and the late charge is a reasonable estimate of such costs and is fair compensation for Holder for its loss suffered by such late payment.

C. Payment and Waiver. Without limiting its rights to recover such delinquent payment and all other rights under this Note or the Deed of Trust, Holder agrees to accept such late charges in lieu of its right to recover its actual damages caused by such late payment. No delay or omission on the part of Holder in exercising any right under this Note or the Deed of Trust shall operate as a waiver of such right.

6. Collection Costs. Obligors hereby agrees to pay all costs and expenses, including reasonable attorneys' fees incurred by Holder, arising out of or related to the collection of any amounts due hereunder or the enforcement of any rights provided for herein or in the Deed of Trust or otherwise provided by law. In any action or proceeding brought to enforce any right or obligation under this Note, the prevailing party therein shall be entitled to recover from the other party the costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such action or proceeding.

7. Notices. All notices, consents, waivers, demands, requests or other instruments or communications provided under this Note or by law to be served on or to be given to either Obligor or Holder shall be in writing, signed by the party giving the same, and shall be given either by personal delivery or by depositing such notice in the United States mail, certified, with return receipt requested, postage prepaid and addressed as follows:

HOLDER: HABITAT FOR HUMANITY, LAS VEGAS, INC.
1401 North Decatur Boulevard Suite 35
Las Vegas, Nevada 89108

OBLIGOR:

Either party may, by written notice to the other, designate a different address, which shall be substituted for the one specified above. If any notice or other document shall be sent by certified mail as set forth above, the same shall be deemed to have been effectively served or delivered at the expiration of two (2) business days following the deposit of such notice in the United States mail in the manner set forth above.

8. Application of Payments. All payments received by Holder under this Note shall be applied by Holder first to interest, if any, payable on the Note and second to principal on the Note.

9. Waiver by Obligor. Except as otherwise provided herein, Obligors waives presentment and demand for payment, notice of intent to accelerate maturity, protest or notice of protest and nonpayment, bringing of suit and diligence in taking any action to collect any sums owing hereunder (to the extent permitted by applicable law) or in proceeding against any of the rights and properties securing payment hereunder, and expressly agrees that this Note, and any payment hereunder, may be extended from time to time, and consent to the acceptance of further security or the release of any security for this Note, all without in any way affecting the liability of the Obligor. No extension of time for the payment of this Note or any installment hereof made by agreement by Holder and Obligors shall affect the original liability under this Note of Obligors.

10. Miscellaneous. Every provision of this Note is intended to be severable. If any term or provision of this Note is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the

terms and provisions of the Note which will remain binding and enforceable. This Note shall be governed and construed in accordance with the laws of the State of Nevada.

11. Entire Agreement. The terms and provisions contained herein and in the deed of trust executed concurrently constitute the entire understanding and agreement between Obligors and Holder. Any and all prior negotiations, representations, or communications between Obligors and Holder concerning the provisions and conditions of this Note or the Deed of Trust securing it shall be deemed merged herein and of no further force and effect.

Dated ________________________, 20___

____

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this ___________ day of ______________________, 20__, _________________ _______________________________, personally appeared before me, a notary public and acknowledged to me that she executed the above instrument.

____
NOTARY PUBLIC in and for said
County and State

ATTACHMENT 4 TO EXHIBIT A-1

PROMISSORY NOTE FOR FEDERAL HOME FUNDS

(next page)

PROMISSORY NOTE FOR FEDERAL HOME FUNDS

(SECURED –DEED OF TRUST AND ASSIGNMENT OF RENTS)

__________, 20__

$27,000 Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of the City of Las Vegas (herein "Holder"), a municipal corporation within the State of Nevada, at 400 Stewart Avenue, Las Vegas, Nevada 89101, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of Twenty-Seven Thousand Dollars ($27,000) (the "Indebtedness"). Maker shall not be obligated to make periodic payments under this Note provided Maker is in compliance with the requirements set for herein.

This Note is secured by that certain Homebuyer Deed of Trust and Assignment of Rents (the "Homebuyer Deed of Trust") of even date herewith executed by Maker, as Trustor, in favor of Habitat for Humanity Las Vegas, Inc., and the City of Las Vegas, as the Beneficiaries therein, which Homebuyer Deed of Trust encumbers that certain real property more particularly described therein (the "Property"). The Homebuyer Deed of Trust is given by Maker as security for (i) repayment of the purchase money loan provided by Habitat for Humanity Las Vegas, Inc., to Maker as financial assistance in the purchase of the Property, which loan is evidenced by the Promissory Note for Habitat for Humanity Funds of even date herewith in the amount of __________________(the "HFH Promissory Note"), and (ii) repayment of the HOME Funds invested in the Property as evidenced by this Note if Maker fails to comply with the requirements of the Homebuyer Loan Agreement, the HFH Promissory Note or this Note. Maker agrees to perform its obligations under the HFH Promissory Note, and any breach of the terms and conditions of the HFH Promissory Note shall constitute a breach of the terms and conditions of this Note.

The Indebtedness represented by this Note shall be due and payable in its entirety on the date that, during the Period of Compliance (defined below), (i) Maker fails to occupy the Property as Maker's principal residence, (ii) Maker leases or subleases the Property, (iii) Maker sells, conveys, transfers or otherwise loses Maker's title and interest in, or possession of, the Property; (v) Maker fails to comply with the requirements of the HFH Promissory Note, (vi) an action is commenced by Trustee or Beneficiary under the Homebuyer Deed of Trust, or (vii) Maker fails to remedy any breach of its obligations under the Homebuyer Loan Agreement entered into between Maker and Habitat for Humanity Las Vegas, Inc., concerning the purchase of the Property, whichever of the foregoing is the first to occur. If, during the Period of Compliance, none of the aforementioned conditions occur, then, with the expiration of the Period of Compliance, the obligation to pay the Indebtedness evidenced by this Note shall terminate, and this Note shall no longer be in force and effect as an obligation on the part of Maker.

For purposes of this Note, the "Period of Compliance" means that period commencing with the recordation of the Homebuyer Deed of Trust, and continuing for 120 months (10 years) thereafter.

Maker, and any endorsers or guarantors hereof, and all others who may become liable for all or part of the Indebtedness, severally (i) waive presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note, (ii) expressly consent to any extension of the time of payment hereof or of any installment hereof, and (iii) expressly consent to the release of any party liable for the Indebtedness. Any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging liability for the Indebtedness.

Payment when received on the Indebtedness hereunder is to be applied, first, to any expenses reimbursable to Holder, second, to any unpaid interest, and third, any balance shall be used to reduce the principal balance. Maker shall have the right to prepay the Indebtedness represented by this Note in full, or in part, at any time.

In the event any of the payments from or performance by Maker required by the terms hereof be not paid or performed when same become due, then at any time thereafter, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of one or more partial payments of the Indebtedness, or performance from any person thereafter, shall not constitute a waiver of Holder's to require payment in full of the Indebtedness.

Time is expressly made of the essence with respect to every provision hereof and the Homebuyer Deed of Trust. This Note shall be governed by, construed and enforced exclusively in accordance with the laws of the State of Nevada.

The Indebtedness evidenced by this Note shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by the HFH Promissory Note

With respect to any default under this Note, the notice and cure periods set forth in the Homebuyer Loan Agreement shall apply to this Note.

IN WITNESS WHEREOF, Maker has caused this Note to be executed on its behalf by its duly authorized officer as of the date first above written.

MAKER
By: ______________________________

MAKER
By: ______________________________

ATTACHMENT 5 TO EXHIBIT A

HOMEBUYER DEED OF TRUST

(next page)

APN ______________________________

WHEN RECORDED MAIL TO:

Economic and Urban Development Department,
City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Earlie King

HOMEBUYER DEED OF TRUST

THIS HOMEBUYER DEED OF TRUST (this "Deed of Trust") is made this _____ day of __________________, 20__, by and between ***(INSERT NAME OF HOMEBUYER)*** (herein "Trustor"), whose address is ***(INSERT ADDRESS OF PROPERTY)***, Las Vegas, Nevada **(zip code)**; Habitat for Humanity Las Vegas, Inc. (herein "Trustee"), a non-profit Nevada corporation, whose principal office is located at 1401 North Decatur, Suite 35, Las Vegas, Nevada 89108; and Habitat for Humanity Las Vegas, Inc., and the City of Las Vegas, (collectively herein the "Beneficiaries"), a municipal corporation duly organized in the State of Nevada, whose principal office is located at 400 Stewart Avenue, Las Vegas, Nevada 89101, Attention: Economic and Urban Development Department.

WITNESSETH:

WHEREAS, the City of Las Vegas, as one of the Beneficiaries herein, pursuant to that certain Deferred Loan Agreement to Fund Vegas Heights Single Family Infill Project-Phase II dated March 16, 2011, has provided funds to the Trustee for the purchase of the Property (described below) for the purpose of constructing single family residential housing thereon and subsequent sale as affordable housing to homebuyers who qualify for the purchase of the Property under the HOME Program; and

WHEREAS, Habitat for Humanity Las Vegas, Inc., as one of the Beneficiaries herein, pursuant to that certain ___________________________________dated _________, 2011 (the "Homebuyer Loan Agreement"), has provided purchase money loan to the Trustor for the purposes of assisting the homebuyer in the purchase of the Property (described below), which loan is evidenced by that certain Promissory Note for HFH Funds dated __________ in the amount of _________________________($_______) (the "HFH Promissory Note"); and

WHEREAS, as a condition to the sale of the Property to a qualified homebuyer, Trustor has executed that certain Promissory Note for Federal HOME Funds dated _____________in the amount of Twenty-Seven Thousand Dollars ($27,000) (the "HOME Promissory Note"), which is subject to repayment if the homebuyer fails to comply with the requirements of the Homebuyer

Loan Agreement, the HFH Promissory Note, the HOME Promissory Note and the requirements of this Deed of Trust.

WHEREAS, in order to qualify for the purchase of the Property, Trustor must comply with the requirements of the Homebuyer Loan Agreement, the HFH Promissory Note, the HOME Promissory Note and the requirements of this Deed of Trust.

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

> See Attachment "1" attached hereto and by this reference incorporated herein as a part hereof, which is commonly known as (insert street address of property) (herein the "Property").

TOGETHER with all appurtenances in which Trustor has any interests including water rights benefiting the Property, represented by shares of a company or otherwise; and 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 secures repayment of the HFH Promissory Note and the HOME Promissory Note if Trustor fails to perform the obligations of Trustor set forth in the Homebuyer Loan Agreement, the HFH Promissory Note, the HOME Promissory Note and this Deed of Trust, including, without limitation, the obligation to comply with the following restrictions:

1. The Property must be used as Trustor's principal residence for the Period of Compliance (defined below);

2. The Property must not be leased or subleased during the Period of Compliance; and

3. The Trustor must not sell, transfer, convey or otherwise lose title or possession of the Property during the Period of Compliance unless prior thereto the Trustor has repaid the Federal HOME Funds invested in the Property to City of Las Vegas.

For purposes of this Deed of Trust, the "Period of Compliance" means that period of time commencing with the first full month after recordation of this Deed of Trust, and continuing in effect for a period of 120 months thereafter.

The following Covenant Nos. 1, 2, 3, 4, 5, 6, 7, 8, and 9 of Nevada Revised Statutes (NRS) 107.030 are hereby adopted and made a part of the Deed of Trust. Such provisions so incorporated shall have the same force and effect as though specifically set forth and incorporated in this Deed of Trust.

Trustor hereby requests that a copy of any Notice of Default, Notice of Sale, and or any other Notice of Lien hereunder be mailed to the address for Trustor set forth above.

____

Trustor:

____

Trustor:

STATE OF NEVADA)
) SS
COUNTY OF CLARK)

On this _____ day of _______________, in the year 20 ___, before me, personally appeared ____, personally known to be (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is subscribed to the instrument, and acknowledged that he/she/they executed it.

SUBSCRIBED AND SWORN to before me
this _____ day of _______________, 20___

____

Notary Public

STATE OF NEVADA)
) SS
COUNTY OF CLARK)

On this _____ day of _______________, in the year 20 ___, before me, personally appeared ____, personally known to be (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is subscribed to the instrument, and acknowledged that he/she/they executed it.

SUBSCRIBED AND SWORN to before me
this _____ day of _______________, 20___

____

Notary Public

EXHIBIT "B"
SCHEDULE OF PERFORMANCE

(next page)

EXHIBIT "B"
SCHEDULE OF PERFORMANCE

Development and Completion Schedule

Estimated Date	Milestone
6/2011	Site purchased
7/2011	Phase 1 Environmental Review Complete
11/2011	Construction to Begin
6/2012	Construction Complete
12/2012	Sold to Qualified Homebuyer

EXHIBIT "C"
PROJECT BUDGET

(next page)

EXHIBIT "C"
PROJECT BUDGET

Item	Estimated Total Cost	HOME Funds
Acquisition of Land	$54,000	$54,000
New Building Cost	160,880	
Site Work	27,700	
Off-Site Improvements	74,230	
Utility Connections	21,350	
Building Permit/Fee	6,260	
Other General Requirements	9,260	
Engineering	15,600	
Appraisal Fee	300	
Total Project Cost	$369,580	$54,000

EXHIBIT "D"
LEGAL DESCRIPTION

(next page)

EXHIBIT "D"
LEGAL DESCRIPTION

(APN 139-21-510-084 and APN 139-21-510-340)

1. LOT 136F as shown on page 77, Plat Book 1, Vegas Heights Tract Unit #4, also known as APN 139-21-510-084 and 1317 Miller Avenue, Las Vegas Nevada.

2. LOT 136E as shown on page 77, Plat Book 1, Vegas Heights Tract Unit #4, also known as APN 139-21-510-340 and 1321 Miller Avenue, Las Vegas Nevada.

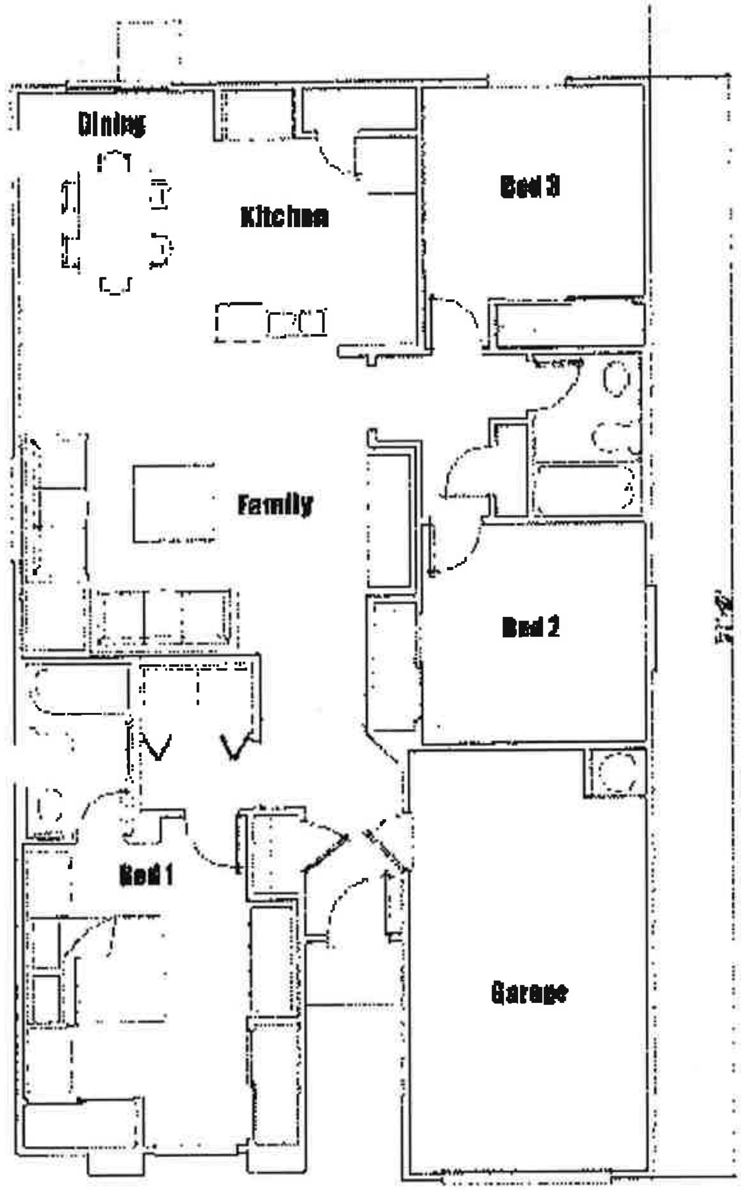
EXHIBIT "E"
SITE MAP

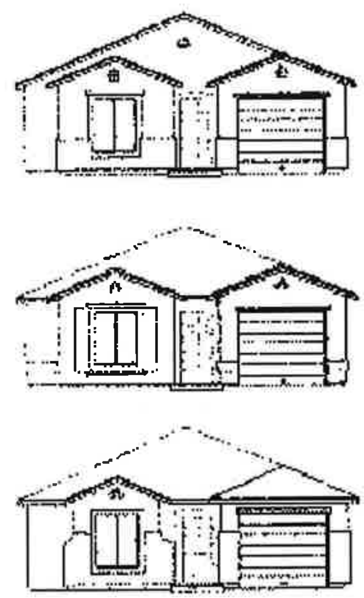
(next page)


NOTES
This map is for assessment use only and does NOT represent a survey.
No liability is assumed for the accuracy of the data deliniated herein. Information on roads and other non-assessed parcels may be obtained from the Road Document Listing in the Assessor's Office.
This map is compiled from official records, including surveys and deeds, but only contains the information required for assessment. See the recorded documents for more detailed legal information.
USE THIS SCALE(FEET) WHEN MAP REDUCED FROM 11X17 ORIGINAL
0 100 200 400 600 800
MAP LEGEND
ASSESSOR'S PARCELS - CLARK CO.,
Michele W. Shafe - Assessor
PARCEL BOUNDARY
SUB BOUNDARY
PM/LD BOUNDARY
ROAD EASEMENT
MATCH / LEADER LINE
HISTORIC LOT LINE
HISTORIC SUB BOUNDARY
HISTORIC PM/LD BOUNDARY
SECTION LINE
CONDOMINIUM UNIT
AIR SPACE PCL
RIGHT OF WAY PCL
SUB-SURFACE PCL
CAREY AVE
MARTIN L KING BLVD
LEXINGTON ST
CONCORD ST
MILLER AVE
BLANKENSHIP AVE
BARTLETT AVE
BALZAR AVE
VEGAS HEIGHTS
PB 1-77
510
501
812
601
204 200
PM 94-56
VAC 20030109:2437
PT 139-21-510-283

EXHIBIT "F"
PROJECT RENDERING

(next page)





Three -Bedroom Home- 1247 sq.ft.

HABITAT FOR HUMANITY LAS VEGAS

EXHIBIT "G"
HOME/LIHTF PROGRAM INCOME GUIDELINES

(next page)

EXHIBIT "G"
HOME/LIHTF PROGRAM INCOME GUIDELINES:
U.S. Department of Housing and Urban Development (HUD)
HOME/ Program Limits (Effective May, 2011)
Median Family Income ($63,400)

FAMILY SIZE	INCOME NOT TO EXCEED	
1	30%	13,700
	50%	22,800 (Very Low-Income)
	60%	27,360
	80%	36,500 (Low-Income)
2	30%	15,650
	50%	26,050(Very Low-Income)
	60%	31,260
	80%	41,700(Low-Income)
3	30%	17,600
	50%	29,300(Very Low-Income)
	60%	35,160
	80%	46,900 (Low-Income)
4	30%	19,550
	50%	32,550 (Very Low-Income)
	60%	39,060
	80%	52,100 (Low-Income)
5	30%	21,150
	50%	35,200(Very Low-Income)
	60%	42,240
	80%	56,300 (Low-Income)
6	30%	22,700
	50%	37,800 (Very Low-Income)
	60%	45,360
	80%	60,450(Low-Income)
7	30%	24,250
	50%	40,400 (Very Low-Income)
	60%	48,480
	80%	64,650 (Low-Income)
8	30%	25,850
	50%	43,000 (Very Low-Income)
	60%	51,600
	80%	68,800 (Low-Income

EXHIBIT “H”
FHA MAXIMUM MORTGAGE LIMITS FOR CLARK COUNTY, NEVADA

(next page)

EXHIBIT "H"

HOME Investment Partnerships Program
Purchase Price/After Rehabilitation Value Limits

State Code	County Code	MSA Code	County/MSA Name	Median Price	95 Percent of Median Limits			
					1-unit	2-unit	3-unit	4-unit
32	003	29820	Clark/LV_ Paradise NV	$158,000	$150,100	$192,160	$232,277	$288,664

EXHIBIT "I"
DISCLOSURE OF PRINCIPALS

The principals and partners of Habitat for Humanity Las Vegas, *and all persons and entities holding* more than 1% interest in Habitat for Humanity Las Vegas, or any principal of Habitat for Humanity Las Vegas, are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
	None (See attached Board of Directors)		

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

Habitat for Humanity, a Nevada non-profit corporation

By: ___________________________________
Chris Higgins, Interim Executive Director

Subscribed and sworn to before me this
_____ day of _________________, 2011.

____
Notary Public

DEFERRED LOAN AGREEMENT TO FUND STELLA FLEMING TOWERS REHABILITATION PROJECT

(State LIHTF Funded Project)

This Deferred Loan Agreement to Fund Stella Fleming Towers Rehabilitation Project (this "Agreement") is made and entered into this 16TH day of March, 2011, by and between the City of Las Vegas (the "City"), a municipal corporation within the State of Nevada, with offices located at City Hall, 400 Stewart, Las Vegas, Nevada 89101, and N C W B Housing Inc., a non-profit corporation organized under the laws of the State of Nevada, with a mailing address of 400 Brush Street, Las Vegas Nevada 89107 ("the Developer"). The City and the Developer are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the City has entered into that certain 2011 Agreement to Use the Account for Low Income Housing Funds (Trust Funds) by Las Vegas dated April 21, 2010, whereby the State of Nevada, acting by and through the Housing Division of the Department of Business and Industry ("NHD"), has allocated funds under its Low-Income Housing Trust Fund Program (the "LIHTF Program") to the City for use in meeting the goals and objectives of the LIHTF Program, including providing affordable housing to persons and households who qualify for such housing thereunder; and

WHEREAS, the City, as the recipient and administrator of the funding each year from the State, is responsible for distributing the funds allocated to it under the LIHTF Program for projects and/or programs which have been determined to be eligible for such funding, and in furtherance of the goals and objectives of the LIHTF Program; and

WHEREAS, the Developer has requested financial assistance from the City for the purpose of rehabilitating the 115-unit affordable housing complex commonly known and referred to as the "Stella Fleming Towers", which rehabilitated units will be used to provide affordable housing and independent living for senior citizens who qualify to become residents thereof; and

WHEREAS, the Las Vegas City Council, at its meeting on March 16, 2011, determined that the rehabilitation of the Stella Fleming Towers and subsequent operation to provide affordable housing to senior citizens, is a project which furthers the goals and objectives of the LIHTF Program.

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

I. DEVELOPER PROJECT RESPONSIBILITIES

In consideration of the allocation of the Project Funds (defined in Section II below) by the City to the Developer pursuant to this Agreement, the Developer agrees to complete the Project described in the Project Description, Financing and Requirements, Exhibit "A" attached hereto and incorporated herein as a part hereof, and thereafter to operate and manage the Stella

Fleming Towers for the purpose of providing affordable housing to senior citizens who qualify for such housing according to the requirements of this Agreement and the LIHTF Program. The Project will consist of the rehabilitation work described in the Scope of Work, Exhibit "D-2" attached hereto and incorporated herein as a part hereof, which is hereby approved by the City with the execution of this Agreement. Any substantial change or deviation from the work described in the Scope of Work requires the approval of the City Council.

II. CITY PROJECT RESPONSIBILITIES.

In consideration of the Developer's promise to complete the Project, the City agrees to provide the Developer with a deferred loan (hereinafter defined) in an amount not to exceed Three Hundred Thirty-Three Thousand Eight Hundred Forty Dollars ($333,840) of funds under the LIHTF Program (the "Project Funds"), which is to be used for the purpose of reimbursing the Developer for eligible Project costs incurred in completing the Project. For the purpose of this Agreement, a "deferred loan" is one in which the Developer is released from the obligation of repayment if the Developer has complied with all of the requirements of this Agreement for the period of time defined as the Period of Affordability in Section C 1 of the Project Description, Financing and Requirements.

The Project Funds shall be disbursed pursuant to the applicable provisions contained in Section VII E of this Agreement after the request for payment has been received from the Developer and approved by the City.

III. CONDITIONS TO THE RELEASE OF PROJECT FUNDS.

The City's obligation to reimburse the Developer for the eligible Project costs incurred during the Project shall be subject to the following conditions:

1. The City's Economic and Urban Department Director, or the Director's designee, has provided the Developer with a written Notice to Proceed authorizing commencement of the Project. Subsequent to issuance of the Notice to Proceed, the Developer agrees to provide the City with written construction progress reports until the Project is completed. The failure to comply with the requirements of this provision may result in the denial of some or all of the Project Funds to be provided under this Agreement.

2. A Preliminary Title Report is provided to the City indicating that the title of the Property is held in a manner which is acceptable to the City, and a CLTA Title Insurance Policy, in a form acceptable to the City, is issued in the minimum amount of the Project Funds which names the City as an insured party thereunder. The CLTA Title Insurance Policy shall be issued prior to the disbursement of any of the Project Funds to the Developer.

3. An appraisal/valuation is provided to the City ascertaining the fair market value of the Property as required pursuant to Section V M of this Agreement.

4. The Developer has executed the Promissory Note for State Low Income Housing Trust Funds (the "LIHTF Promissory Note") in favor of the City in the amount of the Project Funds as evidence of the deferred loan of the Project Funds to the Developer, which document is

set forth as Attachment 1 to the Project Description, Financing and Requirements, Exhibit "A" attached hereto and incorporated herein as a part of this Agreement.

5. The Developer, as Trustor, has executed and caused the recordation of the All-Inclusive Deed of Trust and Assignment of Rents Securing State Low Income Housing Trust Funds (the "LIHTF Deed of Trust") encumbering the ownership interest of the Developer in the Property in favor of the City as security for repayment of the LIHTF Promissory Note, which document is set forth as Attachment 2 to the Project Description, Financing and Requirements.

IV. PERIOD OF PERFORMANCE.

This Agreement shall commence as of the date set forth in the introductory paragraph above, and shall continue in force and effect until performance of all of the obligations set forth in this Agreement, unless terminated earlier pursuant to Section VIII B of this Agreement. The date set forth in the introductory paragraph of this Agreement will be the date of approval of the Project Funds for the Project by the City Council for the City, but this Agreement shall not become a binding legal document until executed by both the City and the Developer.

The Project Funding must be expended on or before December 30, 2012. The Developer agrees that the Project shall proceed according to the timelines set forth in the Project Schedule, Exhibit "B" attached hereto and incorporated herein as a part of this Agreement, and to complete construction of the Project by June 30, 2012, unless an extension has been requested in writing by the Developer and granted in writing by the Director of the Economic and Urban Development Department, or the Director's designee, (which approval shall not be unreasonably withheld) to the timelines or completion date.

V. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE HOME/LIHTF PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS

The Developer agrees to comply with the requirements, policies, regulations and time criteria of the HOME and/or LIHTF Programs, as applicable to this Agreement, which are specified in the Economic and Urban Development Department HOME/LIHTF Program Manual. The Developer shall obtain any and all applicable federal, state, and local permits, licenses, notices or certificates required to rehabilitate the Project. The Developer further agrees to abide by all applicable federal, state, and local regulations, statutes, ordinances and laws. The failure to abide by any of the above may result in the forfeiture of any and all of the Project Funds provided under this Agreement.

B. INDEPENDENT CONTRACTOR

The Developer has requested financial support from the City to enable it to complete the Project contemplated herein. The City shall have no relationship whatsoever with the Project except for providing financial support and the receipt of the reports required from the Developer under Section III of this Agreement. In any and all events, the performance contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by the Developer, subject only to review by the Economic and Urban Development

Department Director, or the Director's designee, to assure compliance with the requirements of this Agreement and continuing eligibility for the Project Funding.

C. INDEMNIFICATION

The Developer agrees to protect, defend, indemnify and save the City, its officers, employees and agents, harmless from and against any and all damages, claims, suits, liens, judgments or any other form of liability of whatever nature for injuries to, or death of, any person caused by, connected with, or arising out of any activities or performance undertaken pursuant to this Agreement. The Developer's obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph shall include reasonable attorneys' fees incurred by the City in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the City in enforcing and/or obtaining compliance with the provisions of this paragraph.

D. ON-SITE MONITORING

The Project funded under this Agreement will be subject to on-site monitoring by duly authorized representatives (including independent auditors) of the City and representatives of the State of Nevada, or any combination thereof. The representatives will be announced, at a minimum, 24 hours in advance of any on-site visits, which shall occur during normal operating hours. During any on-site visit, the representatives shall be granted access to any and all records pertaining to the Project. The representatives may interview any employee of the Developer, or any entity associated with the Project, who volunteers to be interviewed.

The Developer shall allow the representatives to conduct such reviews, audits and on-site monitoring of the Project as the reviewing entity deems appropriate in order to determine:

(i) Whether the Project is being operated in a manner consistent with the Consolidated Plan and the national and primary objectives of the LIHTF Program;

(ii) Whether the objectives of the Project are being achieved;

(iii). Whether the Project is being operated in an efficient and effective manner;

(iv) Whether management control systems and internal procedures have been established to meet the objectives of the Project;

(v) Whether the financial operations of the Project are being conducted properly;

(vi) Whether the periodic reports to the City contain accurate and reliable information; and

(vii) Whether all of the activities of the Project are conducted in compliance with applicable federal, state and local laws, rules and regulations and the provisions of this Agreement.

E. MAINTENANCE OF RECORDS

The Developer agrees to maintain financial records and supporting documentation pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain them for a period of five years after the Project completion date, except that records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period , until five years after expiration of the Period of Affordability (defined in Section C 1 of the Project Description, Financing and Requirements). The records subject to audit findings shall be retained for five years after the audit findings have been resolved. In the event the Developer goes out of existence, the Developer shall turn over to the City all of its records relating to this Agreement which will be retained by the City for the required retention period.

F. AUDITING OF RECORDS AND BOOKS

The Developer agrees to permit the City, or its designated representative(s), (including independent auditors or representatives of the State of Nevada, any combination thereof) 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 the Developer's operation hereunder. The Developer further understands and agrees that the inspection and audit will be exercised only after written notice to the Developer. If the records or books are not located within Clark County, Nevada, the Developer agrees to deliver the records or books to the address within the City of Las Vegas designated by the City. If the City, or its designated representative(s), find that the records delivered by the Developer are incomplete, the Developer agrees to pay the City or its representative(s), the costs to travel (including transportation, lodging, meals, and other related expenses) to the Developer's offices to inspect and audit, as deemed necessary, all records of the Project relating to finances, as well as other records (such as the performance records) that may be required by relevant directives of funding sources of the City.

G. INSURANCE

1. Insurance Coverage. The Developer shall procure and maintain at its own expense during the entire term of this Agreement, the following insurance coverage:

a. Industrial/Workers' Compensation Insurance protecting the Developer and the City from potential Developer employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement.

b. General Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, and Two Million Dollars ($2,000,000) in the aggregate, for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverage must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverage for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.

c. Automobile Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by the Developer (owned or hired) in the performance of the services under this Agreement.

d. Comprehensive Fire and Hazard Insurance covering the full replacement costs of the Project.

The insurance policies required under this Section are in addition to, and not in lieu of, the Developer's indemnification obligation provided under Section V.C.

2. Certificates of Insurance. Prior to the commencement of its performance under this Agreement, the Developer shall have on file with the City current certificates of insurance evidencing the coverage required herein.

a. Developer shall furnish the renewal certificates for the required insurance during the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare the Developer in default of its obligation under this Section.

b. The City, its officers, employees and volunteers must be expressly named as additional insured parties under the policies of insurance required under this Section.

3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Developer including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VIII, A IX, A X, etc.)

4. Lapse of Insurance. If the Developer fails to maintain any of the insurance policies required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order that the required coverage may be maintained. The Developer is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from the Developer or deduct the amount paid from any sums due the Developer under this Agreement.

5. Primary Coverage. The Developer's insurance shall be the primary coverage with respect to the City, its officers, employees and agents. Any other coverage (insurance or otherwise) available to the City, its officers, employees and agents shall be considered coverage in excess to that required of the Developer and shall not contribute with it.

6. Notice of Cancellation. Each insurance policy supplied by the Developer must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits until thirty (30) days prior written notice by certified mail "return receipt requested" has been given to the City. This notice requirement does not waive the insurance requirements contained herein.

H. IRS REGULATIONS

The Developer agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part time are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he or she is paid $600 or more, (or as updated by the IRS) and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. The 1099 instructions can be obtained on the IRS website.

I. LIMIT ON ASSIGNMENT OF INTEREST

The Developer may not assign any part of its rights in this Agreement without the written consent of City. Any such assignment of rights without the consent of City shall result in the forfeiture of all the Project Funds, or any part thereof, as determined by City.

J. THIRD PARTY CONTRACTS

The Developer shall provide reasonable advance notice to, and obtain the written consent from, the City prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party. A copy of said the contractual agreement is to be provided to the City. The advance notice shall demonstrate the necessity of such services and shall provide for an adequate remedy in the event the professional services are not rendered in a manner consistent with the terms of this Agreement.

K. GROUND BREAKING CEREMONIES

The Developer understands and agrees that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Developer. In addition, the Developer agrees to coordinate with the City any ceremonial events concerning the Project including the review and approval of the date for groundbreaking ceremonies, the invitations, invitation list, press release, and the ceremonial programs. The City will be responsible for scheduling the ceremonial event with City elected officials.

L. INCOMPLETE PROJECT

If, for any reason whatsoever, subsequent to the execution of this Agreement, the Developer is unable to begin or complete the Project and Project Funds were utilized for the Project, the Developer may, with the approval of and at no cost to the City, transfer ownership of the Property by deed to the City. In the event of such transfer, the City will make reasonable efforts to ensure the Property is utilized for an affordable housing eligible project, or the City may sell the Property and return the amount of the Project Funds utilized for the Project to its source.

If approved by the City, and as an alternative to conveyance of the Property to the City as provided above, the Developer may elect to sell the Property, provided arrangements have been made through escrow for the proceeds resulting therefrom to be used in the following order of priority: (i) repayment of any Project financing which is senior to the financing provided by the City, (ii) repayment of the Project Funds expended on the Project, (iii) repayment to the Developer the amount of its investment in the Project, and (iv) the balance of the proceeds, if any, existing thereafter shall be returned to the City. If the anticipated proceeds from the sale of the Property are inadequate to repay the City for the Project Funds expended on the Project, the Developer agrees to pay the deficiency and such payment shall be made a condition to the close of escrow concerning the sale of the Property.

M. APPRAISAL OF PROPERTY

The Developer hereby acknowledges that the policy of the City is to secure as collateral an interest in any and all real property being financed with city funds. For projects involving the acquisition of real property, improvements to real property, or a combination thereof, the City will not provide funding in excess of fair market value of the financed Property. For purposes of this Project, in order to determine if funding is available, and the amount of such funding, the City requires a valuation indicating the fair market value of the Property, including all improvements to be made to the Property. The City will not disburse any Project Funds for the Project to this Agreement until a valuation is received to the satisfaction of the City.

N. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, the Developer warrants that it has disclosed, on the form attached hereto as Exhibit "H", all principals, including, partners of the Developer, as well as all persons and entities holding more than 1% interest in the Developer or any principal of the Developer. Throughout the term hereof, the Developer shall notify the City in writing of any material change in the above disclosure within 15 days of such change.

VI. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES (24 CFR 92.257)

As a general rule, in accordance with the First Amendment principles of the Separation of Church and State, the Project Funds may not be used for any inherently religious activities or for the construction rehabilitation of any structure which will be used for any inherently religious activity except as cited at 24 CFR 92.257.

B. POLITICAL ACTIVITIES

The Developer will comply with Section 319 of Public Law 101-121 of the Department of Interior Appropriations Act, which prohibits the use of the Project Funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

C. HATCH ACT (CHAPTER 15, TITLE 5, U.S. CODE)

The Developer further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

D. OTHER PROGRAM REQUIREMENTS (24 CFR 92.350-3, 92.358)

The Developer shall carry out its activities in compliance with all federal laws and regulations as described in 24 CFR 92.350-92.358, except that the Developer will not assume the City's environmental responsibilities described at 24 CFR 92.352, nor the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58. More specifically the Developer shall be required to comply with the following:

1. GENERAL (24 CFR 92.350)

The requirements set forth in 24 CFR Part 5, Subpart A, are applicable to participants in the HOME and/or LIHTF Program. The requirements of this subpart include nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964-- FAIR HOUSING ACT--EXECUTIVE ORDER 11063

This Agreement is subject to the requirements of 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 and also obligating the Developer to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--AGE DISCRIMINATION ACT OF 1975 -- SECTION 504 OF THE REHABILITATION ACT OF 1973

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Project Funds.

4. NATIONAL FLOOD INSURANCE

This Agreement is not subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79. The parties hereto agree that the Project is not located in a flood zone.

5. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING (24 CFR 92.353)

The Developer shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to 24 CFR 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

6. EMPLOYMENT AND CONTRACTING OPPORTUNITIES

The Developer shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for equal employment opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

7. LEAD-BASED PAINT (24 CFR 92.355)

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to 24 CFR 92.355; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

8. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR DEVELOPERS

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

9. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES (24 CFR 92.505)

If the Developer is a non-profit organization, the requirements of OMB Circular No A-122 shall apply, and the Developer is required to be familiar with the OMB circular as it pertains to this Agreement.

10. CONFLICT OF INTEREST (24 CFR 92.356)

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer or elected or appointed official of the City as Recipient, or of any designated public agencies, who exercise or have exercised any functions or responsibilities with respect to HOME and//or LIHTF activities assisted pursuant to 24 CFR 92.356, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a HOME and/or LIHTF-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a HOME and/or LIHTF-assisted activity, or with respect to the proceeds of the HOME and/or LIHTF-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

The Developer, its officers, employees, agent or consultant may not occupy an affordable housing unit within the Project unless prior written authorization has been granted by the City. This provision does not apply to the Project manager or maintenance worker who is provided housing as part of the compensation for his services.

11. LIMITED ENGLISH PROFICIENCY (LEP)

Executive Order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits. Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 12166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

E. DRUG-FREE WORKPLACE

As a recipient of the Project Funds, the Developer agrees that it shall comply with the provisions of the Drug Free Workplace Act of 1988, 24 CFR Part 21, which requires the Developer maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

F. ANTI-LOBBYING

Section 319 of Public Law 101-121 of the Department of the Interior Appropriations Act prohibits the Developer from using appropriated federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federally appropriated funds have been paid or will be paid, by or on behalf of the Developer to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

G. AMERICANS WITH DISABILITIES ACT

The Developer agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the Developer and the activities to be performed by the Developer under the scope of this Agreement. If employing more than fifteen (15) employees, the Developer agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), the Developer agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, the Developer agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

H. AFFIRMATIVE MARKETING (24 CFR 92.351)

The Developer agrees to undertake an affirmative marketing program in conformance with 24 CFR 92 351 (b).

I. MCKINNEY HOMELESS ASSISTANCE ACT (24 CFR 576)

The Developer agrees to abide by 24 CFR Part 576, of the Stewart B. McKinney Homeless Assistance Act.

J. RECORD KEEPING 24 (CFR 92.508)

The Developer shall maintain records in accordance with 24 CFR 92.508.

K. FORFEITURE OF FUNDS

Any material breach of the terms of this Section VI shall result in forfeiture of the Project Funds provided to the Developer pursuant to this Agreement, or any part thereof, as determined appropriate by the City.

L. HOUSING QUALITY STANDARDS (24 CFR 251)

Housing that is constructed or rehabilitated with HOME and/or LIHTF funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

M. DISPLACEMENT OR DISLOCATION OF TENANTS (24 CFR 353)

In conjunction with the Project, the Developer agrees to minimize displacement or dislocation of current tenants by assisting with their relocation per 24 CFR 92.353. If any tenants are displaced as a result of acquisition or rehabilitation of the Property, the Developer agrees to assume sole financial responsibility for any liability associated with 49 CFR Part 24.

N. OMB CIRCULARS

The OMB Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The OMB Circulars also address many other management issues, including record keeping, procurement, bank accounts, and program income. The Developer is required to be familiar with the OMB Circulars as it pertains to the federal funding received under this Agreement.

VII. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to the requirements of the Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O" and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend $500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

Any agency that expends between $200,000 through $499,999 in federal funds will be required to have a CPA Audited Financial Statement submitted to the City. The funds expended may be from one or multiple federal sources.

If the Developer falls under the requirements of OMB A-133 Auditing Rules, the Developer must submit a full and complete copy of each conducted audit to the Economic and Urban Development Department. The Developer is responsible for ensuring that each audit is completed in a proper and timely manner. Failure to submit a copy of the A-133 audit will render the Developer as non-compliant, and no funds may be drawn until the Economic and Urban Development Department has received and reviewed a copy of the audit. The Developer should refer to the Program Manual which is applicable to the Project for further guidance on this matter.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible. Backup must include the following documents to verify proof of payment: copies of the front and back of the cancelled checks, downloaded check copies from the Developer's bank's website, or bank statements in addition to a paid bill, invoice or receipt.

C. FINANCIAL RECORDKEEPING

The financial records pertaining to all invoices, materials, payrolls, personnel records and other data concerning matters related to this Agreement may be requested from the Developer by a duly authorized representative, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. PROJECT BUDGET

Eligible expenditures for payment by the City will be made in accordance with the Project Budget and, subject to any conditions imposed under this Agreement, shall include semi-annual reports, when seeking reimbursement from the City for Project costs. All eligible expenses will be reimbursable with appropriate back-up documentation such as, but not limited to, paid invoices, the front and back of cancelled checks, bank statements and/or payroll sheets. The Developer shall not make any change in the Project Budget. Line items may be revised if permission is requested and approved in writing by the Department Manager or his or her designee.

E. METHOD OF PAYMENT

The City shall reimburse valid invoices for expenditures identified in the Projects Budget, Exhibit "C" attached hereto. Before paying such expenses, the City will review invoice expenditures to determine their consistency with the eligible expenditures approved pursuant to this Agreement. The City reserves the right to refuse reimbursement for expenses, which are ineligible for reimbursement with the Project Funds, or which are not within the scope of this Agreement.

The Developer agrees that disbursement under this Agreement will be made only when the total amount of eligible reimbursable expenses exceeds $1,000, excepting for the final request for payment under this Agreement. If the Developer requests payment in an amount less than the minimum established, payment will be made when the cumulative amount of all eligible reimbursable expenses exceeds $1,000.

The Developer agrees that it may not request disbursement of funds under this Agreement until the funds are needed for payment of Project eligible costs. The amount of each request must be limited to the amount needed and will be paid on a reimbursement basis.

Ten Thousand Dollars ($10,000) of the funds allocated under this Agreement will be retained until the Project is completed and the Developer submits the following:

(i) Documentation showing that the Project assisted units meet the Housing Quality Standards, or, if new construction, that the Project has received an occupancy certificate;

(ii) A certified statement of Final Development Costs which, at a minimum, reports all development costs and expenditures for all federal funds, and the disposition of all of the Project Funds;

(iii) Completed form HUD-2516 "Contract and Subcontract Activity" for projects involving new construction or rehabilitation;

(iv) A completed form HUD-40097 "Rental Housing Completion Project Report" or, for owner-occupied projects, form HUD-4096 "Homeownership Project Completion Report";

(v) Evidence of the recorded fully executed Deed of Trust securing the City's interest in the Property;

(vi) Evidence the Developer has provided the manager of the Project (Management Agent) with a copy of the federal and/or state regulations and the specific compliance requirements which are applicable to the Project as a result of the Project Funds being invested in the Property;

(vii) Evidence the City has been named as additional insured on insurance policies required under this Agreement;

(viii) Copy of the Project valuation;

(ix) Completed Section 504 Accessibility Questionnaire for the office and public/common space areas; and

(x). Submission of the Affirmative Fair Housing Marketing Plan for the Project.

F. UNEXPENDED PROJECT FUNDS

The Project Funds must be spent in a timely manner. In the event that the staff of the Economic and Urban Development Department has reason to believe that the total amount of the Project Funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the Project Funds allocated hereunder to another eligible project and/or program.

G. EXPIRATION OR TERMINATION OF AGREEMENT

Upon the expiration or termination of this Agreement, the Developer shall transfer to the City the Project Funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of the Project Funds.

Pursuant to 24 CFR Part 92.504(c)(2)(vii), the Developer must transfer upon expiration or termination of this Agreement all of the unexpended Project Funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of Project Funds provided pursuant to this Agreement.

H. ACCOUNTING METHODS

Expenditures charged to the Project Funds will be accounted for separately from all other revenue sources. These records shall be maintained by the Developer.

I. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following definitions shall apply:

1. Non-expendable personal property is defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of $500 or more and a useful life of more than one year.

2. Real property is defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City in its financial management. The Developer will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the City shall provide the Developer with disposition instructions upon request. If the property is disposed of for cash during this period, the proceeds from such disposition constitute Program Income which must be reported in accordance with the Subsections D and E of Section VI of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If the property is a vehicle, the City shall be named as a lien-holder on the title.

When non-expendable personal property has been fully depreciated in accordance with the City's 5-year straight-line schedule, and the property is disposed of for cash, the Developer may retain such funds provided that the Developer notifies the City in writing and that the Developer uses such funds for the exclusive benefit of the Project.

VIII. DEFAULT, REMEDIES AND MODIFICATION OF AGREEMENT

A. DEFINITION OF DEFAULT

If, during the term of this Agreement, any of the following occurs:

(i) Developer fails to operate the Project for the purpose of providing affordable housing to tenants who qualify for such housing under the LIHTF Program as required pursuant to Section II above;

(ii) Developer sells, transfers, conveys, or otherwise loses its interest or possession of the Property in contravention of the provisions of Section B 5 of the Project Description, Financing and Requirement, Exhibit A attached to this Agreement;

(iii) Developer fails to provide or maintain the insurance required in Section V G above;

(iv) Developer fails to defend, indemnify and hold the City harmless as required pursuant to Section V.G above;

(v) A petition in bankruptcy is filed by or against the Developer, an assignment by the Developer is made for the benefit of creditors, a receiver, trustee in bankruptcy or similar offer is appointed to take charge of all or a part of the Developer or the Property, or the Developer is adjudicated to be bankrupt; or

(vi) Developer fails to perform any of its other obligations required under this Agreement;

and the occurrence as set forth above is not remedied within 20 days after written notice of default is provided by the City to Developer pursuant to Section VIII F below, then the City may declare the Developer to be in default of this Agreement.

B. CITY REMEDIES FOR DEFAULT

Upon the occurrence of any default described in Section VIII A above, the City shall be entitled to implement any of the following remedies set forth herein:

(i) Temporarily withhold disbursement of the Project Funds pending correction of the deficiency by the Developer;

(ii) Disallow use of the Project Funds for all or part of the cost of the activity, action or expense not in compliance with the requirements of this Agreement;

(iii) Whole or partial suspension or termination of this Agreement, and the current award thereunder, for the Project;

(iv) Withhold further awards for the Project or any other affordable housing project of the Developer;

(v) Declare the LIHTF Promissory Note to be immediately due and payable, and if the Developer fails to repay the LIHTF Promissory Note as required herein, proceed to enforce the City's security interest in the Property provided by the LIHTF Deed of Trust executed in favor of the City;

(vi) Terminate the Agreement; or

(vii) Pursue any other legal or equitable remedy that may be available to the City.

After expiration of the cure period set forth in Section VIII A above, any remedy selected by the City shall be implemented by written notice to the Developer stating the effective date of the remedy. If the City elects to terminate this Agreement as provided herein, the Developer agrees to repay the Project Funds to the City within ten days after receipt of the written notice of termination, and failure to pay as required herein shall entitled the City to declare the LIHTF Promissory Note to be immediately due and payable and to enforce its security interest in the

Property as provided by the LIHTF Deed of Trust executed in favor of the City pursuant to Section III above and Section B 1 of the Project Description, Financing and Requirements.

C. MODIFICATION OR AMENDMENT

The City and the Developer hereby agree to amend or otherwise revise this Agreement should such modification be required by any applicable federal, state or local laws, rules or regulations. Any change in the provisions of this Agreement, including the exhibits or attachments hereto, may be made only pursuant to a written amendment which is executed by the Developer and by (i) the Mayor, with City Council approval, if the amendment provides only for an increase in the amount of the Project Funds to be provided under this Agreement which is $25,000 or more, or (ii) the Director of the Economic and Urban Development Department, if the amendment provides an increase in the amount of the Project Funds to be provided under this Agreement which is below $25,000, or merely revises the language of the Agreement without any impact on the amount of the Project Funds provided hereunder.

D. AMENDMENT OR REVISION REQUIRED BY STATE OF NEVADA

The Developer and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by the State of Nevada or any applicable state statutes or regulations.

E. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions are not inserted, or is not correctly inserted, then upon the application of either party, this Agreement shall forthwith be physically amended to make such insertion.

F. NOTICES

Any notice required to be given under this Agreement shall be deemed to have been given when the notice is (i) received by the party set forth below by personal service, (ii) telephonically faxed to the telephone number below provided confirmation of transmission is received thereof, or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

CITY:

Director of the Department of Economic and
Urban Development
City of Las Vegas
City Hall, Second Floor
400 Stewart Avenue
Las Vegas, Nevada 89101-2986
Fax No. 702-598-3938

DEVELOPER N C W B Housing, Inc.
400 Brush Street
Las Vegas, Nevada 89107
Fax No.702-878-4579

Any change in the addresses stated above shall be made in writing and delivered in the manner provided herein.

G. NOTIFICATION OF DEVELOPER CHANGES

The Developer must notify within 15 days the City in writing of any of the following changes: Key staff personnel, Executive Director, changes of more than half of the Board of Directors, Developer name change, change of address, phone, fax or email address. The City must have complete and up to date information on file for the Developer.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives on the day and year first written above.

CITY OF LAS VEGAS

Oscar B. Goodman 6/23/11
Oscar B. Goodman, Date
Mayor

N C W B HOUSING, INC., a Nevada non-profit corporation

By: Ned Cole 6-22-11
Ned Cole, Date
President

ATTEST:

Beverly K. Bridges 6/23/11
Beverly K. Bridges, MMC Date
City Clerk

APPROVED AS TO FORM:

Robert S. Sylvain 6-21-11
Robert S. Sylvain, Date
Deputy City Attorney

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH GRANT CONDITIONS

I, Ned Cole, President of N C W B Housing Inc., a Nevada non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan set forth in the Deferred Loan Agreement to Fund Stella Fleming Towers Rehabilitation Project, and the conditions imposed in connection therewith, approved by the City Council of the City of Las Vegas, Nevada on the 16th day of March, 2011, a copy of which is attached hereto and incorporated herein.

Executed this 22 day of JUNE, 2011.

N C W B HOUSING, Inc.

By: Ned Cole 6-22-11
Ned Cole, President Date

State of Nevada)
)
County of Clark)

On this 22nd day of June, 2011, before me, the undersigned, a Notary Public in and for said county and State, personally appeared

Ned Cole as President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Cheryl M Ross
Notary Public

CHERYL M. ROSS
Notary Public State of Nevada
No. 10-1446-1
My appt. exp. Feb. 22, 2014

TABLE OF EXHIBITS AND ATTACHMENTS

EXHIBIT "A"
PROJECT DESCRIPTION, FINANCING AND REQUIREMENTS

A. PROJECT DESCRIPTION

The Project involves the rehabilitation of the independent living rental housing complex for senior citizens, commonly known as "Stella Fleming Towers ," which consist of 115 one and two-bedroom units with 21 floating units designated as City LIHTF units. The Project is on the real property owned by N C W B Housing, Inc., (the "Developer"), which is legally described in the Legal Description, Exhibit "E" attached to the Agreement. The site of the Property is generally depicted on the Site Map, Exhibit "D-1"to the Agreement. The Scope of Work for the Project is set forth in Exhibit "D" attached to the Agreement.

B. PROJECT FINANCING

The Project is being developed by the Developer using both the private and public financing described below.

1. Public Financing. The City agrees to provide to the Developer funds under the Low Income Housing Trust Fund Program in an amount not to exceed $333,840 (the "Project Funds"), which is to be used to pay for the eligible Project costs incurred by the Developer in connection with the Project. The timing and method of providing Project Funds shall be entirely within the City's discretion. The Project Funds will be used according to the Project Budget, Exhibit "C" attached to the Agreement. Any Project costs in excess of the Project Funds will be the responsibility of the Developer unless otherwise agreed in writing by the City. The Developer assumes responsibility for all operational and maintenance costs of the Project.

The Developer is responsible to the City for completion of the Project on the Property pursuant to this Agreement. The Developer may not assign or delegate any of its rights, interests or duties under this Agreement without the written consent of the City. Any such assignment or delegation made without the written consent is void, and may, at the option of the City, result in the forfeiture of the Project Funds to be provided herein to the Developer.

As security for the repayment of the Project Funds in the event the Developer fails to complete the Project as required herein, or fails to perform any other obligations of this Agreement, the Developer agrees to execute the Promissory Note for LIHTF Funds in the amount of $333,840 (the "LIHTF Promissory Note"), Attachment 1 to this Exhibit "A". In addition to the execution of the LIHTF Promissory Note, the Developer, as the owner of the Property, agrees to execute the All-Inclusive Deed of Trust and Assignment of Rents Securing LIHTF Funds (the "LIHTF Deeds of Trust") (Attachment 2 to this Exhibit "A"), which shall securing performance of the obligations of the Agreement including, without limitation, the obligation to rehabilitate and operate the Project according to the requirements of the Agreement, and repayment of the LIHTF Promissory Note in the event of a default by the Developer under the Agreement. The City hereby consents to the recordation LIHTF Deed of Trust by and between the Developer and the City.

2. Other Financing. The Developer has obtained commitments for additional financing of the Project through approval of a Green Retrofit Program Grant in the amount of $2,069,624 (the

"Grant") made by the United States Housing and Urban Development ("HUD"). The Grant will be used for the rehabilitation of the Stella Fleming Towers. The Grant is not secured by any lien or encumbrance against the Property. Previous to the execution of this Agreement, the Developer received financing from HUD pursuant to Section 202 of the Housing Act of 1959, as amended, which financing is secured by that certain Deed of Trust dated September 27, 1979, and recorded on September 28, 1979 as Instrument No 1083976 in the public records of the Clark County Recorder's Office.

The City acknowledges that the Property may be encumbered in the future by one or more deeds of trusts created by the Developer to provide additional financing for the Project, which will be recorded in the public records of the Clark County Recorder's Office. Provided approval for such additional financing has been obtained by the Developer from HUD and the City, the City agrees that any deed of trust held by it will be subject to and subordinate to the encumbrance or lien created by the additional financing required for the purpose of constructing the Project. The City agrees, from time to time upon the reasonable request of the Developer, to execute such further agreement of subordination as the construction or financing lender lenders may require. Other than the aforementioned Deed of Trust currently existing against the Property, Deed of and the lien or encumbrance required in order to construct the Project, the Developer shall not allow the Property to be encumbered or attached in any manner with any liens, encumbrances or other security instruments during the Period of Affordability without the approval of the City.

C. PROJECT REQUIREMENTS

1. Period of Affordability. The Project will be operated as affordable housing for a minimum period of 30 years from the date of Project Completion (the "Period of Affordability").

2. Designation of LIHTF Assisted Units. Of the 115 total one and two-bedroom units comprising the Stella Fleming Towers, the Developer agrees to designate and operate 21 one-bedroom units as affordable housing (the "LIHTF Assisted Units). The 21 designated units will be considered floating units that may change during the affordability period so long as the comparison of assisted units to non-assisted units remains constant in terms of number, size and features. For the purpose of this Agreement, a "floating unit" means that the Developer may, with the vacation of the LIHTF Assisted Unit, designate or use another unit for occupancy by a LIHTF qualified tenant provided such unit is comparable in square footage, number of bedrooms and other apartment features.

3. Tenant Qualifications for Affordable Housing. For the Period of Affordability set forth above, the Developer will not lease any of the LIHTF Assisted Units to any person or household who has, at the time of initial occupancy, income that exceeds 60% of area median income ("AMI") adjusted for family size as shown on the HOME/LIHTF Program Income Guidelines attached as Exhibit "F" to the Agreement. The HOME/LIHTF Program Income Guidelines will be updated by HUD on an annual basis and shall automatically replace Exhibit "F" to the Agreement. For the Period of Affordability, the Developer further agrees that five (5) of the LIHTF Assisted Units must be occupied by tenants whose income does not exceed 50% of the AMI adjusted for family size as shown on the State LIHTF Program Income Guidelines.

4. Rental Amount Limitation. For the Period of Affordability set forth above, the Developer agrees the rents to be charged for the LIHTF Assisted Unit will not exceed the amounts established by HUD and NHD annually for the LIHTF Program, which amounts are set forth in the HOME/LIHTF Program Rent Limits attached as Exhibit "G" to the Agreement." The HOME/LIHTF Program Rent Limits will be updated by HUD on an annual basis and shall automatically replace Exhibit "G" to the Agreement

If any tenant receives an additional rent subsidy through any rental assistance programs (such as the Clark County Section 8 Program), the rent of the LIHTF Assisted Unit may be raised to the amount of the rental assistance program limit only if the following requirements are met: (i) the tenant is paying no more than 30 percent of their adjusted income; (ii) the rent subsidy is project-based (affects the entire project, not just a single unit); and (iii) the tenant's income is less than 50 percent of the area median income. If the subsidy is tenant-based (i.e., not project-based), the total rent for the LIHTF Assisted Units authorized herein is the maximum amount from all sources that the owner may receive for LIHTF Assisted Units. All tenants in the LIHTF Assisted Units shall have leases with Developer or their respective assignee, and furthermore, all leases shall be for a period of one year, unless a different period is agreed upon by Developer and the tenant(s).

5. Right of Recapture. If, during the Period of Affordability, any of the following occur: (i) the Developer sells, transfers, conveys or otherwise loses its interest in, or possession of, the Property through foreclosure or any other proceeding, (ii) the Developer fails to provide affordable housing pursuant to the requirements of this Agreement,, or (iii) the LIHTF Assisted Units, or any portion thereof, are converted to non-qualified LIHTF activities, including, without limitation, the LIHTF Assisted Units, or any portion thereof, are subleased, the City shall be entitled to recapture the Project Funds invested in the Property, and the Developer agrees to repay the Project Funds to the City upon receipt of demand therefor. The failure to repay the Project Funds as required herein shall entitle the City to declare the principal set forth in the Promissory Note for LIHTF Funds (Attachment 1 to Exhibit "A" attached to the Agreement), and any interest due thereunder, to be due and payable and to the enforce the security interest granted to the City by the Developer pursuant to the All-Inclusive Leasehold Deed of Trust for LIHTF Funds (Attachment 2 to Exhibit "A" attached to the Agreement).

6. Usage Records. The Developer will provide the Economic and Urban Development Department with the client usage records for the LIHTF Assisted Units on a annual basis during the Period of Affordability set forth above. These records will contain but are not limited to, the following data:

a. Total clients served;
b. Racial breakdown of clients served including American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/ Other Pacific Islander, White, American Indian/Alaska Native and White, Asian and White, Black/African American and White, American Indian/Alaska Native and Black/African American, Other;
c. Number of clients who report a Hispanic ethnicity;
d. Number and percentage of Low and Very Low Income clients as defined by HUD HOME Program Income Guidelines (Exhibit "F");

e. Number of handicapped clients served;
f. Number of senior citizens served;
g. Number of female head-of-households served;
h. Number of renter households served, and rent charged;
i. Number of owner households served; and
j. Monthly rent paid by each household served.

7. Program Income. For purposes of this Agreement, "Program Income" shall mean the gross income received by the Developer directly generated from the use of Project Funds or matching contribution and includes, but is not limited to, the following:

(i) Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with the Project Funds or matching contributions;

(ii) Gross income from the use or rental of real property owned by the Developer that was acquired, rehabilitated, or constructed with the Project Funds or matching contributions, less the costs incidental to generation of the income;

(iii) Payments of principal and interest on loans made using the Project Funds or matching contributions;

(iv) Proceeds from the sale of loans made with the Project Funds or matching contributions;

(v) Proceeds from the sale of obligations secured by loans made with the Project Funds or matching contributions;

(vi) Interest earned on the Program Income pending its disposition; and

(vii) Any other interest or return on the investment permitted under 92.205(b) of HOME funds or matching contributions.

Any Program Income generated by the Project must be deposited into the City's local account for the LIHTF Program unless the City permits the Developer in writing to retain the Program Income for use in additional projects which qualify for funding under the LIHTF Program or any other affordable housing program approved by the City.

ATTACHMENT "1" TO EXHIBIT "A"

PROMISSORY NOTE FOR STATE LOW INCOME HOUSING TRUAT FUNDS

(next page)

PROMISSORY NOTE FOR STATE LOW INCOME HOUSING TRUST FUNDS

(SECURED BY ALL-INCLUSIVE DEED OF TRUST)

____________2011
$333,840 Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of the City of Las Vegas (herein "Holder"), a municipal corporation within the State of Nevada, at 400 Stewart Avenue, Las Vegas, Nevada 89101, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of Three Hundred Thirty-Three Thousand Eight Hundred Forty Dollars ($333,840) (the "Indebtedness"). This Note will be recourse to the Maker and shall bear no interest.

The Indebtedness represented by this Note shall be due and payable in its entirety on the earlier of (i) the date that Maker sells, transfers, conveys or otherwise loses its interest in or possession of the Property (defined below) as prohibited by that certain Deferred Loan Agreement to Fund Stella Fleming Towers Rehabilitation Project dated March 16, 2011 (the "Agreement") prior to expiration of the Period of Affordability (defined in the Agreement); or (ii) during the Period of Affordability, the date that Maker fails to provide affordable housing to tenants eligible for such housing under the LIHTF Program as mandated by the Agreement and by the applicable rules and regulations relating to the State LIHTF Program.

Maker and any endorsers or guarantors hereof and all others who may become liable for all or part of the Indebtedness, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for the Indebtedness, and any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability.

In the event any performance by Maker required by the terms hereof is not performed when the same become due, then at any time thereafter, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of the performance thereof from any person thereafter shall not constitute a waiver of Holder's option.

This Note is secured by that certain All-Inclusive Deed of Trust and Assignment of Rents Securing State Low Income Housing Trust Funds (the "LIHTF Deed of Trust") of even date herewith executed by Maker, as Trustor, to Holder, as Trustee and Beneficiary therein, which LIHTF Deed of Trust encumbers that certain real property more particularly described therein (the "Property").

Time is expressly made of the essence with respect to every provision hereof and the LIHTF Deed of Trust. This Note shall be governed by, construed and enforced exclusively in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, Maker has caused this Note to be executed on its behalf by its duly authorized officer made effective as of the date first above written.

N C W B Housing, Inc., a Nevada non-profit corporation

By: ______________________________________

Ned Cole, President Date

ATTACHMENT "2" TO EXHIBIT "A"

ALL-INCLUSIVE LEASEHOLD DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING STATE LOW INCOME HOUSING TRUST FUNDS

(next page)

APN # 138-36-601-005

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Las Vegas
Economic and Urban Development
Department-Second Floor
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: Earlie King

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING STATE LOW-INCOME HOUSING TRUST FUNDS

THIS ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING STATE LOW-INCOME HOUSING TRUST FUNDS (this "All-Inclusive Deed of Trust") is made this 16th day of March, 2011, by N C W B Housing, Inc. (herein "Trustor"), a non-profit corporation organized under the laws of the State of Nevada, whose address is 3801 Robar Street Las Vegas, NV 89121, to City of Las Vegas (herein "Trustee" and "Beneficiary"), a municipal corporation within the State of Nevada, with offices located at City Hall, 400 Stewart. Las Vegas, Nevada 89101.

WITNESSETH:

Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that property in the City of Las Vegas, County of Clark, State of Nevada, described on Exhibit A attached hereto (the "Property"), together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

This Deed of Trust is executed for the purpose of securing (1) payment of the sum of Three Hundred Thirty-Three Thousand Eight Hundred Forty Dollars ($333,840) (the "LIHTF Funds") without interest thereon according to the terms of that certain Promissory Note for State Low Income Housing Trust Funds of even date herewith ("the Secured Note") executed by Trustor and made payable to the order of Beneficiary, and extensions or renewals thereof, and (2) the performance of each obligation of Trustor incorporated by reference or contained herein.

A. GENERAL PROVISIONS:

1. This is an All-Inclusive Deed of Trust securing the Secured Note to the City of Las Vegas, the performance of the obligations of the Trustor to Beneficiary under the Deferred Loan Agreement to Fund Stella Fleming Towers Rehabilitation Project dated March 16, 2011 (the "Agreement"). Trustor shall abide by the terms of the Agreement. Trustor agrees to use the

Property to rehabilitate the Project and to provide decent, safe, and sanitary rental units to LIHTF Program eligible tenants. Trustor agrees to maintain and operate the Property as a drug-free environment. Trustor agrees to perform all of the obligations set forth in the Agreement, including, without limitation, the obligation to designate and maintain within the Property twenty-two (22) rental units as floating LIHTF assisted units (the "LIHTF Assisted Units"), which rental units must be used to provide affordable housing pursuant to the requirements of the Agreement and the LIHTF Program for the Period of Affordability as defined in the Agreement (30 years) unless terminated earlier pursuant to the Agreement. Trustor agrees to abide by the state LIHTF rules and regulations, NRS Chapter 319, NAC Chapter 319 and the Low Income Housing Trust Fund Administrative Guidelines, as applicable.

2. Trustor agrees to repay the LIHTF Funds if, prior to the expiration of the Period of Affordability, fails to comply with the requirements of the Agreement, including, without limitation, if a sale, transfer, conveyance or loss of ownership or possession of the Property occurs as prohibited in the Agreement; provided, however, that the foregoing shall not apply to the transfer of the membership interests in Trustor. Notwithstanding such transfer of membership interests, the LIHTF Assisted Units must be used as affordable housing until expiration of the Period of Affordability.

The City of Las Vegas requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to it at the following address: City of Las Vegas, Economic and Urban Development Department, 400 Stewart Avenue – 2nd Floor, Las Vegas, NV 89101.

B. TO PROTECT THE SECURITY OF THIS ALL-INCLUSIVE DEED OF TRUST, TRUSTOR AGREES:

1. To keep the Property in good condition and repair; not to remove or demolish and build thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this All-Inclusive Deed of Trust.

4. To pay (a) at least ten days before delinquency, all taxes and assessments affecting the Property, including assessments on appurtenant water stock: (b) when due, subject to the right to

contest as set forth below, all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto: (c) all allowable expenses of this Trust.

If Trustor fails to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without any obligation so to do, and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extend as either may deem necessary to protect the security hereof, and Beneficiary or Trustee are hereby authorized to enter upon the Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers; pay reasonable expenses incurred in connection therewith, including reasonable attorneys fees.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate provided in the Secured Note.

C. IT IS MUTUALLY AGREED:

1. Any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money's received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of amounts due hereunder, and if such proceeds are insufficient then Trustor shall have funded any deficiency, and (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the amounts due hereunder in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the amounts due hereunder.

3. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

4. At anytime or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of the Property;

consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

5. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

6. Notwithstanding anything to the contrary contained herein, Trustor hereby irrevocably assigns, gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness hereby secured, enter upon and take possession of the Property or any part thereof in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.

7. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause to be sold the Property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time may then be required by law following the recordation of said notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to such purchaser its deed conveying the property so sold, but without covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary as hereinafter defined, may purchase as such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate provided in the Secured Note; all other sums then secured hereby; and the remainder, if any to the person or persons legally entitle thereto.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof or proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this All-Inclusive Deed of Trust is recorded and the name and address of the Trustee.

9. This All-Inclusive Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine, and the singular number includes the plural.

10. Trustee accepts this Trust when this All-Inclusive Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

D. THE PARTIES FURTHER AGREE:

1. Trustor shall perform and observe all obligations to be performed and observed by Trustor under the All-Inclusive Deed of Trust securing the Secured Note.

2. The following Covenants, Nos. 1, 3, 4 (rate of interest is the default rate stated in the Note), 5, 6, 7 (attorneys' fees in the amount provided for in the Note), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust, provided, however, that the express covenants of this Deed of Trust shall control to the extent that the same are inconsistent with Covenant Nos. 1, 3, 4, 5 and 9 and, provided further, that Covenant Nos. 6, 7 and 8 shall control over the express covenants of this Deed of Trust to the extent the same are inconsistent with Covenant Nos. 6, 7 and 8.

3. If an event of default occurs under any of the terms of the Secured Note or in the obligations under this Deed of Trust, prior to exercising any remedies thereunder, Beneficiary shall give the Trustor written notice of such default. Trustor shall have the same period of time after such notice is given within which to cure the default as is provided in the Agreement prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note.

4. If a non-monetary event of default occurs under the terms of the Secured Note, prior to exercising any remedies thereunder Beneficiary shall give Trustor written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have

such period to effect a cure prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Secured Note.

5. Notwithstanding the contrary contained herein, this is a non-recourse All Inclusive Deed of Trust and Assignment of Rents and Beneficiary shall have no recourse against the Trustor or to any asset of the Trustor other than the Premises, nor any right to a deficiency judgment in order to satisfy the indebtedness for payment of principal and interest evidenced by the Note.

TRUSTOR: N C W B Housing, Inc.

By: ______________________________
Ned Cole, President Date

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this ______ day of ____________, 2011, ______________________________ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public______________________ My commission expires ____________

EXHIBIT A TO THE ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING STATE LOW INCOME HOUSING TRUST FUNDS

LEGAL DESCRIPTION

LEGAL DESCRIPTION

Parcel Number 138-36-601-005

That portion of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE ¼) of Section 36, Township 20 South, Range 60 East, M.D.B. & M. More particularly described as Parcel 2, as shown by Parcel Map in File 4, Page 23 recorded November 26, 1974 as Document No. 436423 of Official Records, Clark County, Nevada

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

Stella Fleming Towers
Development and Completion Schedule

Estimated Date	Milestone
3-16-2011	Council Approval
3-16-2011	Notice to Proceed with GRP Grant funding
5-25-2011	10 % Completion
6-25-2011	20% Completion
7-25-2011	50% Completion
10-30-2011	100% Completion
12-30-2011	Final Closing/Release retainage

EXHIBIT "C"

PROJECT BUDGET

N C W B Housing, Inc.
Stella Fleming Towers

	Tot. Est. Cost	LIHTF
Rehabilitation Costs*	$ 1,452,472.00	$ 312,000.00
Building Permits & Fees	18,000.00	
Contractor Fee	101,855.00	
Construction Contingency	130,100.00	
Construction Insurance	39,945.00	
Construction Control Retrofit Admin. & Inspect.	14,550.00	
Utility Report	1,430.00	
Developer's Fee**	51,038.00	21,840.00
Total	$ 1,809,390.00	$ 333,840.00

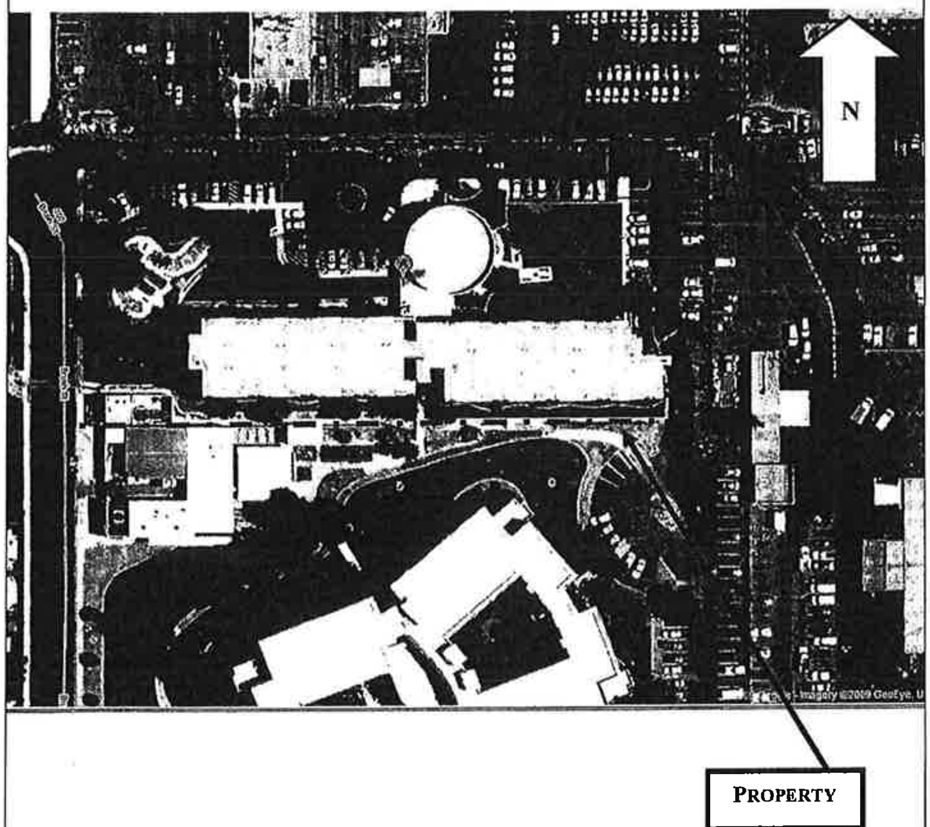
*LIHTF funds will be used to pay up to 50% of the cost of replacing kit./BR cabinets, sinks, sliding glass doors, window sections, and to the extent available additional discretionary rehab improvements.

** LIHTF will be used to pay associated attorney fees, building permits and approved project soi costs.

GRP CITY HOME -LIHTF Budget

EXHIBIT "D-1"

SITE MAP



Source: Google Maps

GREEN PHYSICAL CONDITION ASSESSMENT **AERIAL PHOTOGRAPH** **STELLA FLEMING TOWERS** **400 SOUTH BRUSH STREET** **LAS VEGAS, NV**	CRITERIUM ENGINEERS®

EXHIBIT "D-2"

SCOPE OF WORK

EXHIBIT "D-2"

SCOPE OF WORK

	Work Item (A)	Description of Green Improvements Work (B)	Quantity (C)
	Rehab Items		
1	Refrigerators 1	Replace 37 existing refrigerators in units 126, 130, 131, 132, 140, 147, 206, 210, 211, 223, 226, 229, 231, 234, 235, 236, 307 ,309, 312, 313, 315, 323, 326, 328, 331, 403, 409, 410, 413, 417, 420, 422, 423, 425, 429, 431, and 432 with 15.5 cubic ft Energy Star rated Frigidare # FFHT1826LS, or equivalent, refrigerators. Price per item is $540.00. Bid includes installation. All existing refrigerators will be disposed of through a program administered by NV Energy at no cost to the property. This contractor will require an advance of ($19,970.00) for materials prior to starting work.	37
2	Kitchen Cabinets	Remove, replace and install all kitchen top and bottom cabinets in 92 units and with hardwood sealed, maple cabinets manufactured within the Northview Collection by Manitoba, or equivalent, (no/low-VOC cabinets; sealed open surfaces/cut edges) and includes decorative hardware. New cabinets will match existing footprint. Price per item is $2,684. Price includes installation and removal, demolition, trim work, touch-up paint as needed, and haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of ($41,600.00) for materials prior to starting work.	92
3	Kitchen Counter Tops, Sinks	Remove, replace and install kitchen countertops in 92 units with Paperstone or equivalent brand made from wood paper composite sealed with a low VOC sealant; replace and install kitchen sinks and faucets (provided by owner, not included in bid) in 92 units. Price per item is $1,254. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of ($23,080.18) for materials prior to starting work.	92
4	Bathroom Vanities	Replace and install bath vanity cabinets in 92 units and the 2 common area bathrooms with Manitoba Natural Maple Northview Collection line (no/low-VOC cabinets; sealed open surfaces/cut edges), or equivalent, and includes decorative hardware. New cabinets will match existing footprint; Price per item is $401. Bid to include demolition, trim work, touch up paint where needed, and haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of ($6,350.00) for materials prior to starting work.	94
5	Bathroom Counter Tops, Sinks	Replace and install bathroom countertops with porcelain sink, ESI brand model ESI-S-VC-2017, or equivalent, in 92 units and the 2 common area bathrooms with granite countertop with porcelain sink and new faucet, or equivalent, (faucet provided by owner; Price per item is $355. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner.This contractor will require an advance of ($11,098.00) for materials prior to starting work.	94

6	Bathroom Exhaust Fans	Replace 115 existing 50 cfm vented bathroom exhaust fans with 115 Air King Energy Star, BFQ 50 cfm, or equivalent, vented exhaust fans. New fans will reuse existing vents; Price per item is $177. Bid to include re-wiring of existing light switch and repair of ceiling to fit new fan. Price to include purchase of exhaust fan, installation and haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	115
7	Water Savers (Interior)	Replace 106 existing non-flow faucets in bathrooms and kitchens with low-flow aerators (62 units will be replaced when vanity tops and kitchen counters are installed with remaining units done by outside vendor), with 106 1.5 gpm bathroom faucets and aerators and 106 Price-Pfister kitchen single lever handle and aerators, or equivalent, (Price per unit: $5 * 106 totals $530.00). 117 non low-flow shower heads installed with 117 Aspen or equivalent 1.75 gpm shower heads, or equivalent, (Price per unit: $30.00 * 117 totals $3,510.00), and 119 toilets installed with 119 Gerber Maxwell or equivalent 1.6 gpf toilets in all units and one in commom area. (Price per unit: $230.00 * 119 totals $ 27,370.00). Bid to include haul away or recycling and disposal in an environmentally friendly/responsible manner. Replace existing cold water reducing valves per engineering study prepared by Xnth Engineering. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. Onsite manager will direct location of replacements. This contractor will require an advance of ($29,810) for materials prior to starting work.	342
8	HVAC Systems 1 (Interior)	Replace 44 water source heat pumps with seer rating of 8, 8,100 BTUH with 44 apartment water source heat pumps Climatemaster TCV012 / Florida Heat Pump EC012 with an EER rating of 13.0, or equivalent. Bidder to ensure new heat pumps are installed in a work man like and substantial manner and is required to pull all necessary permits, if required. The following apartments will be installed: 123, 127 129, 130, 132, 133, 138, 141, 144, 146, 147, 151, 206, 207, 210, 212, 214, 215, 231, 236, 308, 309, 313, 315, 317, 321, 322, 326, 329, 408, 410, 412, 414, 415, 420, 421, 424, 425, 426, 428, 430, 432, 434, and 435. Price per Heat Pump is $2,715.90. Price per Boiler is $36,250. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. Replace flexible connection duct work with rigid duct board connections and connect condensate drains in 64 units not having a water source heat pump replaced through the GRP to increase air flow and energy efficiency of system. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. Replace 2 Raypak HW boiler 750,000 BTUH with 80% efficiency with 2 750 KBTHH Patterson-Kelly boilers, or similar if not available with efficiency rating of 94%. Bidder responsible to ensure new boiler meets current building codes. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	46

9	HVAC Systems 2 (Common Area)	Replace 12 existing water source heat pumps in the common area hallways (3 per floor) with seer rating of 8 and BTUH ratings of 9,000 and 10,100, respectively, with new water source heat pumps with a seer rating of 13 and a 12,500 BTUH rating - Climatemaster TRC018, or equivalent. Bidder to ensure new heat pumps are installed in a work man like and substantial manner. Price per item is $3,150. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	12
10	Domestic Hot Water Heating 1	Replace 3 existing hot water heaters (1 AO Smith 199,000 BTUH 80% efficiency, 1 Rudd 199,000 BTUH 50% efficiency, and 1 Bradford White 85,000 BTUH 80% efficiency) or equivalents with 2 98% efficient natural gas 150,000 BTUH boilers and 1 257 gallon storage tank, or equivalents. Bidder to insure new boilers are installed in a work man like and substantial manner. Price per item is $8,033. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	3
11	Interior Carpet	Replace approximately 26,100 sq ft of carpet in the living room and bedrooms in 80 units with recycled polypropylene carpet, or equivalent. The Brand of the Unit Carpet is Triumph Beaulieu of America Style number III color choice is swagger. 100% Recycled PET polyester carpet fibers 29 oz. Pad will be 3/8" 6 lb rebound padding. Baseboards will be replaced with 4" vinyl cover base. Since this amount is 70% of the units property management to provide list prior to install. Bidder to remove existing carpet and pad and install new carpet and pad in a work man like and substantial manner. Bid to include installation, haul away or recycling and disposal in an environmentally friendly/responsible manner. Furniture removal by others. This contractor will require an advance of ($17,556.00) for materials prior to starting work.	26100
12	Common Area Floor Coverings	Replace approx 11,160 sq ft of carpet in all common area hallways and elevator lobbies and replace with 11,160 sq feet of carpet. Carpet Specifications for Common Areas is Mohawk Exposition Carpet Polypropylene Graphic carpet 32 oz., or equivalent, (successful bidder measured 13,320 sq ft). Bid to include removal of existing carpet and pad, preparation of floor for new material, furniture removal, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of ($7,072.00) for materials prior to starting work.	13320

13	Exterior Walls	Replace existing fiberglass panels above and below windows visable from the exterior of the building and replace with a R-19 wall assembly in conjunction with the installation of new windows and sliding glass doors. Finish to be drywalled, painted and base board to be installed to match existing installed in the interior and a new Vee panel installed on the exterior. Attach 2x6 metal in-fill framing to the rough opening dimension inside of CMU opening with power actuated fasteners (120 door openings and 140 window openings). Install flashing at base window opening, install gypsum board, felt and vee panels to exterior. Install windows and doors per manufacturers recommendation. Seal around panels. Install R19 insulation, drywall and texture and paint to color. Leave job clean of debris. One year warranty on labor and 10 year warranty on material. This contractor will require an advance of ($126,000.00) for materials prior to starting work.	115
14	Windows	Remove and replace all (140) unit and common area hallway windows. Install windows per manufacturers recommendation. Windows to be of white vinyl, nail fin, triple pane. The windows are Krypt gas filled and are Low-EE with a SHGC of .23 for the sliding windows and .25 for the picture windowsWindow specifications are as follows: 14-84 x 50 fixed U.16 U-factor, 125 78x40 XX .20 U factor, 4 48 x 41 fixed .16 U factor, 2 31x46 fixed .16 U factor, 2 63 x46 xx .20 U factor and 4 64X48 fixed .16 U factor. Bid to include installation, and haul away of existing windows, demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of ($93,000.00) for materials prior to starting work.	140
15	Sliding Glass Doors	Remove and replace all (120) sliding doors with new white vinyl double pane sliding glass doors. Install sliding glass doors per manufacturers recommendation. The SHGC for the Sliding Glass Doors is .25. They are Low E. Sliding glass door specifications are 6068 xo/po & .33 U factor. Bid to include installation, and haul away of existing sliding glass doors, demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of ($47,000.00) for materials prior to starting work.	120
16	Interior Lighting 1 (In Unit)	Replace or retrofit 3 incandescent fixtures per apartment (all 115 total units/345 fixtures-retrofit kits/bulbs), or equivalent, and replace or retrofit fixtures to accommodate compact fluorescent bulbs in each fixture. Price per fixtures-retrofit kit/bulb is $39.61. Contractor responsible for supply of fixtures, retrofit kits, and bulbs in a work man like and substantial manner while the units are occupied. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of ($6,832.00) for materials prior to starting work.	345

17	Interior Lighting 2 (Common Area)	Replace 363 existing fluorescent fixtures and bulbs and replace with 363 Energy Star fluorescent fixtures and CFL 13 watt bulbs, or equivalent. Price per bulb and fixture is $62.20. Bidder responsible for supply of fixtures, retrofit kits (if applicable) and bulbs. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of ($11,288.00) for materials prior to starting work.	363
18	Exit Signs	Replace 24 existing standard exit signs with 2 25-watt bulbs with 24 5-watt LED Energy Star Exit Signs (brand Exitronix model # - VEXUBPWBWH), or equivalent, with 6 on each of 4 floors.. Price per item is $121. Contractor responsible for supply of fixtures and bulbs. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	24
19	Other 1 (Community Room and Office Cooling)	Replace 5 water source heat pumps with seer rating of 8, 36,000 BTUH that service the office and community room with 5 Climatemaster TCV 018 EER 15.4, or equivalent. Price per item is $5,760. Bidder to ensure new heat pumps are installed in a work man like and substantial manner. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	5
20	Other 2 (Cooling towers)	Replace 2 BAC 70 ton forced draft cooling towers with 1 two-cell cooling tower, VFD's for tower fan motors and new control systems - Evapco Model# ESWA-102-34I, or equivalent, to be installed in the mechanical yard (plant) of the building; Price per item is $93,100. Bid to include all materials, installation in a work man like and substantial manner, and haul away or recycling and disposal in an environmentally friendly/responsible manner. Replace existing NALCO or equivalent water treatment system with like in-kind to increase energy efficiency of existing life replacement cooling towers. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	2
21	Other 4 (elderly friendly thermostats)	Remove 132 standard wall mounted thermostats and replace with 132 elderly friendly thermostats White Rodgers 1F95EZ-0671, or equivalent. Thermostats will be hard wired utilizing existing wiring so no additional electrical work is required. Price per item is $64. Bid to include purchase of thermostat, installation in a work man like and substantial manner, training of the functionality to the residents, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	132

22	Other 5 (Building Loop Water Pumps)	Replace all 132 shp hoses and valves with braided hoses, valves, 2 or 3 way control valves and flow controls. Price per item is $49,150. Add VFD's to existing condensor water loop pumps. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	2
23	Other 8 (Insulate DHW piping)	Pipe wrap with an R rating of 3.7 and 1" thickness 2,224 linear feet of copper piping. The wrap material will be urethane or fiberglass with 25/50 fire smoke rating as approved by the engineer of record. Work to be completed in a work man like and substantial manner. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	2224
24	Other 9 (Exterior light bulbs)	Replace 21 400-watt metal halide exterior lights with 21 200-watt compact fluorescent fixtures and bulbs, or equivalent. Price per item is $475. Bidder responsible for supply of fixtures and bulbs in a work man like and substantial manner. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	21
25	Other 15 Solar Hot Water System	Provide Solar Hot Water system to include: (20) Panels - Viessman 200F, (2) Pumps - Lochinvar AWN150PM, (1) Controller,or equivalents, remove (1) 257 gallon tank, and replace with (1) Lochinvar 350 gallon tank with integral heat exchanger sized at 60% of maximun load of the facility, or equivalent. Replace domestic cold water pressure reducing valves. Bid to include demolition, haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	1
26	Other 16 Community kitchen cabinets and counter/sink	Remove, replace and install kitchen top and bottom cabinets in Community Room Kitchen with hardwood sealed maple cabinets manufactured within the Northview Collection by Manitoba (low/no VOC cabinets sealed open surfaces/cut edges), or equivalent, and includes decorative hardware. Remove, replace and install kitchen countertops in Community Kitchen with Paperstone or like brand made from wood paper composite in Mocha or Black color; sealed with a low VOC sealant; replace and install kitchen sinks and faucets (provided by owner; not included in bid) Bid to include demolition and haul away or recycling and disposal in an environmentally friendly/responsible manner. This contractor will require an advance of zero ($0) for materials prior to starting work.	1

EXHIBIT "E"

LEGAL DESCRIPTION

A.P.N.138-36-601-005

LEGAL DESCRIPTION

Parcel Number 138-36-601-005

That portion of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE ¼) of Section 36, Township 20 South, Range 60 East, M.D.B. & M. More particularly described as Parcel 2, as shown by Parcel Map in File 4, Page 23 recorded November 26, 1974 as Document No. 436423 of Official Records, Clark County, Nevada

EXHIBIT "F"
HOME/LIHTF PROGRAM INCOME GUIDELINES

U.S. Department of Housing and Urban Development (HUD) (Effective April, 2010)
Median Family Income ($65,700)

FAMILY SIZE	INCOME NOT TO EXCEED	
1	30%	13,800
	50%	23,000 (Very Low-Income)
	60%	27,600
	80%	36,800 (Low-Income)
2	30%	15,800
	50%	26,300 (Very Low-Income)
	60%	31,560
	80%	42,050 (Low-Income)
3	30%	17,750
	50%	29,600 (Very Low-Income)
	60%	35,520
	80%	47,300 (Low-Income)
4	30%	19,700
	50%	32,850 (Very Low-Income)
	60%	39,420
	80%	52,550 (Low-Income)
5	30%	21,300
	50%	35,500 (Very Low-Income)
	60%	42,600
	80%	56,800 (Low-Income)
6	30%	22,900
	50%	38,150 (Very Low-Income)
	60%	45,780
	80%	61,000 (Low-Income)
7	30%	24,450
	50%	40,750 (Very Low-Income)
	60%	48,900
	80%	65,200 (Low-Income)
8	30%	26,050
	50%	43,400 (Very Low-Income)
	60%	52,080
	80%	69,400 (Low-Income)

EXHIBIT "G"
HOME/LIHTF PROGRAM RENT LIMITS

U.S. Department of Housing and Urban Development (HUD)
Program Limits (Effective May 2010)

PROGRAM	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
Low Home Rent Limit	$575	616	740	854	953	1,051	1,149
High Home Rent Limit	728	781	939	1,077	1,181	1,285 1389	
For Information Only:							
Fair Market Rent	767	904	1,063	1,478	1,778	2,045	2,311
50% Rent Limit	575	616	740	854	953	1,051	1,149
65% Rent Limit	728	781	939	1,077	1,181	1,285	1,389

EXHIBIT "I"

DISCLOSURE OF PRINCIPALS

(NEXT PAGE)

DISCLOSURE OF PRINCIPALS

The principals and partners of N C W B Housing Inc. *and all persons and entities holding* more than 1% interest in N C W B Housing or any principal of N C W B Housing Inc., are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
	None (See attached Board of Directors)		

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

N C W B Housing Inc., a Nevada non profit corporation

By: ___________________________________

Subscribed and sworn to before me this
_____ day of __________________, 2011.

____
Notary Public

62+
AFFORDABLE
SENIOR HOUSING
SPONSORED BY CATHOLIC CHARITIES OF SOUTHERN NEVADA

DIRECTORY OF TRUSTEES

December, 2010

NCWB Housing, Inc.
dba Stella Fleming Towers
400 Brush Street
Las Vegas, Nevada

President

Mr. Ned Cole
Architect
3801 Robar Street
Las Vegas, NV 89121-4209
Day Telephone: 735.4530
Fax: 735.1952
E-mail: ncoleaia@cox.net

Vice President

Mr. Phillip Hollon
Director of Residential Services
Catholic Charities of Southern Nevada
1511 Las Vegas Blvd. North
Las Vegas, NV 89101-1120
Day Telephone: 387.2255
Fax: 385.6430
E-mail: phollon@catholiccharities.com

Secretary/Treasurer

Mr. Jack Benter
CFO Boys & Girls Clubs of Las Vegas
1125 Azul Way
Boulder City, NV 89005-3120
Day Telephone: 367.2582 x 2809
Fax: 367.9522
E-mail: jackbenter@yahoo.com

Correspondence:
Mr. David Elnes, Executive Secretary
2021 Loro Court
Las Vegas, NV 89117-1856
Day Telephone: 255.0282
Fax: 255.0283
E-mail: thirdbase@cox.net

Trustees:

Mr. Michael Husted
Federal Programs Specialist
City of Henderson
240 Water Street
P.O. Box 95050
Henderson, NV 89009-5050
Day Telephone: 267.2021
E-mail: michael.husted@cityofhenderson.com

Mr. Luther M. Snavely III, Esq.
Garcia-Mendoza & Snavely, Chtd.
501 South Seventh Street
Las Vegas, NV 89101
Day Telephone: 384.8484
Fax: 384.0207
E-mail: Luther@gms4law.com

Mrs. Mary Boozan Stivers
Co-owner, Western States Petroleum
5017 N. Tomsik Street
Las Vegas, NV 89149-4735
Day Telephone: 658.0344
Fax: 658.3535
E-mail: stivers907@aol.com

Mr. Drew Zidzik
VP/CRA/Community Development
Nevada State Bank
230 Las Vegas Blvd. Ste 205
Las Vegas, NV 89101
Day Telephone: 642.2482
Fax: 873.5189
E-mail: Drew.Zidzik@nsbank.com

SPONSORED BY CATHOLIC CHARITIES OF SOUTHERN NEVADA

DEFERRED LOAN AGREEMENT TO FUND DECATUR PINES 2 SENIOR APARTMENT PROJECT

(Home Investment Partnerships ("HOME") Funded Project)

THIS DEFERRED LOAN AGREEMENT TO FUND DECATUR PINES 2 SENIOR APARTMENT PROJECT (this "Agreement") is made and entered into this 16th day of March, 2011, by and between the City of Las Vegas (the "City"), a municipal corporation within the State of Nevada, with offices located at City Hall, 400 Stewart, Las Vegas, Nevada 89101, and Nevada H.A.N.D. Inc., a non-profit corporation organized under the laws of the State of Nevada, with a mailing address of 295 E. Warm Springs Rd., Suite 101, Las Vegas Nevada 89119, its permitted successors and assigns (the "Developer"). The City and the Developer are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the City has entered into that certain Grant Agreement with the United States Department of Housing and Urban Development ("HUD") dated September 30,2010, for participation in the Home Investment Partnership Program ("HOME Program") set forth under 24 CFR Part 92 as amended; and

WHEREAS, the City has entered into that certain Interlocal Agreement with the State of Nevada dated August 24, 2010, whereby the City administers the HOME Program funds allocated to the City under the HOME Program by the Housing Division, Department of Business and Industry, State of Nevada ("NHD"), and

WHEREAS, the City, as the Entitlement Grantee under the HOME Program, is responsible for entering into agreements for the distribution of HOME Program funds for projects which have been determined to be eligible for such funding, and in furtherance of the goals and objectives of the HOME Program; and

WHEREAS, the Developer is a Community Housing Development Organization as defined in 24 CFR 92.2; and

WHEREAS, the Developer has requested financial assistance from the City under the HOME Program for the purpose of constructing a 75-unit affordable housing complex which will provide independent living for senior citizens age 55 and older, commonly known and referred to as the "Decatur Pines 2 Senior Apartment Project" (the "Project"); and

WHEREAS, the Las Vegas City Council, at its meeting on March 16, 2011, after determining that the Project will provide a substantial benefit to the inhabitants of the City, allocated funding from the HOME Program for the Project in the amounts set forth below.

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

I. DEVELOPER PROJECT RESPONSIBILITIES

In consideration for the allocation of the Project Funds (defined in Section II below) by the City to the Developer pursuant to this Agreement, the Developer agrees to construct, or cause to be constructed, the Project as described in the Project Description, Financing and Requirements, Exhibit "A" attached hereto and incorporated herein as a part hereof, and to manage the Project according to the requirements that affordable housing be provided as set forth in this Agreement. The Project will comply with the basic concept drawing set forth in the Project Rendering, Exhibit "D-2" attached hereto and incorporated herein as a part hereof, which is hereby approved by the City Council with the approval of this Agreement. Any change or deviation from the Project Rendering requires the approval of the City Council.

II. CITY PROJECT RESPONSIBILITIES

Provided the condition precedent as set forth in Section IV below to the effectiveness of this Agreement has occurred, the City agrees to provide to the Developer a deferred loan (hereinafter defined) in an amount not to exceed One Hundred Eighty Thousand Seven Hundred Twelve Dollars ($180,712) in State Home Investment Partnership Funds and a deferred loan in an amount not to exceed One Million Three Hundred Nineteen Thousand Two Hundred Eighty-Eight Dollars ($1,319,288) in Federal Home Investment Partnership Funds (collectively the "HOME Funds"), for a total deferred loan in an amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000) (the "Project Funds"). The Project Funds are to be used for the purpose of reimbursing the Developer for eligible Project costs incurred in constructing the Project. For purposes of this Agreement, a "deferred loan" means the Developer is released from the obligation of repayment if the Developer has complied with all of the requirements of this Agreement for the Period of Compliance defined in Section C 4 of the Project Description, Financing and Requirements.

The Project Funds shall be disbursed pursuant to the applicable provisions contained in Section VII of this Agreement after the request for payment has been received from the Developer and approved by the City.

III. CONDITIONS TO THE RELEASE OF PROJECT FUNDS

The City's obligation to reimburse the Developer for the eligible Project costs incurred during the construction of the Project shall be subject to the following conditions set forth below.

1 Authorization from HUD. The City has received authorization from HUD to use the HOME Funds for the Project.

2 Completion of Environmental Review. An environmental review as required pursuant to 92 CFR 58 is completed for the Property and provided by the City. Notwithstanding any other provision of the Agreement, this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of the environmental review, and receipt by the City of authorization to release the HOME Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58, as may be required. With the completion of the environmental review, the City

shall make the determination of whether to proceed with the Project as proposed modify the Project, or cancel the Project in its entirety.

3. Issuance of Notice to Proceed. Subsequent to receipt of HUD's authorization to use the HOME Funds, and approval of the environmental review by the City, the City's Economic and Urban Development Department Director or designee will provide the Developer with a written Notice to Proceed with the construction of the Project. Once the Notice to Proceed is issued, the Developer agrees to provide the City with the written minutes of all construction meetings until issuance of the Certificate of Occupancy on the Project. The failure to comply with the requirements of this provision may result in the denial of the Project Funds under this Agreement.

4. Issuance of Lender's Policy of Title Insurance. A Preliminary Title Report is provided to the City indicating that the title of the Property is held in a manner acceptable to the City, and a Lenders Policy of Title Insurance Policy, in a form acceptable to the City, is issued in the minimum amount of the Project Funds, which names the City as an insured party under the policy. The Title Insurance Policy shall be issued prior to the disbursement of any Project Funds to the Developer.

5. Property Appraisal. An appraisal is provided to the City ascertaining the fair market value of the Property as required pursuant to subsection Q of Section V of this Agreement.

6. Promissory Note. The Decatur Pines 2 Limited Partnership ("Decatur Pines 2") (identified in the Project Description, Financing and Requirements, Exhibit A attached hereto and incorporated herein as a part of this Agreement) has executed in favor of the Developer the Promissory Note for HOME Funds (the "HOME Promissory Note") set forth as Attachment 1 to the Project Description, Financing and Requirements.

7. Deed of Trust. Decatur Pines 2, as Trustor, has executed and recorded the All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds (the "HOME Deed of Trust") set forth as Attachment 2 to the Project Description, Financing and Requirements. The HOME Deed of Trust encumbers the ownership interest of Decatur Pines 2 in the Property in favor of the Developer as security for (i) repayment of the HOME Promissory Note executed by Decatur Pines 2, and (ii) performance of the obligations of the Developer under this Agreement, which obligations have been delegated to, and assumed by, Decatur Pines 2.

8. Assignment. The Developer has executed and recorded the Assignment of Promissory Note for HOME Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds set forth as Attachment 3 to the Project Description, Financing and Requirements, which document assigns all of the rights and interests of the Developer described therein to the City.

IV. PERIOD OF PERFORMANCE

Subject to the condition precedent set forth herein, this Agreement shall not become effective until the environmental review required pursuant to Section III B above has been completed to the satisfaction of the City, and shall continue in force and effect until performance of all of the obligations set forth in this Agreement, unless terminated earlier pursuant to Section VIII B of this Agreement. The failure of the aforementioned condition precedent to occur shall preclude this Agreement from becoming a binding agreement between the Parties.

The date set forth in the introductory paragraph of this Agreement will be the date of approval of the Project Funds by the City Council for the Project, but such approval does not obligate the City to provide the Project Funds until this Agreement becomes effective between the Parties. The Project Funds must be expended on or before June 30, 2013. The Developer agrees that the Project shall proceed according to the timelines set forth in the Project Schedule, Exhibit "B" attached hereto and incorporated herein as a part of this Agreement, and to complete construction of the Project by December 30, 2012, unless an extension has been requested in writing by the Developer and granted in writing by the Director of the Economic and Urban Development Department (which approval shall not be unreasonably withheld) to the timelines or completion date.

V. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE HOME/LIHTF PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS

The Developer agrees to comply with the requirements, policies, regulations and time criteria of the HOME Program specified in the Economic and Urban Development Department HOME Program Manual. The Developer shall obtain any and all applicable federal, state, and local permits, licenses, notices or certificates required to construct the Project. The Developer further agrees to abide by all applicable federal, state, and local regulations, statutes, ordinances and laws. The failure to abide by any of the above may result in the forfeiture of any and all of the Project Funds provided under this Agreement.

B. DEVELOPER RETAINS EXCLUSIVE RIGHT OF PERFORMANCE

The Developer has requested financial support from the City to enable it to cause the construction of the Project contemplated herein. The City shall have no relationship whatsoever with the Project except for providing financial support and the receipt of the reports required from the Developer under this Agreement. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by the Developer, subject only to review by the Economic and Urban Department Director, or authorized designee, to assure continuing eligibility for the Project Funds.

C. INDEMNIFICATION

The Developer agrees to protect, defend, indemnify and save the City, its officers, employees and agents, harmless from and against any and all damages, claims, suits, liens, judgments or any other form of liability of whatever nature for injuries to, or death of, any person caused by, connected with, or arising out of any activities or performance undertaken pursuant to this Agreement. The Developer's obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph shall include reasonable attorneys' fees incurred by the City in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the City in enforcing and/or obtaining compliance with the provisions of this paragraph.

D. ON-SITE MONITORING

The Project funded under this Agreement will be subject to on-site monitoring by duly authorized representatives (including independent auditors) of the City, HUD, the Comptroller of the United States, or any combination thereof. The representatives will be announced, at a minimum, 24 hours in advance of any on-site visits, which shall occur during normal operating hours. During any on-site visit, the representatives shall be granted access to any and all records pertaining to the Project. The representatives may interview employees of the Developer, or any entity associated with the Project who volunteer to be interviewed.

The Developer shall allow the representatives to conduct such reviews, audits and on-site monitoring of the Project as the reviewing entity deems appropriate in order to determine:

(i) Whether the Project is being operated in a manner consistent with the Consolidated Plan and the national and primary objectives of the HOME/LIHTF Program;

(ii) Whether the objectives of the Project are being achieved;

(iii) Whether the Project is being operated in an efficient and effective manner;

(iv) Whether management control systems and internal procedures have been established to meet the objectives of the Project;

(v) Whether the financial operations of the Project are being conducted properly;

(vi) Whether the periodic reports to the City contain accurate and reliable information; and

(vii) Whether all of the activities of the Project are conducted in compliance with the provisions of applicable Federal/State laws and regulations and this Agreement.

E. MAINTENANCE OF RECORDS

The Developer agrees to maintain financial records and supporting documentation pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain them for a period of 25 years, except those records subject to audit findings which shall be retained for five years after such findings have been resolved. In the event the Developer goes out of existence, the Developer shall turn over to the City all of its records relating to this Agreement which will be retained by the City for the required period of time.

F. AUDITING OF RECORDS AND BOOKS

The Developer agrees to permit the City, or its designated representative(s), (including independent auditors, HUD or the Comptroller of the United States or any combination thereof) 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 the Developer's operation hereunder. The Developer further understands and agrees that the inspection and audit will be exercised only after written notice to the Developer. If the records or books are not located within Clark County, Nevada, the Developer agrees to deliver the records or books to the address within the City of Las Vegas designated by the City. If the City, or its designated representative(s), find that the records delivered by the Developer are incomplete, the Developer agrees to pay the City or its representative(s), the costs to travel (including transportation, lodging, meals, and other related expenses) to the Developer's offices to inspect and audit, as deemed necessary, all records of the Project relating to finances, as well as other records (such as the performance records) that may be required by relevant directives of funding sources of the City.

G. INSURANCE

1. Insurance Policies. The Developer, or Decatur Pines 2, shall procure and maintain at its own expense during the entire term of this Agreement, the following insurance coverage:

a. Industrial/Workers' Compensation Insurance protecting the Developer and the City from potential Developer employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement.

b. General Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, and Two Million Dollars ($2,000,000) in the aggregate, for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverages must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverages for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.

c. Automobile Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by the Developer (owned or hired) in the performance of the services under this Agreement.

d. Professional Liability Insurance in an amount of not less than One Million Dollars ($1,000,000). Coverage may be on a "claims made" basis or on an "occurrence" basis. If coverage is provided on a "claims made" basis, the Developer or Decatur Pines 2 shall maintain coverage for one (1) year following the completion of this Agreement.

e. Comprehensive Fire and Hazard Insurance covering the full replacement costs of the Project.

The insurance coverages required under this Section are in addition to, and not in lieu of, the Developer's indemnification obligation provided under Section V C.

2. Certificates of Insurance. Prior to the commencement of its performance under this Agreement, the Developer shall have on file with the City current certificates of insurance evidencing the coverages required herein.

a. Developer shall furnish the renewal certificates for the required insurance during the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare the Developer in default of its obligation under this Section.

b. Except for the Professional Liability Insurance, the City, its officers, employees and volunteers must be expressly named as additional insured parties under the coverages required under this Section.

3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Developer or Decatur Pines 2, including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VIII, A IX, A X, etc.)

4. Lapse of Insurance. If the Developer or Decatur Pines 2 fails to maintain any of the insurance policies required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order that the required policies may be maintained. The Developer is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from the Developer or deduct the amount paid from any sums due the Developer under this Agreement.

5. Primary Coverage. The Developer's and/or Decatur Pines 2' insurance shall be the primary coverage with respect to the City, its officers, employees and agents. Any other coverage (insurance or otherwise) available to the City, its officers, employees and agents shall be considered coverage in excess to that required of the Developer and/or Decatur Pines 2 and shall not contribute with it.

6. Notice of Cancellation. Each insurance policy supplied by the Developer or Decatur Pines 2 must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits until thirty (30) days prior written notice by certified mail "return receipt requested" has been given to the City. This notice requirement does not waive the insurance requirements contained herein.

H. IRS REGULATIONS

The Developer agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he or she is paid $600 or more or as updated by the IRS, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. The 1099 instructions can be obtained on the IRS website.

I. LIMIT ON ASSIGNMENT OF INTEREST

The Developer may not assign any part of its rights in this Agreement without the written consent of City. Any such assignment of rights without the consent of City shall result in the forfeiture of all the HOME/LIHTF Funding, or any part thereof, as determined by City. The City may only assign its rights in this Agreement to HUD.

J. AGREEMENT REVISIONS

Any change in the provisions of this Agreement, including the exhibits and attachments hereto, may be made only pursuant to a written amendment which is executed by the Developer and by (i) the Mayor, with City Council approval, if the amendment provides an increase in the Project funds of $25,000 or more, or (ii) the Economic and Urban Development Department Director, if the Amendment is below $25,000, or merely revises the language of the Agreement without any impact on the Project Funds.

K. THIRD PARTY CONTRACTS

The Developer shall provide reasonable advance notice to, and obtain the written consent from, the City prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party. An example of said the contractual agreement is to be provided by the City. The advance notice shall demonstrate the necessity of such services and shall provide for an adequate remedy in the event the professional services are not rendered in a manner consistent with the terms of this Agreement.

L. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, the Developer warrants that it has disclosed, on the form attached hereto as Exhibit "I", all principals, including, partners of the Developer, as well as all persons and entities holding more than 1% interest in the Developer or any principal of the Developer. Throughout the term hereof, the Developer shall notify the City in writing of any material change in the above disclosure within 15 days of such change.

M. GROUND BREAKING CEREMONIES

The Developer understands and agrees that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Developer. In addition, the Developer agrees to coordinate with the City any ceremonial events concerning the Project including the review and approval of the date for groundbreaking ceremonies, the invitations, invitation list, press release, and the ceremonial programs. The City will be responsible for scheduling the ceremonial event with City elected officials.

N. INCOMPLETE PROJECT

If, for any reason whatsoever, subsequent to the execution of this Agreement, the Developer is unable to begin or complete the Project, and Project Funds were utilized for the Project, if approved by the City, the Developer may transfer the Property by deed to the City at no cost to the City. In the event of such transfer, the City will make reasonable efforts to ensure the Property is utilized for a Project-eligible project, or the City may sell the Property and return the amount of the Project Funds utilized for the purchase to its funding source. As an alternative to conveyance of the Property to the City, the Developer may elect to sell the Property, provided such sale has been approved by the City and arrangements have been made through escrow for the proceeds resulting therefrom to be used, in the following order of priority, for (i) repayment of any Project financing which is senior to the financing provided by the City, (ii) repayment of the Project Funds expended on the Project, (iii) repayment to the Developer the amount of its investment in the Project, and (iv) the balance of the proceeds, if any, remaining thereafter shall be returned to the City. If the proceeds from the sale of the Property are inadequate to repay the City for the Project Funds expended on the Project, the Developer agrees to pay the deficiency and such payment shall be made at, and as a condition to, the close of escrow.

O. APPRAISAL OF PROPERTY

The Developer hereby acknowledges that the policy of the City is to secure as collateral an interest in any and all real property being financed with federal funds. For projects involving the acquisition of real property, improvements to real property, or a combination thereof, the City will not provide funding in excess of fair market value of the financed Property. For purposes of this Project, in order to determine if funding is available, and the amount of such funding, the City requires an appraisal indicating the fair market value of the Property, including all improvements to be made to the Property. The City will not disburse any Project Funds for the Project to this Agreement until an appraisal is received to the satisfaction of the City.

VI. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES (24 CFR 92.257)

As a general rule, in accordance with the First Amendment principles of the Separation of Church and State, the Project Funds may not be used for religious activities. HOME fund may not be used for acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities as cited at 24 CFR 92.257.

B. POLITICAL ACTIVITIES

The Developer will comply with Section 319 of Public Law 101-121 of the Department of Interior Appropriations Act, which prohibits the use of the Project Funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

C. HATCH ACT (CHAPTER 15, TITLE 5, U.S. CODE)

The Developer further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

D. PROGRAM INCOME (24 CFR 92.2)

The Developer agrees that program income, as defined in 24 CFR 92.2, includes, but is not limited to, the following:

(i) Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;

(ii) Gross income from the use or rental of real property owned by the participating jurisdiction, State recipient or a developer that was acquired, rehabilitated, or constructed with HOME funds or matching contributions, less the costs incidental to generation of the income;

(iii) Payments of principal and interest on loans made using HOME funds or matching contributions;

(iv) Proceeds from the sale of loans made with HOME funds or matching contributions;

(v) Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;

(vi) Interest earned on program income pending its disposition; and

(vii) Any other interest or return on the investment permitted under 92.205(b) of HOME funds or matching contributions.

Any Program Income generated by the Project must be deposited in the City's HOME Program local account unless the City permits the Developer to retain the program income for additional HOME projects pursuant to the written agreement in compliance with the requirements of 24 CFR 92.504.

E. OTHER PROGRAM REQUIREMENTS (24 CFR 92.350-3, 92.358)

The Developer shall carry out its activities in compliance with all federal laws and regulations as described in 24 CFR 92.350-92.358, except that the Developer will not assume the

City's environmental responsibilities described at 24 CFR 92.352, nor the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58. More specifically the Developer shall be required to comply with the following:

1. GENERAL (24 CFR 92.350)

The requirements set forth in 24 CFR Part 5, Subpart A, are applicable to participants in the HOME and/or LIHTF Program. The requirements of this subpart include nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964-- FAIR HOUSING ACT--EXECUTIVE ORDER 11063

This Agreement is subject to the requirements of 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 and also obligating the Developer to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT, AGE DISCRIMINATION ACT OF 1975, AND SECTION 504 OF THE REHABILITATION ACT OF 1973

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Project Funds.

4. LABOR STANDARDS AND DAVIS BACON ACT (24 CFR 92.354)

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also apply to this Agreement. Each Contractors or subcontractor on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS (24 CFR 92.352)

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING (24 CFR 92.353)

The Developer shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to 24 CFR 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES

The Developer shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for equal employment opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT (24 CFR 92.355)

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to 24 CFR 92.353; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR DEVELOPERS

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES (24 CFR 92.505)

If the developer receiving HOME Funds is a non-profit organization, the requirements of OMB Circular A-122 apply to the developer. The Developer receiving the Project Funds as provided herein is required to be familiar with the OMB circulars as it pertains to the Agreement.

12. CONFLICT OF INTEREST (24 CFR 92.356)

The Developer, its officers, employees, agent or consultant may not occupy a HOME-assisted affordable housing unit within the Project unless prior written authorization has been granted by the City. This provision does not apply to the Project manager or maintenance worker who is provided housing as part of the compensation for his services.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive Order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits. Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 12166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

F. DRUG-FREE WORKPLACE

As a recipient of the Project Funds, the Developer agrees that it shall comply with the provisions of the Drug Free Workplace Act of 1988, 24 CFR Part 21, which requires the Developer maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

G. ANTI-LOBBYING

Section 319 of Public Law 101-121 of the Department of the Interior Appropriations Act prohibits the Developer from using appropriated federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federally appropriated funds have been paid or will be paid, by or on behalf of the Developer to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

H. AMERICANS WITH DISABILITIES ACT

The Developer agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the Developer and the activities to be performed by the Developer under the scope of this Agreement. If employing more than fifteen (15) employees, the Developer agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), the Developer agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, the Developer agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

I. AFFIRMATIVE MARKETING (24 CFR 92.351)

The Developer agrees to undertake an affirmative marketing program in conformance with 24 CFR 92 351 (b).

J. MCKINNEY HOMELESS ASSISTANCE ACT (24 CFR 576)

The Developer agrees to abide by 24 CFR Part 576, of the Stewart B. McKinney Homeless Assistance Act.

K. RECORD KEEPING (24 CFR 92.508)

The Developer shall maintain records in accordance with 24 CFR 92.508.

L. FORFEITURE OF FUNDS

Any material breach of the terms of this Section VI shall result in forfeiture of the Project Funds provided to the Developer pursuant to this Agreement, or any part thereof, as determined appropriate by the City.

M. EXPIRATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, the Developer shall transfer to the City the Project Funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of these funds.

N. PROPERTY QUALITY STANDARDS (24 CFR 251)

Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion and for the duration of this Agreement. All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements for the duration of this Agreement.

O. DISPLACEMENT OR DISLOCATION OF TENANTS (24 CFR 353)

In conjunction with the Project, the Developer agrees to minimize displacement or dislocation of current tenants by assisting with their relocation per 24 CFR 92.353. If any tenants are displaced as a result of acquisition or rehabilitation of the Property, the Developer agrees to assume sole financial responsibility for any liability associated with 49 CFR Part 24.

P. OMB CIRCULARS

The administration of the HOME Program is subject to the uniform policies and requirements of the Office of Management and Budget's Circulars (the "OMB Circulars") and federal regulations implementing the Circulars. The OMB Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The OMB Circulars also address many other management issues, including record keeping, procurement, bank accounts, and program income. The Developer is required to be familiar with the OMB Circulars as it pertains to the federal funding received under this Agreement.

VII. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to the requirements of the Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O" and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend $500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

Any agency that expends between $200,000 and $499,999 in federal funds will be required to have a CPA Audited Financial Statement submitted to the City. The funds expended may be from one or multiple federal sources.

If the Developer falls under the requirements of OMB A-133 Auditing Rules, the Developer must submit a full and complete copy of each conducted audit to the Neighborhood Services Department. The Developer is responsible for ensuring that each audit is completed in a proper and timely manner. The failure to submit a copy of the A-133 audit will render the Developer as non-compliant, and no funds may be drawn until the Economic and Urban Development Department has received and reviewed a copy of the audit. The Developer should refer to the HOME Program Manual which is applicable to the Project for further guidance on this matter.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible. Backup must include the following documents to verify proof of payment: copies of the front and back of the cancelled checks, downloaded check copies from the Developer's bank's website, or bank statements in addition to a paid bill, invoice or receipt.

C. FINANCIAL RECORDKEEPING

The financial records pertaining to all invoices, materials, payrolls, personnel records and other data concerning matters related to this Agreement may be requested from the Developer by a duly authorized representative, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. PROJECT BUDGET

Eligible expenditures for payment by the City will be made in accordance with the Project Budget and, subject to any conditions imposed under this Agreement, shall include semi-annual reports. All eligible expenses will be reimbursable with appropriate back-up documentation such as, but not limited to, paid invoices, the front and back of cancelled checks, bank statements and/or payroll sheets. The Developer shall not make any change in the Project Budget. Line items may be revised if permission is requested and approved in writing by the Economic and Urban Development Department, Neighborhood Development Manager.

E. METHOD OF PAYMENT

The City shall reimburse valid invoices for expenditures identified in the Projects Budget, Exhibit "C" attached hereto. Before paying such expenses, the City will review invoice expenditures to determine their consistency with the eligible expenditures approved pursuant to this Agreement. The City reserves the right to refuse reimbursement for expenses, which are ineligible for reimbursement with the Project Funds, or which are not within the scope of this Agreement.

The Developer agrees that disbursement under this Agreement will be made only when the total amount of eligible reimbursable expenses exceeds $1,000, excepting for the final request for payment under this Agreement. If the Developer requests payment in an amount less than the minimum established, payment will be made when the cumulative amount of all eligible reimbursable expenses exceeds $1,000.

The Developer agrees that it may not request disbursement of funds under this Agreement until the funds are needed for payment of Project eligible costs. The amount of each request must be limited to the amount needed and will be paid on a reimbursement basis.

Ten Thousand Dollars ($10,000) of the funds allocated under this Agreement will be retained until the Project is completed and the Developer submits the following:

(i) Documentation showing that the assisted units meet the Housing Quality Standards, or, if new construction, that the Project has received an occupancy certificate;

(ii) A certified statement of Final Development Costs which, at a minimum, reports all development costs and expenditures for all federal funds, and the disposition of all of the Project Funds;

(iii) Completed form HUD-2516 "Contract and Subcontract Activity" for projects involving new construction or rehabilitation;

(iv) A completed form HUD-40097 "Rental Housing Completion Project Report" or, for owner-occupied projects, form HUD-4096 "Homeownership Project Completion Report";

(v) Evidence of the recorded fully executed Deed of Trust securing the City's interest in the Property; and

(vi) Evidence that the Developer has provided the manager of the Project (Management Agent) with a copy of the federal and/or state regulations and the specific compliance requirements which are applicable to the Project as a result of the Project Funds invested in the Property.

(vii) Completed Section 504 Accessibility Questionnaire for the public/common space areas.

(viii) Affirmative Fair Housing Marketing Plan for the project.

F. UNEXPENDED PROJECT FUNDS

The Project Funds must be spent in a timely manner. In the event that the staff of the Economic and Urban Development Department has reason to believe that the total amount of the Project Funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the Project Funds allocated hereunder to another eligible project and/or program.

Pursuant to 24 CFR Part 92.504(c)(2)(vii), the Developer must transfer upon expiration or termination of this Agreement all of the unexpended Project Funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of Project Funds provided pursuant to this Agreement.

G. ACCOUNTING METHODS

Expenditures charged to the Project Funds will be accounted for separately from all other revenue sources. These records shall be maintained by the Developer.

H. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following definitions shall apply:

(i) Non-expendable personal property is defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of $500 or more and a useful life of more than one year.

(ii) Real property is defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City in its financial management. The Developer will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the City shall provide the Developer with disposition instructions upon request. If the property is disposed of for cash during this period, the proceeds from such disposition constitute Program Income which must be reported in accordance with the Subsections D and E of Section VI of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If the property is a vehicle, the City shall be named as a lien-holder on the title.

When non-expendable personal property has been fully depreciated in accordance with the City's 5-year straight-line schedule, and the property is disposed of for cash, the Developer may retain such funds provided that the Developer notifies the City in writing and that the Developer uses such funds for the exclusive benefit of the Project.

VIII DEFAULT, REMEDIES AND MODIFICATION OF AGREEMENT

A. DEFINITION OF DEFAULT

If, during the term of this Agreement, any of the following occurs:

(i) Developer fails to operate the Project for the purpose of providing affordable housing to tenants who qualify for such housing under the HOME Program as required pursuant to Section II above;

(ii) Developer sells, transfers, conveys, or otherwise loses its interest or possession of the Property in contravention of the provisions of Section B 5 of the Project Description, Financing and Requirement, Exhibit A attached to this Agreement;

(iii) Developer fails to provide or maintain the insurance required in Section V G above;

(iv) Developer fails to defend, indemnify and hold the City harmless as required pursuant to Section V C above;

(v) A petition in bankruptcy is filed by or against the Developer, an assignment by the Developer is made for the benefit of creditors, a receiver, trustee in bankruptcy or similar offer is appointed to take charge of all or a part of the Developer or the Property, or the Developer is adjudicated to be bankrupt; or

(vi) Developer fails to perform any of its other obligations required under this Agreement;

and the occurrence as set forth above is not remedied within 20 days after written notice of default is provided by the City to Developer pursuant to Section VIII F below, then the City may declare the Developer to be in default of this Agreement.

B. CITY REMEDIES FOR DEFAULT

Upon the occurrence of any default described in Section VIII A above, the City shall be entitled to implement any of the following remedies set forth herein:

(i) Temporarily withhold disbursement of the Project Funds pending correction of the deficiency by the Developer;

(ii) Disallow use of the Project Funds for all or part of the cost of the activity, action or expense not in compliance with the requirements of this Agreement;

(iii) Whole or partial suspension or termination of this Agreement, and the current award thereunder, for the Project;

(iv) Withhold further awards for the Project or any other affordable housing project of the Developer;

(v) Declare the HOME Promissory Note to be immediately due and payable, and if the Developer fails to repay the HOME Promissory Note as required herein, proceed to enforce the City's security interest in the Property provided by the HOME Deed of Trust executed in favor of the City;

(vi) Terminate the Agreement; and/or

(vii) Pursue any other legal or equitable remedy that may be available to the City.

After expiration of the cure period set forth in Section VIII A above, any remedy selected by the City shall be implemented by written notice to the Developer stating the effective date of the remedy. If the City elects to terminate this Agreement as provided herein, the Developer agrees to repay the Project Funds to the City within ten days after receipt of the written notice of termination, and failure to pay as required herein shall entitled the City to declare the HOME Promissory Note to be immediately due and payable and to enforce its security interest in the Property as provided by the HOME Deed of Trust executed in favor of the City pursuant to Section III above and Section B 1 of the Project Description, Financing and Requirements.

C. MODIFICATION OR AMENDMENT

The City and the Developer hereby agree to amend or otherwise revise this Agreement should such modification be required by any applicable federal, state or local laws, rules or regulations. Any change in the provisions of this Agreement, including the exhibits or attachments hereto, may be made only pursuant to a written amendment which is executed by the Developer and by (i) the Mayor, with City Council approval, if the amendment provides only for an increase in the amount of the Project Funds to be provided under this Agreement which is $25,000 or more, or (ii) the Director of the Economic and Urban Development Department, if the amendment provides an increase in the amount of the Project Funds to be provided under this Agreement which is below $25,000, or merely revises the language of the Agreement without any impact on the amount of the Project Funds provided hereunder.

D. AMENDMENT OR REVISION REQUIRED BY STATE OF NEVADA

The Developer and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by the State of Nevada or any applicable state statutes or regulations.

E. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions are not inserted, or is not correctly inserted, then upon the application of either party, this Agreement shall forthwith be physically amended to make such insertion.

F. NOTICES

Any notice required to be given under this Agreement Contract shall be deemed to have been given when the notice is (i) received by the party set forth below by personal service, (ii) telephonically faxed to the telephone number below provided confirmation of transmission is received thereof, or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

CITY:	Director of the Department of Economic and Urban Development City of Las Vegas - City Hall, Second Floor 400 Stewart Avenue Las Vegas, Nevada 89101-2986 Fax No. 702-598-3938
DEVELOPER	Michael Mullin, President Nevada H.A.N.D., Inc. 295 E. Warm Springs Rd. #101 Las Vegas, NV 89101 Fax No.702-739-3305

Any change in the addresses stated above shall be made in writing and delivered in the manner provided herein.

(Remainder of page intentionally left blank)

G. NOTIFICATION OF DEVELOPER CHANGES

The Developer must notify within 15 days the City in writing of any of the following changes: Key staff personnel, Executive Director, changes of more than half of the Board of Directors, Developer name change, change of address, phone, fax or email address. The City must have complete and up to date information on file for the Developer.

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

CITY OF LAS VEGAS

By ______________________
Oscar B. Goodman, Mayor Date

NEVADA H.A.N.D., INC.

By ______________________
Michael Mullin, President Date

ATTEST:

6/16/11
Beverly K. Bridges, MMC, Date
City Clerk

APPROVED AS TO FORM:

Robert S. Sylvain 6-7-11
Robert S. Sylvain Date
Deputy City Attorney

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH GRANT CONDITIONS

I, Michael Mullin, President of Nevada H.A.N.D., Inc., on behalf of that corporation, do hereby accept the deferred loan approved by the City Council of the City of Las Vegas, Nevada on the 16th day of March, 2011, and the conditions imposed upon that deferred loan which are contained in the Deferred Loan Agreement to Fund Decatur Pines 2 Senior Apartment Project, a copy of which is attached hereto and incorporated herein.

Executed this 13th day of June, 2011.

Nevada H.A.N.D., Inc.

By: Michael Mullin
Michael Mullin, President

State of Nevada)
County of Clark)

On this 13th day of June, 2011, before me, the undersigned, a Notary Public in and for said county and State, personally appeared

Michael Mullin as President, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

J. S. Haas
Notary Public

JACLYN S. HAAS
Notary Public State of Nevada
No. 03-84818-1
My appt. exp. Oct. 17, 2011

TABLE OF EXHIBITS AND ATTACHMENTS

EXHIBIT "A"
PROJECT DESCRIPTION, FINANCING AND REQUIREMENTS

A. PROJECT DESCRIPTION

For purposes of the Agreement, the Project involves the construction of an affordable senior citizen independent-living rental housing complex, which is commonly known and referred to as "Decatur Pines 2 Senior Apartments." The Decatur Pines 2 Senior Apartments will consist of 75 one and two bedroom units with the Project Assisted Units (defined in Section C 1 below) to be occupied by tenants who qualify for such affordable housing pursuant to Section C 2 below for the Period of Compliance (defined in Section C 4 below).

The Property consists of approximately 3 acres of real property, which is legally described in the Legal Description, Exhibit "E" to the Agreement. The location of the Property and the rendering of the Project are depicted on the Site Map, Exhibit "D-1" and the Project Rendering, Exhibit "D-2", which are attached to the Agreement.

B. PROJECT FINANCING

The Developer is responsible to the City for constructing, or causing the construction of, the Project. The Property, which is the site of the Project, is owned by Decatur Pines 2 Limited Partnership, a Nevada limited partnership. Subsequent to execution of the Agreement, the obligation to develop the Property will be assigned to, and will be assumed by, Decatur Pines 2 Limited Partnership ("Decatur Pines 2"), a single asset Nevada limited partnership. The General Partner of Decatur Pines 2 is Decatur Pines 2, LLC, a Nevada limited liability company, and its sole limited partner is the Developer.

The Project is being developed by the Developer using both the public and private financing described below.

1. Public Financing. The City agrees to provide to the Developer a deferred loan in an amount not to exceed One Million Three Hundred Nineteen Thousand Two Hundred Eighty-Eight Dollars ($1,319,288) in federal Home Investment Partnership Program Funds and a deferred loan in an amount not to exceed One Hundred Eighty Thousand Seven Hundred Twelve Dollars ($180,712) in State HOME Investment Partnership Program Funds for a total deferred loan in an amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000) (the "Project Funds") to be used in financing the construction of the Project.

The Project Funds will be used to reimburse the Developer for the eligible construction costs set forth in the Project Budget, Exhibit "C", attached to the Agreement. The timing and method of providing the Project Funds shall be entirely within the City's discretion. Any Project construction costs incurred in excess of the Project Funds will be the responsibility of the Developer unless otherwise agreed in writing by the City. Subsequent to the completion of the Project, the Developer agrees to operate the Project Assisted Units as affordable housing pursuant to the requirements of the Agreement and to assume responsibility for all operational and maintenance costs in connection therewith.

As security for the repayment of the Project Funds in the event Decatur Pines 2 fails to perform the Developer's obligations under the Agreement, Decatur Pines 2 will execute in favor of the Developer (i) the Promissory Note for HOME Funds (the HOME Promissory Note") in the amount of the HOME Funds provided pursuant to the Agreement (Attachment 1 to this Exhibit "A"), and (ii) the All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds (the "HOME Deed of Trust")(Attachment 2 to this Exhibit "A"). The Developer will assign all of its rights and interests in the HOME Promissory Note and the HOME Deed of Trust to the City as security for performance of the obligations of the Agreement.

2. Other Financing. The Developer and the City acknowledge that the Property may be encumbered by one or more deeds of trust or other security interest created by the Developer, or its assignee, to provide additional financing for construction of the Project, which encumbrances will be recorded in the official records of Clark County Recorder's Office. The Developer and the City acknowledge that the Property will be subject to the Tax Credit Compliance Guaranties which constitutes the extended low-income housing commitment. The City acknowledges and agrees that the Project Deed of Trust assigned to the City will be subject and subordinate to the Tax Credit Compliance Guaranties and any liens, deeds of trust or other security instruments required for the acquisition and permanent financing of the Project. Other than the aforementioned encumbrances, the Developer shall not allow the Property to be encumbered or attached in any manner with any liens, encumbrances or other security instruments during the Period of Compliance.

C. PROJECT REQUIREMENTS

1. Number of Floating Project Assisted Units. Of the 75 apartment units comprising Decatur Pines 2 Senior Apartments, the Developer agrees to designate and operate all 75 units as affordable housing, with 13 units (8 one-bedroom and 5 two-bedroom units) designated as floating HOME units (the "Project Assisted Units"). For purposes of this Agreement, a "floating unit" means that the Developer may, with the vacation of the unit by the qualified affordable housing tenant, utilized a different unit to meet its obligation of providing affordable housing required under the Agreement, provided the newly designated unit is comparable to the vacated unit in square footage, number of bedrooms and other apartment features.

2. Tenant Qualifications for Affordable Housing. The Developer agrees that one hundred percent (100%) of the Project Assisted Units must be occupied by tenants whose income does not exceed sixty per cent (60%) of the AMI.

The Developer will not lease any of the Project Assisted Units to households whose income, at the time of initial occupancy, exceeds sixty percent (60%) of the AMI, which income is adjusted for family size pursuant to the HUD Program Income Guidelines, Exhibit "F" to the Agreement. Program Income Guidelines will be updated by HUD on an annual basis, and such guidelines will automatically replace Exhibit "F" to the Agreement.

3. Rental Amount Limitations. For the Period of Compliance set forth below, the Developer agrees that the rents to be charged for the HOME Assisted Unit will not exceed the amounts established by HUD annually for the HOME Program, which amounts are set forth in the HOME Program Rent Limits attached as Exhibit "G" to the Agreement." If any tenant

receives an additional rent subsidy through any Federal or State rental assistance programs the rent of the HOME Assisted Unit may be raised to the amount of the rental assistance program limit only if the following requirements are met: (i) the tenant is paying no more than 30 percent of their adjusted income; (ii) the rent subsidy is project-based (affects the entire project, not just a single unit); and (iii) the tenant's income is less than 50 percent of the area median income. When a household receives tenant-based rental assistance provided by the Section 8 Program or another funding source, the maximum allowable rent for the HOME-assisted unit cannot exceed the applicable HUD-published HOME rent limits. All tenants in the HOME Assisted Units shall have leases with Developer or their respective assignee, and furthermore, all leases shall be for a period of one year, unless a different period is agreed upon by Developer and the tenant(s).

The Developer agrees that the rents charged for the Project Assisted Units will not exceed the low rent limits established by HUD annually for the HOME and LIHTF Programs, which limits are set forth in the HOME/LIHTF Rent Limits, Exhibit "G" to the Agreement If any tenant receives an additional subsidy through any other rental assistance programs (such as the Section 8 Program of Clark County), the rent of the Project Assisted Unit may be raised to the amount of the rental assistance program limit only if the following requirements are met: (i) the tenant is paying no more than thirty percent (30%) of their adjusted income as rent; (ii) the subsidy is project-based (affects the entire project, not just a single unit); and (iii) the tenant's income is less than fifty percent (50%) of the area median income. If the rental subsidy is tenant-based (not project-based), the total rent is the maximum amount from all sources that the Developer may receive for the Project Assisted Unit. Each tenant in a Project Assisted Unit shall have a minimum one year written lease for the unit, unless a different period is agreed upon by Developer and the tenant.

4. Period of Compliance. The Developer agrees that the obligation to provide affordable housing as required pursuant to this Agreement shall be in effect for a period of twenty (20) years (the "Period of Compliance") commencing from the date that the Completion Report, received from the Developer, is entered into the Computerized Disbursements and Information System established by HUD.

5. Right of Recapture. If, during the Period of Compliance, any of the following occur: (i) the Developer (including Decatur Pines 2 Limited Partnership as the owner of the Property) sells, transfers, conveys or otherwise loses any of its rights, title or interest in, or possession of, the Property, whether it be through a sale, foreclosure or any other proceeding, (ii) the Developer (including Decatur Pines 2 Limited Partnership as the owner of the Property) fails to provide affordable housing pursuant to the requirements of this Agreement, or (iii) the Project Assisted Units, or any portion thereof, are used or converted to non-qualified HOME activities or uses , then, in such event, the City shall be entitled to recapture the Project Funds invested in the Property, and the Developer agrees to repay the Project Funds to the City upon receipt of demand therefor. The failure to repay the Project Funds as required herein shall entitle the City to declare the principal and interest due under the provisions of the HOME Promissory Note to be due and payable and to enforce the security interests in the Property granted by the Developer to the City pursuant to the HOME Deed of Trust. The right of recapture reserved herein to the City shall not apply to the transfer of any membership interests in the Developer.

Any Project Funds previously invested in the Property and recaptured pursuant to this Section will be treated in accordance with 24 CFR 92.503 and the administrative guidelines issued thereunder, NRS Chapter 319, and NAC Chapter 319 and must be returned to the Neighborhood Development Division of the Economic and Urban Development Department of the City to be reinvested in other affordable housing units.

6. Usage Records. The Developer will provide the Economic and Urban Development Department Director with client usage records for the HOME units on a semi-annual basis during the Period of Compliance of this Agreement. These records will contain, but are not limited to, the following data:

a. Total clients served;
b. Racial breakdown of clients served including American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/ Other Pacific Islander, White, American Indian/Alaska Native and White, Asian and White, Black/African American and White, American Indian/Alaska Native and Black/African American, Other;
c. Number of clients who report a Hispanic ethnicity;
d. Number and percentage of Low and Very Low Income clients as defined by HUD HOME Program Income Guidelines (Exhibit "F");
e. Number of handicapped clients served;
f. Number of senior citizens served;
g. Number of female head-of-households served;
h. Number of renter households served, and rent charged;
i. Number of owner households served; and
j. Monthly rent paid by each household served.

7. Program Income. In accordance with 24 CFR 92.300(a)(2), if the Property generates other income from the investment of the Project Funds in the Project, such program income may be used by the Developer provided the income is used to provide affordable housing pursuant to the requirements of the HOME Program. The Developer will maintain a record of all such program income and an accounting of the future disposition of these funds and will provide this information to the City annually for the duration of the Period of Compliance.

ATTACHMENT "1" TO EXHIBIT "A"

PROMISSORY NOTE FOR HOME FUNDS

(next page)

PROMISSORY NOTE FOR HOME FUNDS

(SECURED – ALL INCLUSIVE)

____________, 2011

$1,500,000.00 Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of Nevada H.A.N.D. Inc.(herein "Holder"), a Nevada non-profit corporation, at 295 E. Warm Springs Road, Suite 101, Las Vegas, Nevada 89119, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of One Million Five Hundred Thousand and 00/100ths Dollars ($1,500,000.00), with interest from the date hereof, at the rate of ___% on the unpaid balance until paid. Outstanding interest payments shall accrue and shall compound (the "Indebtedness"). This Note is recourse to Maker.

1. Miscellaneous Defined Terms. For purposes of this Promissory Note ("Note"), the following definitions shall apply:

i. "Agreement" shall mean that certain Deferred Loan Agreement to Fund Decatur 2 Senior Apartment Project dated March 16, 2011, as the same may be amended from time to time, executed by and between the City and Holder.

ii. "All-Inclusive Deed of Trust" shall mean the All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds executed by Maker, as Trustor, in favor of Holder, as Beneficiary, of even date herewith, which document is recorded in the Office of the Clark County Recorder, State of Nevada.

iii. "Cash Flow Available for Debt Service" shall mean the cash flow to be distributed in accordance with the provisions set forth in Section _______ of Article __ of the Partnership Agreement. All terms not otherwise defined herein shall have the meaning set forth in the Partnership Agreement.

iv. "City" shall mean the City of Las Vegas, a municipal corporation within the State of Nevada.

v. "City Obligations" shall mean all of the obligations of to be performed by Holder under the Agreement, which are assigned to, and assumed by, Maker.

vi. "Partnership Agreement" shall mean that certain Decatur Pines 2 Limited Partnership Agreement of Limited Partnership dated __________, 2011, as same may be amended from time to time, by and between Decatur Pines II, LLC, a Nevada limited liability company, and ____.

vii. "Payment Date" shall mean, with respect to each Payment Period, the date that Cash Flow Available for Debt Service is distributed by the Partnership.

viii. "Payment Period" shall mean each annual period ending on December 31 of each year during the term hereof commencing on January 1 2014.

ix. "Property" shall mean that certain real property which is more fully described in the All-Inclusive Deed of Trust.

2. Payment Terms. The principal due hereunder shall be payable in quarterly installments as follows:

a. Payment Amount. Commencing on the first Payment Date, and on each Payment Date thereafter during the term of this Note, the payment of principal shall be due and payable to Holder hereof for the immediately preceding Payment Period in an amount equal to __% of Cash Flow Available for Debt Service to the extent that the same is available and is applicable to such Payment Period.

b. Application. Each payment when received shall be used first to pay any expenses reimbursable to Holder, second to reduce the principal balance.

The Indebtedness represented by this Note shall be all due and payable in its entirety on the earlier of (i) that date which is fifty (50) years from the date hereof, or (ii) the date upon which the City Obligations shall become due and payable whether upon default under the Agreement, by acceleration or otherwise of this Note. Maker agrees to repay to Holder the Indebtedness represented by this Note if, during the Period of Compliance (defined in the Agreement), (i) the Project Assisted Units (defined in the Agreement) are not managed as affordable housing and occupied by tenants who qualify for such housing under the Agreement, or (ii) there is a sale, conveyance or transfer of ownership, or loss of possession of, the Property as prohibited in the Agreement. Maker shall have the right to prepay the Indebtedness in full, or in part, at any time.

Except as otherwise provided herein or in the All-Inclusive Deed of Trust, as long as Maker is in full compliance with all of its obligations under this Note and the All-Inclusive Deed of Trust, by its acceptance hereof, Holder agrees to perform the City Obligations of Maker to the extent that the same cannot be performed by Maker under the Agreement, and the City Obligations will be secured by an assignment of this Note and the All-Inclusive Deed of Trust by Holder to the City.

In the event Holder shall fail to timely and fully pay and perform any of the City Obligations required to be performed by Holder as provided herein, in addition to any other rights and remedies available to Maker, Maker shall be entitled to pay and perform the City Obligations and offset against the amounts due Holder hereunder the full amount of all sums paid and/or costs incurred in connection with Maker's payment and performance of the City Obligations.

Maker waives presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note.

In the event any of the payments from or performance by Maker required by the terms hereof be not paid or performed when same become due, then at any time following the expiration of applicable cure periods under the All-Inclusive Deed of Trust, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of one or more installments or other payments or performance from any person thereafter shall not constitute a waiver of Holder's option. Notwithstanding anything to the contrary contained herein, Holder hereby agrees in the event of default by Maker, Holder shall look solely to the Property and other property described in the All Inclusive Deed of Trust for payment of the Indebtedness and, specifically and without limitation, Holder agrees to waive any right to seek or obtain a deficiency judgment against Maker.

Time is expressly made of the essence with respect to every provision hereof and the All-Inclusive Deed of Trust. This Note shall be governed by, construed and enforced in accordance with the laws of the State of Nevada.

This Note is secured by the All-Inclusive Deed of Trust, which encumbers the Property as security for the performance of the City Obligations.

Maker hereby specifically acknowledges, confirms and agrees that: (i) Maker has received copies of the documents and instruments evidencing and/or securing the City Obligations (collectively, the "City Obligation Documents"), (ii) Maker has reviewed and understands all of the provisions of the City Obligation Documents, this Note and the All-Inclusive Deed of Trust, and has reviewed the same with legal counsel of Maker's own choosing, (iii) Maker has not requested, received or relied upon any legal advice, representations or warranties from Holder in connection with the City Obligation Documents, this Note or the All-Inclusive Deed of Trust, and (iv) as between Maker and Holder, Maker shall be primarily responsible for, and hereby expressly covenants and agrees to fully and timely perform, all of the obligations of Holder under, arising out of, or with respect to the City Obligation Documents including, without limitation, payment of taxes, maintenance of the Property, compliance with low income housing restrictions, recorded covenants, conditions and restrictions, applicable laws, etc., but excluding the obligation of Holder to repay the deferred loan to the City in the event of a default under the Agreement, which obligation shall remain the obligation of Holder.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, Maker has caused this Note to be executed on its behalf by its duly authorized officer as of the date first above written.

Maker: **DECATUR PINES 2 LIMITED PARTNERSHIP,** a Nevada limited partnership

By: Decatur Pines 2, LLC, a Nevada limited liability company, its General Partner

By: HAND ENTERPRISES, INC., a Nevada nonprofit corporation its sole Managing Member

By: ______________________________
Michael Mullin, President

Holder: **NEVADA H.A.N.D., INC.,** a Nevada non-profit corporation

By: ______________________________
Michael Mullin, President

ATTACHMENT "2" TO EXHIBIT "A"

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING HOME FUNDS

(next page)

APN # 125-24-701-049

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Nevada H.A.N.D. Inc.,
295 E. Warm Springs Rd. Suite
Las Vegas, NV 89106

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING HOME FUNDS

THIS ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING HOME FUNDS (herein "All-Inclusive Deed of Trust") is made this _____ day of _______________, 2011, by Decatur Pines 2 Limited Partnership (herein "Trustor"), a Nevada limited partnership, whose address is 295 E. Warm Springs Road, Suite 101, Las Vegas, Nevada, 89119, to Stewart Title of Nevada Holdings, Inc. (herein "Trustee"), a Nevada corporation, whose address is 8363 West Sunset Road, Suite 100, Las Vegas, Nevada, 89113, for the benefit of Nevada H.A.N.D., Inc. (herein "Beneficiary"), a Nevada nonprofit corporation.

WITNESSETH:

Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that real property in the City of Las Vegas, County of Clark, State of Nevada, described on Exhibit A attached hereto (the "Property") and incorporated herein as a part hereof, together with all appurtenances in which Trustor may have an interest (including water rights benefitting the Property as may represented by shares of a company or otherwise), and the rents, issues and profits thereof, reserving the right of Trustor to collect and use the same, except during some default hereunder which, in such event, Trustee shall have the right, power and authority to collect and apply such rents, issues and profits for the benefit of Beneficiary.

This All-Inclusive Deed of Trust is executed for the purpose of securing (a) payment of that certain Promissory Note for HOME Funds of even date herewith (hereinafter "the Secured Note") in the amount of One Million Five Hundred Thousand and 00/100ths Dollars ($1,500,000.00) (the "HOME Funds"), according to the terms thereof, made by Trustor, and payable to the order of Beneficiary, and (b), the performance of the obligations of Beneficiary to the City of Las Vegas set forth in that certain Deferred Loan Agreement to Fund Decatur Pines 2 Senior Apartment Project dated March 16, 2011 (the "Agreement"). The Secured Note, including the right to receive payment thereunder, and this All Inclusive Deed of Trust will be assigned by Beneficiary to the City of Las Vegas to secure the performance of Beneficiary's obligation of performance under the Agreement pursuant to an Assignment of Promissory Note for HOME Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds of even date herewith

A. GENERAL PROVISIONS:

1. Trustor shall abide by all of the terms of the Agreement. Trustor agrees to use the Property to provide decent, safe and sanitary rental units to eligible tenants as required under the Agreement. Trustor agrees to maintain and operate the Property as a drug-free environment. As required under the Agreement, Trustor agrees to designate and manage as affordable housing a certain number of units within the Property as floating Project Assisted Units (defined in the Agreement), which units must be occupied by tenants who qualify for affordable housing pursuant to the requirements of the Agreement for a period of thirty (30) years from the date the City receives a correctly submitted Completion Report for the Project (the "Period of Compliance"), unless such obligation is terminated earlier pursuant to the Agreement. Trustor agrees to abide by the HOME Program rules and regulations, specifically 24 CFR 92, NRS Chapter 319, NAC Chapter 319 and the Trust Fund Administrative Guidelines, as may be applicable.

2. Trustor agrees to repay the HOME Funds if, during the Period of Compliance, a prohibited sale, transfer, conveyance or loss of ownership or possession of the Property occurs as prohibited in the Agreement; provided, however, that the foregoing shall not apply to transfers of any partnership interests in Trustor. In the event of such transfer, however, the floating Project Assisted Units must remain and be occupied as affordable housing as required under the Agreement until the end of the Period of Compliance.

The City of Las Vegas requests that a copy of any Notice of Default and any Notice of Sale issued hereunder be mailed to it at the following address: City of Las Vegas, Economic and Urban Development Department, Neighborhood Services Division, 400 Stewart Avenue, 2nd Floor, Las Vegas, NV 89101.

B. TO PROTECT THE SECURITY OF THIS ALL-INCLUSIVE DEED OF TRUST, TRUSTOR AGREES:

1. To keep the Property in good condition and repair; not to remove or demolish and building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this All-Inclusive Deed of Trust.

4. To pay; (a) at least ten days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock: (b) when due subject to the mutual agreements of the parties as below set forth, all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto: (c) all allowable expenses of this Trust.

If Trustor fails to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without any obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may do any of the following: (a) Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (b) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest or compromise any encumbrance, charge or lien, which in the judgment of Beneficiary or Trustee appears to be prior or superior hereto; and (d), in exercising any of the aforegoing powers; employ counsel and pay reasonable attorneys fees and expenses in connection therewith.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate provided in the Secured Note.

C. IT IS MUTUALLY AGREED:

1. That any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money's received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property, or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep in balance any loan made in connection with the Property, and rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of amounts due hereunder if such proceeds are insufficient then Trustor shall have funded any deficiency, and (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then the proceeds may be used for partial rebuilding and partial repayment of the amounts due hereunder in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the amounts due hereunder.

3. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

4. That at anytime or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may; reconvey any part of the Property consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

5. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

6. Notwithstanding anything to the contrary contained herein, Trustor hereby irrevocably assigns, gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness hereby secured, enter upon and take possession of the Property or any part thereof in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.

7. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement secured hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause the Property to be sold, which notice Trustee shall cause to be filed of public record. Beneficiary also shall deposit with Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of any notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to the purchaser at the public sale, a deed conveying title to the Property so sold, without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary as hereinafter defined, may purchase as such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate provided in the secured Note; all other sums then secured hereby; and the remainder, if any to the person or persons legally entitled thereto.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by Beneficiary and duly acknowledged and recorded in the Office of the recorder of the county or counties where the Property is situated, shall be conclusive proof or proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this All-Inclusive Deed of Trust is recorded and the name and address of the Trustee.

9. That this All-Inclusive Deed of Trust applies to, inures to the benefit of, all parties hereto, and binds their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine, and the singular number includes the plural.

10. That Trustee accepts this Trust when this All-Inclusive Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

11. Beneficiary acknowledges that Trustor intends to enter into a regulatory agreement (the "Regulatory Agreement"), which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). Beneficiary acknowledges and agrees that, in the event of a foreclosure of its interest under the Mortgage or delivery by the Partnership of a deed in lieu thereof (collectively, a "Foreclosure"), the following rule contained in Section 42(h)(6)(E)(ii) of the Code shall apply:

For a period of three (3) years from the date of foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement, (i) none of the eligible tenants occupying those units at the time of foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to regulations of the HOME Program or Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

D. THE PARTIES FURTHER AGREE:

1. Trustor covenants and agrees to perform and observe all obligations to be performed and observed by Trustor under this All-Inclusive Deed of Trust securing the Secured Note.

2. The following Covenants, Nos. 1, 3, 4 (rate of interest is the default rate stated in the Secured Note), 5, 6, 7 (attorneys' fees in the amount provided for in the Secured Note), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this All-Inclusive Deed of Trust, provided, however, that the express covenants of this All-Inclusive Deed of Trust shall control to the extent that the same are inconsistent with Covenant Nos. 1, 3, 4, 5 and 9 and, provided further, that Covenant Nos. 6, 7 and 8 shall control over the express covenants of this All_Inclusive Deed of Trust to the extent the same are inconsistent with Covenant Nos. 6, 7 and 8.

3. If a monetary event of default occurs under any of the terms of the Secured Note, prior to exercising any remedies thereunder, Beneficiary shall give the Trustor, and such additional parties as identified in paragraph 5 below, or as may be subsequently identified to Beneficiary by written notice, simultaneous written notice of such default. Trustor shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note.

4. If a non-monetary event of default occurs under the terms of the Secured Note, prior to exercising any remedies thereunder, Beneficiary shall give Trustor and such additional parties as may be identified in paragraph 5 below or as may be subsequently identified to Beneficiary by written notice, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of any remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Trustor (a) initiates corrective action within the thirty (30) day period, and (b) diligently, continually and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Secured Note.

5. Beneficiary shall give the parties identified below written notice of any default under the Agreement, and the cure periods contained in Paragraphs 3 and 4 above shall commence on the effective date of any such notice, at the following address:

Investor Limited Partner: ________________________

With a copy to:

6. Any cure periods available to the parties set forth above shall commence upon the date of any such notice is delivered to such party.

7. Notwithstanding anything to the contrary contained in this All-Inclusive Deed of Trust, the Secured Note, or any related document, the interests of the Limited Partner in Trustor and ownership interests in the Limited Partner shall be transferable without the consent of the Beneficiary or the Trustee.

8. Notwithstanding anything to the contrary contained in this All-Inclusive Deed of Trust, the Secured Note, or any related document, the withdrawal and/or removal of the General Partner for cause in accordance with the Partnership Agreement, shall not require the consent of Beneficiary and shall not constitute an event of default hereunder. If the Limited Partner exercises its right to remove the Trustor's General Partner pursuant to the Partnership Agreement, neither Trustee nor Beneficiary will unreasonably withhold its consent to the substitute General Partner; provided however, no consent shall be required if the substitute general partner is an affiliate of the Limited Partner. Notwithstanding the foregoing, the substitute General Partner shall assume all of the rights and obligations of the removed General Partner under this All-Inclusive Deed of Trust.

9. Notwithstanding anything to the contrary contained herein, this is a recourse All Inclusive Deed of Trust and Assignment of Rents.

IN WITNESS WHEREOF the parties hereto have executed this All-Inclusive Deed of Trust on the date and year first set forth above

TRUSTOR: DECATUR PINES 2 LIMITED PARTNERSHIP,
A NEVADA LIMITED PARTNERSHIP

By: Decatur Pines 2, LLC, a Nevada limited liability company, its General Partner

By: HAND Enterprises, Inc., a Nevada nonprofit corporation, its sole Managing Member

By: ______________________________
Michael Mullin, President

BENEFICIARY NEVADA H.A.N.D., INC., a Nevada nonprofit corporation

By: ______________________________
Michael Mullin, President

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this _______ day of _____________, 2011, __________________________________ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public__________________________ My commission expires _______________

TRUSTEE: STEWART TITLE OF NEVADA HOLDINGS, INC.

By: ______________________________

Its: ______________________________

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this _______ day of ____________, 2011, ______________________________ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public__________________________ My commission expires _______________

EXHIBIT A
LEGAL DESCRIPTION

A.P.N. 125-24-701-049

That portion of the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) of Section24, Township 19 South, Range 60 East, and the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 19, Township 19 South, Range 61 East, M.D.M., described as follows: Lot Three (3) as shown by map thereof in File 117 Parcel Maps, Page 41 in the Office of the County Recorder, Clark County, Nevada.

ATTACHMENT "3" TO EXHIBIT "A"

ASSIGNMENT OF PROMISSORY NOTE FOR HOME FUNDS AND ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING HOME FUNDS

(next page)

APN #125-24-701-049

WHEN RECORDED, RETURN TO:
City of Las Vegas
Earlie King
Neighborhood Services Department
400 Stewart Avenue
Las Vegas, NV 89101

ASSIGNMENT OF PROMISSORY NOTE FOR HOME FUNDS AND ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING HOME FUNDS

FOR VALUE RECEIVED, the undersigned, Nevada H.A.N.D. Inc., a Nevada nonprofit corporation, hereby grants, assigns and transfers to the City of Las Vegas, (i) all of the undersigned's right, title and interest in and to that certain Promissory Note for HOME Funds in the amount of $1,500,000 dated as of ________, 2011, which includes the money due or to become due thereunder, executed by Decatur Pines 2 Limited Partnership, a Nevada limited partnership, in favor of the undersigned, and (ii) all of the undersigned's right, title and interest in and to that certain All Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds dated as of ________________, and recorded in the Official Records of the County Recorder's Office for the County of Clark on _____________ as Instrument No. __________, which includes all rights accrued or to accrue under that Deed of Trust. The aforementioned Deed of Trust encumbers that certain real property described on the attached Exhibit "1".

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Promissory Note and All-Inclusive Deed of Trust for HOME Funds as of this ____day___________, 2011.

	NEVADA H.A.N.D., INC. By: ______________________________ Mike Mullin, President Date: ___________________________

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this _____ day of _______________, 200___, __________________ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public __________________My commission expires _______________

Exhibit "1" to Assignment of Promissory for HOME Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing Home Funds

LEGAL DESCRIPTION

A.P.N. 125-24-701-049

That portion of the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) of Section24, Township 19 South, Range 60 East, and the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 19, Township 19 South, Range 61 East, M.D.M., described as follows: Lot Three (3) as shown by map thereof in File 117 Parcel Maps, Page 41 in the Office of the County Recorder, Clark County, Nevada.

EXHIBIT "B"
SCHEDULE OF PERFORMANCE
Decatur Pines 2 Senior Apartments

Development and Completion Schedule

Estimated Date	Milestone
November - December 2010	Submitted applications for Clark County and City of Las Vegas HOME / LIHTF funds
May 2011	Submitted application for 2011 Low Income Housing Tax Credits
May – June 2011	Final HOME Agreement, City Council
August – September 2011	Final HOME Agreement, Clark County
September – October 2011	Notice to Proceed, close partnership, close construction loan, and **start construction**
August 2012	Start pre-leasing
December 2012	**Construction Complete**
March 2013	Final Cost Certification
March – May 2013	100% occupied and issuance of 8609's from Nevada Housing Division

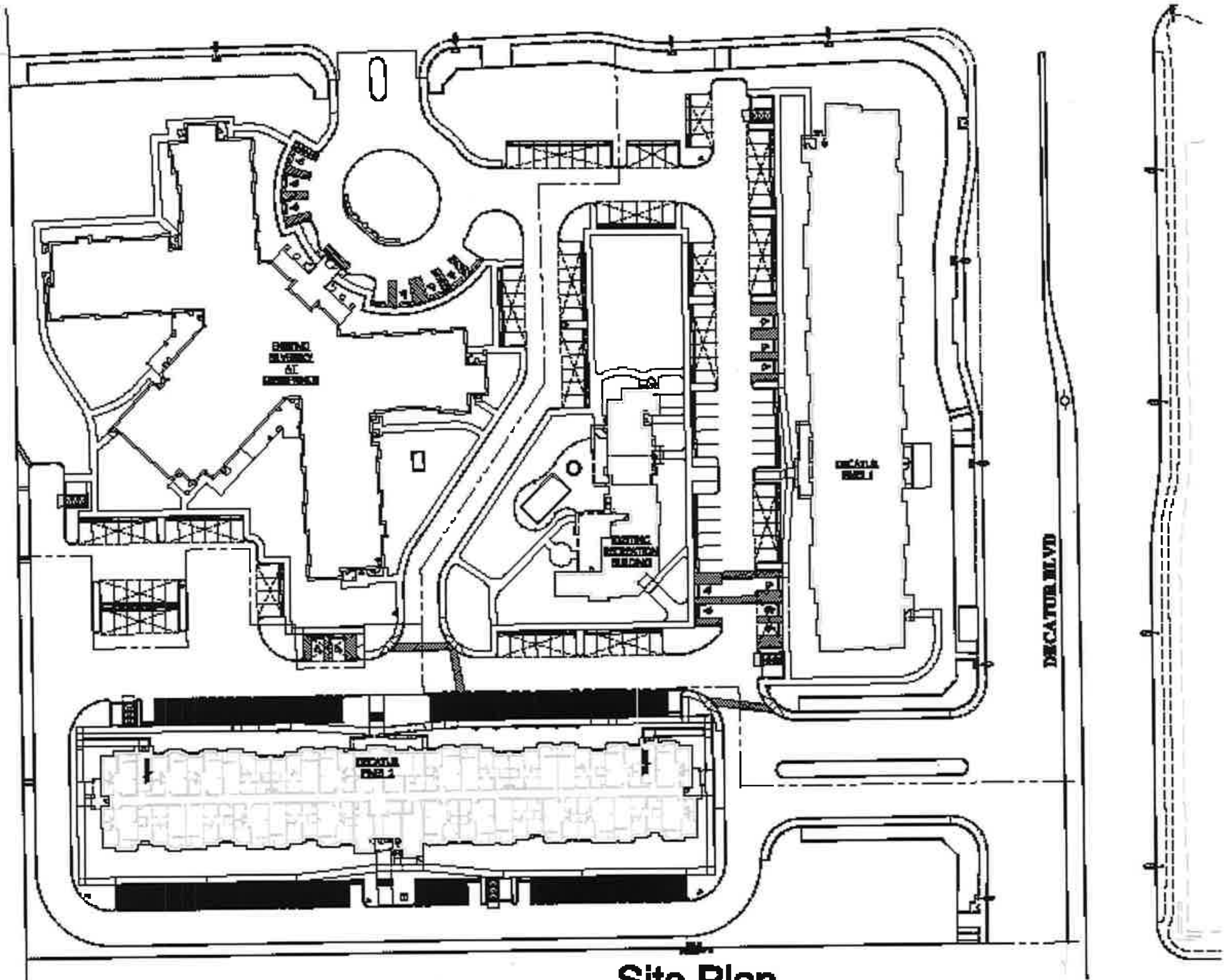
EXHIBIT "C"
PROJECT BUDGET

Decatur Pines 2 Senior Apartments

	Total Project Costs	CLV HOME	Cl. Co. HOME	LIHTC Equity	Developer Note
LAND	$ -				
Demolition	$ -				
Off Site work	$225,787			$225,787	
On Site work	$700,472	$250,000	$100,000	$350,472	
Buildings	$5,537,462	$1,000,000	$250,000	$4,287,462	
Contractor Fees	$631,326			$631,326	
General Requirements	$14,400			$14,400	
Contingency Fund	$355,472			$355,472	
Arch/Engineering	$375,000	$140,000	$100,000	$135,000	
Permits/Fees	$637,500	$100,000	$140,421	$397,079	
Construction Interest	$82,958			$82,958	
Bridge Interest	$33,042			$33,042	
Constr. Finance Costs	$188,371			$188,371	
Perm Finance Costs	$ -				
3rd Party Reports	$39,000			$39,000	
Other Soft Costs	$308,945	$10,000	$10,000	$288,945	
Developer Fee	$1,150,000			$694,374	$455,626
Project Reserves	$179,166			$179,166	
TOTAL USES	**$10,458,900**	**$1,500,000**	**$600,421**	**$7,902,853**	**$455,626**

EXHIBIT "D-1"
SITE MAP

(next page)



Site Plan

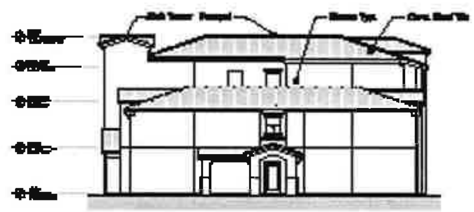
Decatur Pines 2

Las Vegas, Nevada

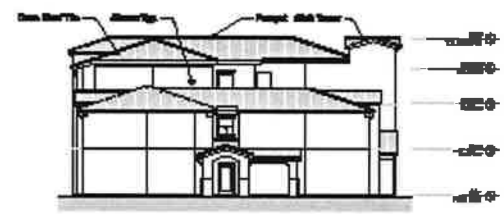
EXHIBIT "D-2"
PROJECT RENDERING

(next page)

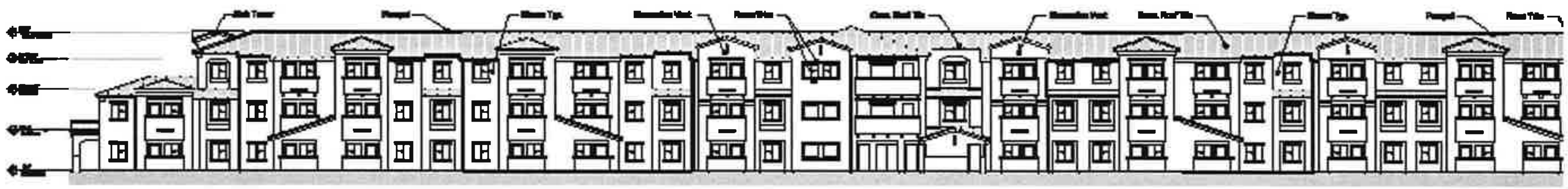
North I



West Elevation



East Elevation



South Elevation

Sou

Conceptual Elevations

Decatur Pines 2

Las Vegas, Nevada

Design Modifications without notice.
All Colors, Dimensions, Sizes and Architectural Features are Conceptual and subject to Change.

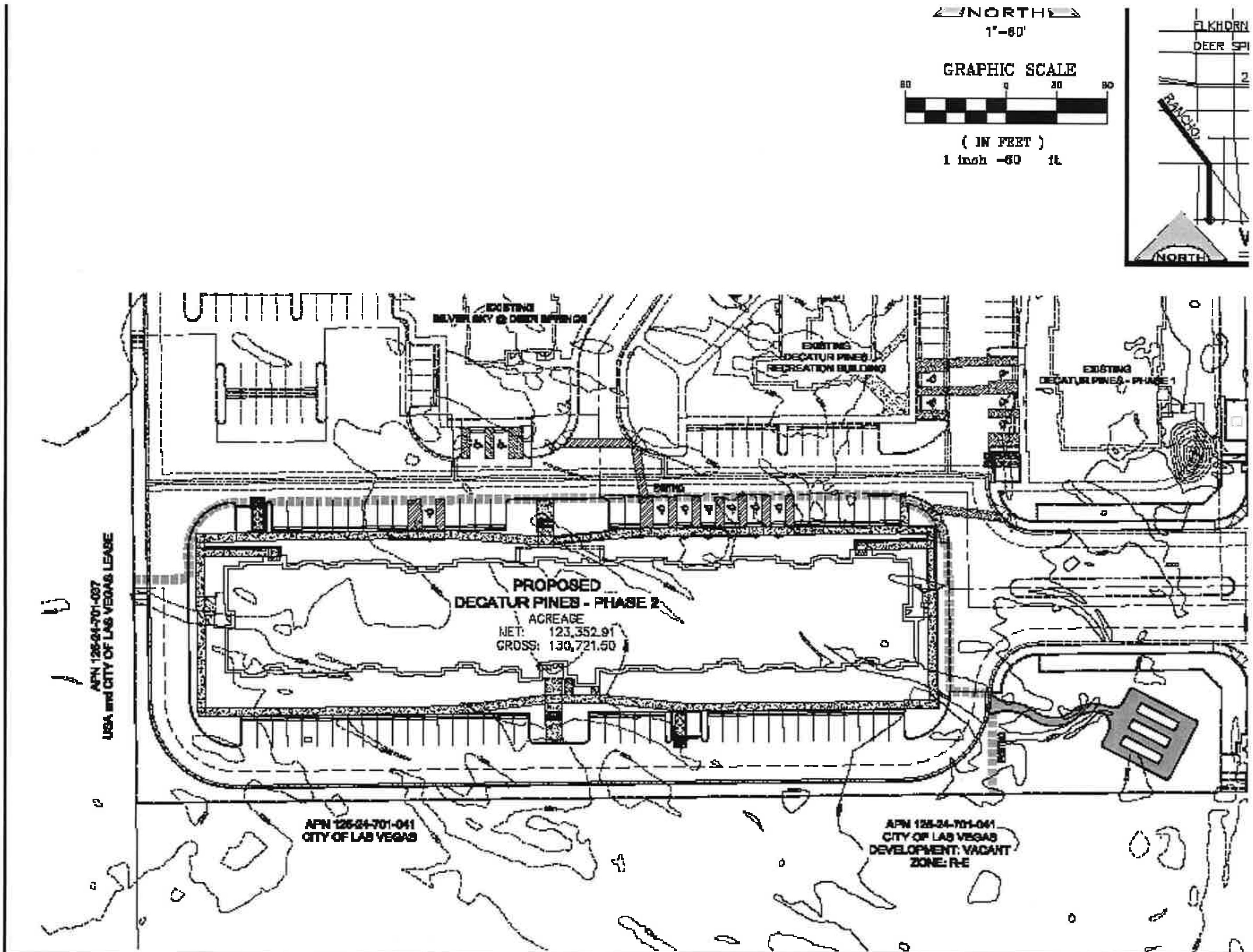

NORTH
1"=60'
GRAPHIC SCALE
(IN FEET)
1 inch =60 ft.
ELKHORN
DEER SPI
RANCHO
NORTH
EXISTING
SILVER SKY @ DEER SPRINGS
EXISTING
DECATUR PINES
RECREATION BUILDING
EXISTING
DECATUR PINES - PHASE 1
PROPOSED
DECATUR PINES - PHASE 2
ACREAGE
NET: 123,352.91
GROSS: 130,721.50
APN 126-24-701-037
USA and CITY OF LAS VEGAS LEASE
APN 126-24-701-041
CITY OF LAS VEGAS
APN 126-24-701-041
CITY OF LAS VEGAS
DEVELOPMENT: VACANT
ZONE: R-E

EXHIBIT "E"
LEGAL DESCRIPTION

A.P.N.125-24-701-049

(next page)

Decatur Pines 2

Legal Description

That portion of the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) of Section24, Township 19 South, Range 60 East, and the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 19, Township 19 South, Range 61 East, M.D.M., described as follows: Lot Three (3) as shown by map thereof in File 117 Parcel Maps, Page 41 in the Office of the County Recorder, Clark County, Nevada.

EXHIBIT "F"
HOME/LIHTF PROGRAM INCOME GUIDELINES

U.S. Department of Housing and Urban Development (HUD)(Effective April, 2010)
Median Family Income ($65,700)

FAMILY SIZE	INCOME NOT TO EXCEED	
1	30%	13,800
	50%	23,000 (Very Low-Income)
	60%	27,600
	80%	36,800 (Low-Income)
2	30%	15,800
	50%	26,300 (Very Low-Income)
	60%	31,560
	80%	42,050 (Low-Income)
3	30%	17,750
	50%	29,600 (Very Low-Income)
	60%	35,520
	80%	47,300 (Low-Income)
4	30%	19,700
	50%	32,850 (Very Low-Income)
	60%	39,420
	80%	52,550 (Low-Income)
5	30%	21,300
	50%	35,500 (Very Low-Income)
	60%	42,600
	80%	56,800 (Low-Income)
6	30%	22,900
	50%	38,150 (Very Low-Income)
	60%	45,780
	80%	61,000 (Low-Income)
7	30%	24,450
	50%	40,750 (Very Low-Income)
	60%	48,900
	80%	65,200 (Low-Income)
8	30%	26,050
	50%	43,400 (Very Low-Income)
	60%	52,080
	80%	69,400 (Low-Income)

EXHIBIT "G"
HOME PROGRAM RENTS

U.S. Department of Housing and Urban Development (HUD)
Program Limits (Effective May 2010)

PROGRAM	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
Low Home Rent Limit	$575	616	740	854	953	1,051	1,149
High Home Rent Limit	728	781	939	1,077	1,181	1,285	1389
For Information Only:							
Fair Market Rent	767	904	1,063	1,478	1,778	2,045	2,311
50% Rent Limit	575	616	740	854	953	1,051	1,149
65% Rent Limit	728	781	939	1,077	1,181	1,285	1,389

EXHIBIT "H"

ALLONGE FOR PROMISSORY NOTE FOR HOME FUNDS

To be attached to that certain Promissory Note for HOME Funds, dated ____________________, 2011, in the original amount of One Million Five Hundred Thousand Dollars ($1,500,000.00) executed by Decatur Pines 2 Limited Partnership, a Nevada limited partnership, in favor of Nevada H.A.N.D., Inc., a Nevada nonprofit corporation.

Pay to the order of City of Las Vegas, Nevada.

Dated: __________________, 2011

NEVADA H.A.N.D., INC., a Nevada nonprofit corporation

By: ______________________________________
Michael Mullin,
President

EXHIBIT "I"
DISCLOSURE OF PRINCIPALS

The principals and partners of Nevada H.A.N.D. Inc. *and all persons and entities holding* more than 1% interest in Nevada H.A.N.D. or any principal of Nevada H.A.N.D. Inc., are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
	None (See attached Board of Directors)		

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

Nevada H.A.N.D. Inc., a Nevada non profit corporation

By: ________________________________
Michael Mullin, President

Subscribed and sworn to before me this
_____ day of _________________, 2011.

____
Notary Public

DEFERRED LOAN AGREEMENT TO FUND
LONE MOUNTAIN SENIOR APARTMENT PROJECT

(Federal HOME Program and State LIHTF Program Funded Project)

THIS DEFERRED LOAN AGREEMENT TO FUND LONE MOUNTAIN SENIOR APARTMENT PROJECT (this "Agreement") is made and entered into this 16th day of March, 2011, by and between the City of Las Vegas (the "City"), a municipal corporation of the State of Nevada, with offices located at City Hall, 495 South Main Street, Las Vegas, Nevada 89101, and Silver Sage Manor, Inc.("Silver Sage Manor"), a non-profit corporation organized under the laws of the State of Nevada, with a mailing address of 3870 Neil Road, Suite A, Reno NV 89502, its permitted successors and assigns (collectively the "Developer"). The City and the Developer are hereinafter sometimes referred to individually as a "Party" or collectively as the "Parties."

WITNESSETH:

WHEREAS, pursuant to the Grant Agreement with the United States Department of Housing and Urban Development ("HUD"), the City is a recipient of federal funds under the Home Investment Partnership Program ("HOME Program") set forth under 24 CFR Part 92 as amended; and

WHEREAS, pursuant to that certain Interlocal Agreement with the State of Nevada, the City is also the recipient of funds under the Home Investment Partnership ("HOME") Program and the Low Income Housing Trust Fund ("LIHTF") Program operated by the Housing Division, Department of Business Industry, State of Nevada; and

WHEREAS, pursuant to an Interlocal Agreement with Clark County, the City is the recipient of HOME and LIHTF funds allocated to it by Clark County; and

WHEREAS, as the recipient of HOME funds from HUD and LIHTF funds from the State of Nevada and Clark County, the City is responsible for entering into agreements distributing such funds for projects which have been determined to be (i) eligible for such funds, and (ii) in furtherance of the affordable housing goals and objectives of the HOME and LIHTF Programs; and

WHEREAS, the Developer has requested financial assistance from the City for the purpose of developing the Project more fully described in the Project Description, Financing and Requirements, Exhibit A attached hereto and incorporated herein as a part of this Agreement; and

WHEREAS, the City Council for the City, at its meeting on March 16, 2011, determined that the Project will provide substantial benefit to low-income persons in need of affordable housing, and authorized the allocation of funds in the amounts and from the funding sources set forth below, and subject to the terms and conditions set forth herein, which funds are to be used for the payment of Project eligible costs incurred in the development of the Project.

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

I. CITY PROJECT RESPONSIBILITIES

With the execution of this Agreement, the City agrees to provide the Developer with a deferred loan in an amount not to exceed $1,250,000 (the "Project Funds"), which is to be used for the payment of the Project eligible costs incurred in developing the Project. As of the execution of this Agreement, the Project Funds to be used for the development of the Project shall consists of the amounts from the sources of funding identified in Section B of the Project Description, Financing and Requirements, Exhibit A attached hereto and incorporated herein as a part of this Agreement. For purposes of this Agreement, a "deferred loan" means the Developer's obligation to repay the Project Funds is deferred until the expiration of the Period of Compliance, as such term is defined in Section C.4 of the Project Description, Financing and Requirements, attached as Exhibit A hereto; provided, however, that the obligation to repay the loan shall be accelerated if the Developer has failed to comply with all of the requirements of this Agreement, including, without limitation, the requirement of providing and maintaining affordable housing for the Period of Compliance.

The City reserves the right to adjust the amount of funding received from the individual sources of funding identified the Project Description, Financing and Requirement so long as the total amount of the Project Funds provided to the Developer remains the same. The City further reserves the right to fund the deferred loan using funds other than the Federal HOME Funds and the State LIHTF Funds, or any combination thereof, which the City determines in its sole discretion to be the best means to fund the Project. In the event that the City desires to use a source of funds for the deferred loan other than the sources of funding initially identified herein, the City will not implement such change except pursuant to an amendment to this Agreement executed by the City and the Developer.

II. DEVELOPER PROJECT RESPONSIBILITIES

In consideration for the allocation of the Project Funds by the City for the deferred loan made to the Developer pursuant to this Agreement, the Developer agrees to construct, or cause to be constructed, the Project described in the Project Description, Financing and Requirements, Exhibit "A" attached hereto and incorporated herein and to operate the Project according to the requirements set forth therein. The Project will comply with the basic concept drawing set forth in the Project Rendering, Exhibit "E" attached hereto and incorporated herein, which is hereby approved by the City Council with the approval of this Agreement. Any material change or deviation from the Project Rendering requires the approval of the City Council.

III. CONDITIONS TO THE RELEASE OF PROJECT FUNDS

The City's obligation to pay for Project eligible costs incurred during the construction of the Project shall be subject to the following conditions:

1. An environmental review as required pursuant to 92 CFR 58 is completed for the Property. Notwithstanding any other provision of the Agreement, this Agreement does not

constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of the environmental review and receipt by the City of authorization to release the Project Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58, as may be required. With the completion of the environmental review, the City shall make the determination of whether to proceed with the Project as proposed, modify the Project, or cancel the funding of the Project in its entirety. Subsequent to receipt of HUD's authorization to use Project Funds, and approval of the environmental review by the City, the City's Economic and Urban Development Department Director will provide the Developer with a written Notice to Proceed with the construction of the Project. Once the Notice to Proceed is issued, the Developer agrees to provide the City with the written minutes of all construction meetings until issuance of the Certificate of Occupancy on the Project. The failure to comply with the requirements of this provision may result in the denial of any funds under this Agreement.

2. A Preliminary Title Report is provided to the City indicating that the title of the Property is held in a manner which is acceptable to the City, and a Title Insurance Policy, in a form acceptable to the City, is issued in the minimum amount of the Project Funds provided to the Developer pursuant to this Agreement, which names the City as an insured party thereunder. The Title Insurance Policy shall be issued prior to the disbursement of any of the Project Funds to the Developer.

3. An appraisal is provided to the City ascertaining the fair market value of the Property as required pursuant to Section V.(M) of this Agreement.

4. Silver Sage Manor, has delegated, and Lone Mountain Seniors, LLC, has assumed, all of the obligations of the Developer under this Agreement pursuant to a duly executed Delegation and Assumption Agreement set forth as Attachment 1 to the Project Description, Financing and Requirements, which assumption and delegation has been approved by the City.

5. Lone Mountain Seniors, LLC, has executed the Promissory Note for Federal HOME Funds and the Promissory Note for State LIHTF Funds (collectively the "Project Promissory Notes"), which are set forth, respectively, as Attachments 2 and 3 to the Project Description, Financing and Requirements.

6. Lone Mountain Seniors, LLC, as the Trustor, has executed and recorded the All-Inclusive Deed of Trust and Assignment of Rents Securing Federal HOME Funds (the "Federal HOME Deed of Trust"), set forth as Attachment 4 to the Project Description, Financing and Requirements, in favor of Silver Sage Manor, as the Beneficiary therein, which document encumbers the ownership interest of Lone Mountain Seniors, LLC, in the Property and serves as security for (i) repayment of the Promissory Note for the Federal HOME Funds executed by Lone Mountain Seniors, LLC, pursuant to the terms set forth therein, and (ii) performance of the obligations of Silver Sage Manor under this Agreement, which obligations have been delegated to, and assumed by, Lone Mountain Seniors, LLC.

7. Lone Mountain Seniors, LLC, as the Trustor, has executed and recorded the All-Inclusive Deed of Trust and Assignment of Rents Securing State LIHTF Funds (the "State LIHTF Deed of Trust"), set forth as Attachment 5 to the Project Description, Financing and Requirements, in favor of Silver Sage Manor, which document encumbers the ownership interest of Lone Mountain Seniors, LLC, in the Property and serves as security for (i) repayment of the Promissory Note for the State LIHTF Funds executed by Lone Mountain Seniors, LLC, pursuant to the terms set forth therein, and (ii) performance of the obligations of Silver Sage Manor, under this Agreement, which have been delegated to, and assumed by, Lone Mountain Seniors, LLC.

8. Silver Sage Manor has executed and recorded the Assignment of the Promissory Note for Federal HOME Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing Federal HOME Funds set forth as Attachment 6 to the Project Description, Financing and Requirements, which document assigns all of the rights and interests of Silver Sage Manor described therein to the City.

9. Silver Sage Manor has executed and recorded the Assignment of the Promissory Note for State LIHTF Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing State LIHTF Funds set forth as Attachment 7 to the Project Description, Financing and Requirements, which document assigns all of the rights and interests of Silver Sage Manor, described therein to the City.

10. Lone Mountain Seniors, LLC, a Nevada limited liability company, has received on or before February 29, 2012, a legally binding construction loan commitment in the approximate amount of $6,242,653 from Wells Fargo Bank, N.A., to be used for the construction of the Project.

11. The Lone Mountain Seniors, LLC, Operating Agreement providing for funding by private tax credit investor of the construction of the Project and for the subsequent operation of the completed Project has been executed on or before February 29, 2012, by and amongst Lone Mountain Seniors Manager, LLC, a Nevada limited liability company, Ovation Housing Affordable, Inc., a Nevada corporation, and Wells Fargo Affordable Housing Community Development Corporation, a North Carolina corporation

IV. PERIOD OF PERFORMANCE

This Agreement will commence as of the date set forth in the introductory paragraph (which date shall be the date the Project Funds were first approved by the City Council) and continue in effect until occurrence of any of the following (i) expiration of the Period of Compliance (defined in Section C 4 of the Project Description, Financing and Requirements, Exhibit A attached hereto), (ii) repayment of the Federal HOME Funds and State LIHTF Funds upon the conveyance, sale, transfer or loss of possession of the Property or (iii) termination pursuant to Section VIII of this Agreement. The Project Funds must be expended on or before June 30, 2014, unless an extension not to exceed 6 months is granted by the Economic and Urban Development Department Director. The request for an extension must be made in writing by the Developer to the Director, and will be granted only if the extension does not jeopardize any other activity, project or funding source of the City.

The Developer agrees that the Project shall proceed according to the timelines set forth in the Project Schedule of Performance, Exhibit "B" attached hereto and incorporated herein, and to complete construction of the Project by December 30, 2013, unless an extension has been requested in writing by the Developer and granted in writing by the Economic and Urban Development Department Director (which approval shall not be unreasonably withheld) to the timelines or completion date.

V. CITY GENERAL CONDITIONS

A. COMPLIANCE APPLICABLE FEDERAL AND STATE LAWS AND REGULATIONS AND REQUIREMENTS OF THE HOME/LIHTF PROGRAM MANUAL

The Developer agrees to comply with all of the requirements of federal, state and local laws, statutes, ordinances and regulations which apply to the Project, including, without limitation, complying with the federal and state prevailing wage rate laws which apply to the Project. The Developer shall obtain any and all applicable federal, state, and local permits, licenses, notices or certificates required to construct the Project. The Developer agrees to comply with the requirements, policies, regulations and time criteria of the HOME and/or LIHTF Programs specified in the HOME/LIHTF Program Manual. The failure to abide by any of the above may result in the forfeiture of the Project Funds provided under this Agreement.

B. DEVELOPER RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

The Developer has requested financial support from the City to enable it to construct the Project contemplated herein. The City shall have no relationship whatsoever with the Project except for providing financial support and the receipt of the reports required from the Developer under this Agreement. In any and all events, the performance contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by the Developer, subject only to review by the Economic and Urban Development Department Director, or authorized designee, to assure continuing eligibility for the Project Funds.

C. INDEMNIFICATION

The Developer agrees to protect, defend, indemnify and save the City, its officers, employees and agents, harmless from and against any and all damages, claims, suits, liens, judgments or any other form of liability of whatever nature for injuries to, or death of, any person caused by, connected with, or arising out of any activities or performance undertaken pursuant to this Agreement, except that which is caused by the willful misconduct or gross negligence of the City, its officers, employees or agents. The Developer's obligation to protect, defend, indemnify, and save harmless shall include reasonable attorneys' fees incurred by the City in the defense against such suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the City in enforcing and/or obtaining compliance with the provisions of this Section.

D. ON-SITE MONITORING

The Project funded under this Agreement will be subject to on-site monitoring by duly authorized representatives (including independent auditors) of the City, HUD, the Comptroller of the United States, or any combination thereof. The representatives will be announced, at a minimum, 24 hours in advance of any on-site visits, which shall occur during normal operating hours. During any on-site visit, the representatives shall be granted access to any and all records pertaining to the Project. Developer shall have the right to have a representative present during the on-site visit provided such representative does not interfere with or hinder, as determined by the City, HUD or the Comptroller of the United States, the examination of the Project records. The representatives may interview any employee of the Developer, or any entity associated with the Project, who volunteers to be interviewed.

The Developer shall allow the representatives to conduct such reviews, audits and on-site monitoring of the Project as the reviewing entity deems appropriate in order to determine:

1. Whether the Project is being operated in a manner consistent with the consolidated plan of the City and the national and primary objectives of the HOME and/or LIHTF Program;

2. Whether the objectives of the Project are being achieved;

3. Whether the Project is being operated in an efficient and effective manner;

4. Whether management control systems and internal procedures have been established to meet the objectives of the Project;

5. Whether the financial operations of the Project are being conducted properly;

6. Whether the periodic reports to the City contain accurate and reliable information; and

7. Whether all of the activities of the Project are conducted in compliance with the provisions of applicable Federal/State laws and regulations and this Agreement.

E. MAINTENANCE OF RECORDS

The Developer agrees to maintain financial records and supporting documentation pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain them for a period of 30 years, except those records subject to audit findings which shall be retained for five years after such findings have been resolved. In the event the Developer goes out of existence, the Developer shall turn over to the City all of its records relating to this Agreement which will be retained by the City for the required period of time.

F. AUDITING OF RECORDS AND BOOKS

The Developer agrees to permit the City, or its designated representative(s), including, without limitation, independent auditors, representatives of HUD or the Comptroller of the United States, 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 the Developer's operation hereunder. The Developer further understands and agrees that the inspection and audit will be exercised only after written notice to the Developer. If the records or books are not located within Clark County, Nevada, the Developer agrees to deliver the records or books to the address within the City of Las Vegas designated by the City. If the City, or its designated representative(s), find that the records delivered by the Developer are incomplete, the Developer agrees to pay the City or its representative(s), the costs to travel (including transportation, lodging, meals, and other related expenses) to the Developer's offices to inspect and audit, as deemed necessary, all records of the Project relating to finances, as well as other records (such as the performance records) that may be required by relevant directives of funding sources of the City.

G. INSURANCE

1. Required Insurance Policies. The Developer shall procure and maintain, or cause to be procured and maintained, at its own expense during the entire term of this Agreement, the following insurance policies:

a. Industrial/Workers' Compensation Insurance protecting the Developer and the City from potential Developer employee claims or from the contractor or subcontractor workman or employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement.

b. General Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, and Two Million Dollars ($2,000,000) in the aggregate, for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverage must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverage for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.

c. Automobile Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by the Developer (owned or hired) in the performance of the services under this Agreement.

d. Professional Liability Insurance in an amount of not less than One Million Dollars ($1,000,000) for each design professional who provides architectural, engineering or other professional consulting services on the Project. Coverage may be on a "claims made" basis or on an "occurrence" basis. If coverage is provided on a "claims made" basis, the Developer shall require that coverage be maintained for one (1) year following the completion of the Project.

e. The Developer shall carry or provide, or cause to be carried or provided, Comprehensive Fire and Hazard Insurance covering the full replacement costs of the Project.

The insurance policies required under this Section are in addition to, and not in lieu of, the Developer's indemnification obligation provided under Section V C.

2. Certificates of Insurance. Prior to the commencement of any performance under this Agreement, the Developer shall have on file with the City current certificates evidencing the insurance policies are in effect as required herein.

a. The Developer shall furnish the renewal certificates for each of the insurance policies required herein for the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare the Developer in default of its obligation under this Section.

b. Except for the Professional Liability Insurance, the City, its officers, employees and agents, shall be named as additional insured parties under the insurance policies required under this Section.

3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Developer, including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VIII, A IX, A X, etc.)

4. Lapse of Insurance. If the Developer fails to maintain any of the insurance policies required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order that the required coverage may be maintained. The Developer is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from the Developer or deduct the amount paid from any sums due the Developer under this Agreement.

5. Primary Coverage. The Developer's insurance shall be the primary coverage with respect to the City, its officers, employees and agents. Any other coverage (insurance or otherwise) available to the City, its officers, employees and agents shall be considered coverage in excess to that required of the Developer and shall not contribute with it.

6. Notice of Cancellation. Each certificate of insurance for the policy of insurance required herein must provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits unless prior written notice has been given to the City per the notice provisions of the insurance policy. Notwithstanding the foregoing, the Developer agrees to notify the City in writing by certified mail, return receipt requested, in the event that any insurance policy required herein will be suspended, voided, canceled or reduced in coverage. This notice requirement does not waive the insurance requirements contained herein.

H. IRS REGULATIONS

The Developer agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he or she is paid $600 or more (or such amount as may be required by the IRS in pursuant to updated regulations), and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. The 1099 instructions can be obtained on the IRS website.

I. LIMIT ON ASSIGNMENT OF INTEREST

The Developer may not assign any part of its rights in this Agreement without the written consent of City. Any such assignment of rights without the consent of City shall result in the forfeiture of the Project Funds, or any part thereof, as determined by City. The City hereby consents to Developer loaning the Project Funds to Lone Mountain Seniors, LLC, as evidenced by the Promissory Notes (identified in paragraph 5 of Section III above).

J. THIRD PARTY CONTRACTS

The Developer shall provide reasonable advance notice to, and obtain the written consent from, the City prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party not identified on the Project Budget, Exhibit C attached hereto. Such contractual agreement is to be provided to the City. The advance notice shall demonstrate the necessity of such services and shall provide for an adequate remedy in the event the professional services are not rendered in a manner consistent with the terms of this Agreement.

K. GROUND BREAKING CEREMONIES

The Developer understands and agrees that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Developer. In addition, the Developer agrees to coordinate with the City any ceremonial events concerning the Project including the review and approval of the date for groundbreaking ceremonies, the invitations, invitation list, press release, and the ceremonial programs. The City will be responsible for scheduling the ceremonial event with City elected officials.

L. INCOMPLETE PROJECT

If, for any reason whatsoever, subsequent to the execution of this Agreement, the Developer is unable to begin or complete the Project and Project Funds were utilized for the purchase of the Property and/or construction of the Project, the Developer may, with consent of the City, transfer the Property by deed to the City at no cost to the City. In the event of such transfer, the City will make reasonable efforts to utilize the Property for an affordable housing project, or the City may sell the Property and return the amount of the Project Funds utilized for the Project to its original funding source.

As an alternative to conveyance of the Property to the City, the Developer may elect to sell the Property, provided arrangements have been made through escrow for the proceeds resulting from such sale to be used in the following order of priority, to-wit: (i) repayment of any Project financing which is senior to the financing provided by the City, (ii) repayment of the Project Funds expended on the Project, (iii) repayment to the Developer the amount of its investment in the Project, and (iv) the balance of the proceeds, if any, remaining thereafter shall be disposed of according to the percentage of financing provided by the City and the Developer towards the total cost of the Project. If the proceeds from the sale of the Property are inadequate to repay the City for the Project Funds expended on the Project, the Developer agrees to pay the deficiency and such payment shall be made at, and as a condition to, the close of escrow.

M. APPRAISAL OF PROPERTY

The Developer hereby acknowledges that the policy of the City is to secure as collateral an interest in any and all real property being financed with federal funds. For projects involving the acquisition of real property, improvements to real property, or a combination thereof, the City will not provide funding in excess of fair market value of the financed Property. For this Project, in order to determine if funding is available, and the amount of such funding, the City requires an appraisal indicating the fair market value of the Property, including all improvements to be made to the Property. The City will not disburse any funds for new construction pursuant to this Agreement until an appraisal is received to the satisfaction of the City.

N. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, the Developer warrants that it has disclosed on the Disclosure of Principals, Exhibit "H" attached hereto and incorporated herein, all principals, including the officers, board of directors and, if any, shareholders of the Developer, as well as all persons and entities holding more than 1% interest in the Developer or any principal of the Developer. Throughout the term hereof, the Developer shall notify the City in writing of any material change in the information contained therein within 15 days of such change.

VI. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES (24 CFR 92.257)

As a general rule, in accordance with the First Amendment principles of the Separation of Church and State, the Project Funds may not be used for inherently religious activities as cited at 24 CFR 92.257.

B. POLITICAL ACTIVITIES

The Developer will comply with Section 319 of Public Law 101-121 of the Department of Interior Appropriations Act, which prohibits the use of the Project Funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

C. HATCH ACT (CHAPTER 15, TITLE 5, U.S. CODE)

The Developer further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

D. PROGRAM INCOME (24 CFR 92.2)

The Developer agrees that "Program Income," as defined in 24 CFR 92.2, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;

2. Gross income from the use or rental of real property owned by the participating jurisdiction, State recipient or a developer that was acquired, rehabilitated, or constructed with HOME funds or matching contributions, less the costs incidental to generation of the income;

3. Payments of principal and interest on loans made using HOME funds or matching contributions;

4. Proceeds from the sale of loans made with HOME funds or matching contributions;

5. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;

6. Interest earned on program income pending its disposition; and

7. Any other interest or return on the investment permitted under 92.205(b) of HOME funds or matching contributions.

E. DISPOSITION OF PROGRAM INCOME

Any Program Income generated by the Project may be retained and used by the Developer for additional affordable housing activities or projects under the HOME and/or LIHTF Programs provided such uses have been set forth in a written agreement executed by the Developer and the City.

F. OTHER PROGRAM REQUIREMENTS (24 CFR 92.350-3, 92.358)

The Developer shall carry out its activities in compliance with all federal laws and regulations as described in 24 CFR 92.350-92.358, except that the Developer will not assume the City's environmental responsibilities described at 24 CFR 92.352, nor the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58. More specifically the Developer shall be required to comply with the following:

1. IN GENERAL (24 CFR 92.350)

The requirements set forth in 24 CFR Part 5, Subpart A, are applicable to participants in the HOME and/or LIHTF Programs. The requirements of this subpart include nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, FAIR HOUSING ACT AND EXECUTIVE ORDER 11063

This Agreement is subject to the requirements of 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 and also obligating the Developer to use federally funded property for the purpose for which the federal funds were awarded.

3. HOUSING AND COMMUNITY DEVELOPMENT ACT, AGE DISCRIMINATION ACT, AND THE REHABILITATION ACT

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability or sex be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with federal funds. Notwithstanding anything contained herein to the contrary, the Project is for seniors who are at least 55 years old, and may qualify for an exemption from age or familial discrimination under federal laws.

4. LABOR STANDARDS AND DAVIS BACON ACT (24 CFR 92.354)

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also apply to this Agreement. This Project is not subject to the provisions concerning the payment of prevailing wages as required under the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS (24 CFR 92.352)

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING (24 CFR 92.353)

The Developer shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to 24 CFR 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES

The Developer shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for equal employment opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT (24 CFR 92.355)

Housing assisted with HOME funds is subject to Lead-Based Paint Poisoning Prevention Act (42 U.S.C.4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at Part 35. This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance.

10. USE OF DEBARRED, SUSPENDED OR INELIGIBLE CONTRACTORS OR DEVELOPERS (24 CFR 92.350)

This Agreement is subject to the requirements set forth in 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24. A person who is debarred or suspended shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal program and activities.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES (24 CFR 92.505)

For non-profit organizations that are not governmental entities, the requirements of OMB Circular No A-122 apply to the Project.

12. CONFLICT OF INTEREST (24 CFR 92.356)

The Developer, its officers, employees, agent or consultant may not occupy any Project Funds-assisted housing unit within the Project unless prior written authorization has been granted by the City. This provision does not apply to the Property manager or maintenance worker who is provided housing as part of the compensation for his or her services.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive Order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits. Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 12166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

G. DRUG-FREE WORKPLACE (24 CFR 92.350)

As a recipient of the Project Funds, the Developer agrees that it shall comply with the provisions of the Drug Free Workplace Act of 1988, 24 CFR Part 21, which requires the Developer maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

H. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits the Developer from using appropriated federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federally appropriated funds have been paid or will be paid, by or on behalf of the Developer to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

I. AMERICANS WITH DISABILITIES ACT

The Developer agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the Developer and the activities to be performed by the Developer under the scope of this Agreement. If employing more than fifteen (15) employees, the Developer agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), the Developer agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, the Developer agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

J. AFFIRMATIVE MARKETING (24 CFR 92.351)

The Developer agrees to undertake an affirmative marketing program in conformance with 24 CFR 92 351.

K. RECORD KEEPING 24 (CFR 92.508)

The Developer shall maintain records in accordance with 24 CFR 92.508.

L. FORFEITURE OF FUNDS

Any material breach of the terms of this Section VI may result in forfeiture of all Project Funds pursuant to this Agreement, or any part thereof, as determined by the City.

M. EXPIRATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, the Developer shall transfer to the City the Project Funds on hand at the time of expiration or termination of this Agreement and any accounts receivable attributable to the use of these funds.

N. PROPERTY STANDARDS (24 CFR 92.251)

Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion and for the duration of this Agreement. All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements for the duration of this Agreement.

O. DISPLACEMENT OR DISLOCATION OF TENANTS (24 CFR 353)

In conjunction with the Project, the Developer agrees to minimize displacement or dislocation of current tenants by assisting with their relocation per 24 CFR 92.353. If any tenants are displaced as a result of acquisition or rehabilitation of the Property, the Developer agrees to assume sole financial responsibility for any liability associated with 49 CFR Part 24.

P. OMB CIRCULARS

The Project is subject to the uniform policies and requirements of the Office of Management and Budget's Circulars (the "OMB Circulars") and federal regulations implementing the Circulars. The OMB Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The OMB Circulars also address many other management issues, including record keeping, procurement, bank accounts, and program income. The Developer is required to be familiar with the OMB Circulars as it pertains to the federal funding received under this Agreement.

VII. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to the requirements of the Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O" and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend $500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

Any agency that expends between $200,000 and $499,999 in federal funds will be required to have a CPA Audited Financial Statement submitted to the City. The funds expended may be from one or multiple federal sources.

If the Developer falls under the requirements of OMB A-133 Auditing Rules, the Developer must submit a full and complete copy of each conducted audit to the Economic and Urban Department. The Developer is responsible for ensuring that each audit is completed in a proper and timely manner. The failure to submit a copy of the A-133 audit will render the Developer as non-compliant, and no funds may be drawn until the Economic and Urban Development Department has received and reviewed a copy of the audit. The Developer should refer to the HOME/LIHTF Program Manual for further guidance on this matter.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible. Backup must include the following documents to verify proof of payment: copies of the front and back of the cancelled checks, downloaded check copies from the Developer's bank's website, or bank statements in addition to a paid bill, invoice or receipt.

C. FINANCIAL RECORDKEEPING

The financial records pertaining to all invoices, materials, payrolls, personnel records and other data concerning matters related to this Agreement may be requested from the Developer by a duly authorized representative of the City, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. PROJECT BUDGET

Eligible expenditures for payment by the City will be made in accordance with the Project Budget and, subject to any conditions imposed under this Agreement, shall include semi-annual reports, when seeking payment from the City for Project eligible costs. All eligible expenses shall have appropriate back-up documentation such as, but not limited to, paid invoices, the front and back of cancelled checks, bank statements and/or payroll sheets. The Developer shall not make any material change in the Project Budget without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. Line items may be revised if permission is requested and approved in writing by the Economic and Urban Department Director.

E. UNEXPENDED FUNDS

The Project Funds must be spent in a timely manner. In the event that the staff of the Economic and Urban Development Department has reason to believe in its reasonable discretion that the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the Project Funds allocated hereunder to another HOME and/or LIHTF eligible project or program.

F. ACCOUNTING METHODS

Each expenditure paid by the Developer with Project Funds will be accounted for separately in the records maintained by the Developer.

G. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following definitions shall apply:

1. Non-expendable personal property is defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of $500 or more and a useful life of more than one year.

2. Real property is defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City in its financial management. The Developer will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the City shall provide the Developer with disposition instructions upon request. If the property is disposed of for cash during this period, the proceeds from such disposition constitute Program Income which must be reported in accordance with the Subsections D and E of Section VI of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If the property is a vehicle, the City shall be named as a lien-holder on the title.

When non-expendable personal property has been fully depreciated in accordance with the City's 5-year straight-line schedule, and the property is disposed of for cash, the Developer may retain such funds provided that the Developer notifies the City in writing and that the Developer uses such funds for the exclusive benefit of the Project.

Pursuant to 24 CFR Part 92.504(c)(2)(vii), the Developer must transfer upon expiration or termination of this Agreement any HOME Funds and/or LIHTF Funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of HOME Funds and/or LIHTF Funds provided pursuant to this Agreement.

VIII. MODIFICATION OR TERMINATION OF AGREEMENT

A. MODIFICATION OF AGREEMENT

Any change in the provisions of this Agreement, including the exhibits and attachments hereto, may be made only pursuant to a written amendment which is executed by the Developer and by (i) the Mayor, with City Council approval, if the amendment provides an increase in the Project Funds of $25,000 or more, or (ii) the Economic and Urban Development Department Director, if the Amendment is below $25,000, or merely revises the language of the Agreement without any impact on the Project Funds.

The Developer and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by HUD and/or any applicable federal statutes or regulations.

B. DEFINITION OF DEFAULT

If, during the term of this Agreement, any of the following occurs, and remains uncured after expiration of the cure periods described herein:

1. the Developer fails to operate the Property for the purpose of providing affordable housing to tenants who qualify for such housing under the Federal HOME Program and State LIHTF Program as required pursuant to this Agreement;

2. other than transfers permitted under Section C 5 of the Project Description, Financing and Requirements, the Developer sells, transfers, conveys or otherwise loses its title or possession of the Property in contravention of the provisions set forth in Section 5 of the Project Description, Financing and Requirements attached to this Agreement

3. the Developer fails to defend, indemnify and hold the City harmless as required pursuant to Section V C above;

4. the Developer fails to provide or maintain the insurance required in Section V G above;

5. a petition in bankruptcy is filed by or against the Developer, or its permitted assignee, an assignment by the Developer, or its permitted assignee, is made for the benefit of creditors, a receiver, trustee in bankruptcy or similar offer is appointed to take charge of all or a part of the Developer, or its permitted assignee, or the Property, or the Developer, or its permitted assignee, is adjudicated to be bankrupt;

6. the Developer fails to comply with the conditions set forth in subsections 10 and 11 of Section III above; or

7. the Developer fails to perform any of its other obligations required under this Agreement; and

the occurrence set forth above is not remedied within 30 days after written notice is provided to the Developer as required under this Agreement and/or, in the event such failure to perform also constitutes a breach of the HOME Deed of Trust and/or the LIHTF Deed of Trust, within the period of time provided therein to the Developer to remedy such failure, then the City may declare the Developer to be in default of this Agreement and, if applicable, the HOME Deed of Trust and/or the LIHTF Deed of Trust. The written notice of default shall be given as required pursuant to Section VIII E below and, if applicable, as required pursuant to Section D 4 of the HOME Deed of Trust and/or the LIHTF Deed of Trust.

C. REMEDIES AND ENFORCEMENT PROCEDURES

Upon the occurrence of any events of default set forth in Section VIII B above, and in addition to any other legal or equitable remedies that may be available, the City shall have the right to the following remedies:

1. Declare the HOME Promissory Note and the LIHTF Promissory Note to be immediately due and payable, and if the Developer fails to repay them 30 days after demand therefor, proceed to enforce the City's security interest in the Property provided by the HOME Deed of Trust and the LIHTF Deed of Trust;

2. Terminate this Agreement, which shall be implemented by written notice to the Developer stating the effective date of such termination;

3. Temporarily withholding cash payments pending correction of the deficiency by the Developer, or more severe action as may be required by the U.S. Department of Housing and Urban Development, as the awarding federal agency;

4. Disallowing use of the Project Funds and matching credit for all or part of the cost of the activity or action not in compliance with the requirements of this Agreement;

5. Whole or partial suspension of this Agreement, and the current allocation of Project Funds hereunder, for the Project;

6. Withhold any further awards for the Project; and/or

7. The adoption of such other legal or equitable remedies as may be available to the City.

After the expiration of the cure period set forth in Section VIII B above, any one or more of the remedies set forth herein selected by the City shall be implemented by written notice to the Developer pursuant to Section VIII E below stating the effective date of the remedy. The City reserves the right to set the terms and conditions for any suspension or termination, provided that such conditions are consistent with 24 CFR Part 85.43 and are appropriate for the noncompliance being addressed. In addition to the above, the Developer acknowledges and agrees that this Agreement is subject to the federal enforcement procedures identified in 24 CFR Part 84.62.

D. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions are not inserted, or is not correctly inserted, then upon the application of either party, this Agreement shall forthwith be physically amended to make such insertion.

E. NOTICES

Any notice required to be given under this Agreement shall be deemed to have been given when the notice is (i) received by the party set forth below by personal service, (ii) telephonically faxed to the telephone number below provided confirmation of transmission is received thereof, or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

City: Director of the Department of Economic and Urban Development
City of Las Vegas
City Hall, Sixth Floor
495 South Main Street
Las Vegas, Nevada 89101-2986

Fax No. 702-598-3938

Developer	Silver Sage Manor C/O Ovation Development Corporation 6021 South Fort Apache, Suite. 100 Las Vegas, Nevada 89148 Fax No.702-990-2391 E-mail address: Lorrim@ovationdev.com
With copies to:	Wells Fargo Affordable Housing Community Development Corporation MAC D1053-170 301 South College Street Charlotte, NC 28288 Attention: Director of Tax Credit Asset Management
	Sidley Austin LLP One South Dearborn Street Chicago, IL 60603 Attention: Philip C. Spahn
	Wells Fargo Bank, N.A. Community Lending and Investment 1300 SW 5th, Mail Stop P6101-121 Portland, OR 97221 Attention: Melinda Rex
	Wells Fargo Bank, N.A. Community Lending and Investment Mail Stop N2731-061 1750 H. Street, NW Washington, DC 20006 Attention: Erin Peart

Any change in the addresses stated above shall be made in writing and delivered in the manner provided herein.

Remainder of page intentionally left blank

F. NOTIFICATION OF DEVELOPER CHANGES

The Developer must notify within 15 days the City in writing of any of the following changes: Key staff personnel, Executive Director, changes of more than half of the Board of Directors, Developer name change, change of address, phone, fax or email address. The City must have complete and up to date information on file for the Developer.

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

CITY OF LAS VEGAS, a Nevada municipal corporation

By Carolyn Goodman
Carolyn G. Goodman, Mayor Date

SILVER SAGE MANOR, INC., a Nevada non-profit corporation

By Jerry Mullen 2/14/12
Jerry Mullen, President Date

ATTEST:

Beverly K. Bridges 2/23/12
Beverly K. Bridges, MMC Date
City Clerk

APPROVED AS TO FORM:

Robert S. Sylvain 2-16-12
Robert S .Sylvain, Date
Deputy City Attorney

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH GRANT CONDITIONS

I, Jerry Mullen, President of the Silver Sage Manor, Inc., a Nevada non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan approved by the City Council of the City of Las Vegas, Nevada, on the 16th day of March, 2011, and hereby agrees to comply with the terms and conditions imposed in connection therewith, which are contained in the Deferred Loan Agreement to Fund Lone Mountain Senior Apartment Project, a copy of which is attached hereto and incorporated herein.

Executed this 14 day of FEBRUARY, 2012.

Silver Sage Manor, Inc., a Nevada non-profit corporation

By: ________________________________
Jerry Mullen, President

State of Nevada)
) ss
County of ~~Clark~~ Washoe)

On this 14th day of Feb, 2012, before me, the undersigned, a Notary Public in and for the above said county and State, personally appeared Jerry Mullen, President of Silver Sage Manor, Inc., known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

____
Notary Public

GUISSELL DELAVEGA
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 8-27-2014
Certificate No: 10-3104-2

TABLE OF EXHIBITS AND ATTACHMENTS

EXHIBIT "A"

PROJECT DESCRIPTION, FINANCING AND REQUIREMENTS

A. PROJECT DESCRIPTION

As contemplated under the Agreement, the Project involves the construction of an affordable senior citizen independent-living rental housing complex, which is commonly known and referred to as "Lone Mountain Senior Apartments" ("Project"). The Project will consist of 75 one- and two-bedroom units with a certain number of units designated as the Project Assisted Units (defined in Section C 1 below). The Project Assisted Units will be occupied by tenants who qualify for such affordable housing pursuant to Section C 2 below. The Project Assisted Units will be operated as affordable housing for the Period of Compliance (defined in Section C 4 below).

The Project will be constructed on approximately 1.77 acres of real property, which is legally described in the Legal Description, Exhibit "E" to the Agreement (the "Property"). The location of the Property is shown on the Site Map, Exhibit "D", and the architectural rendering of the Project is depicted on the Project Rendering, Exhibit "E", both of which are attached to the Agreement.

B. PROJECT FINANCING

Silver Sage Manor, Inc. ("Silver Sage Manor"), is a private non-profit organization created for religious, charitable or educational purposes as defined by NRS 244.1505 and NRS 372.3261. Silver Sage Manor is responsible to the City as the developer for constructing, or causing the construction of, the Project. For purposes of the Project, Silver Sage Manor has formed a single-purpose, Nevada limited liability company, Lone Mountain Seniors, LLC (the "Owner"), which entity will own the Property. Silver Sage Manor will assign, and the Owner will assume, the Developer's obligations under the Agreement, including the obligation to construct the Project, pursuant to the Delegation and Assumption Agreement (Attachment 1 to this Exhibit "A"). Silver Sage Manor will have effective management and control as the majority member of Lone Mountain Seniors Manager, LLC, the managing member of the Owner. Silver Sage Manor and the Owner are collectively referred to herein as the "Developer."

The Project is being developed by the Developer using both the public and private financing described below.

1. Public Financing. The City agrees to provide to Silver Sage Manor, which will in turn provide to the Owner, a deferred loan in an amount not to exceed Seven Hundred Seventy-Two Thousand Three Hundred Sixty Dollars ($772,360) in funds provided under the federal HOME Investment Partnership Program (the "Federal HOME Funds") and a deferred loan in an amount not to exceed Four Hundred Seventy-Seven Thousand Six Hundred Forty Dollars ($477,640) in funds provided under the State Low Income Housing Trust Fund Program (the "State LIHTF Funds) for a total deferred loan in an amount not to exceed One Million Two Hundred Fifty

Thousand Dollars ($1,250,000) (the "Project Funds") to be used in financing the construction of the Project.

The Project Funds will be used to reimburse the Developer for the eligible construction costs set forth in the Project Budget, Exhibit "C" attached to the Agreement. The timing and method of providing the Project Funds shall be entirely within the City's discretion. Any construction costs incurred in connection with the development of the Project in excess of the Project Funds will be the responsibility of unless otherwise agreed in writing by the City. Subsequent to the completion of the Project, agrees to operate the Project Assisted Units as affordable housing pursuant to the requirements of the Agreement and to assume responsibility for all operational and maintenance costs in connection therewith.

As security for the repayment of the Project Funds in the event the Developer fails to perform its obligations under the Agreement, the Owner will execute in favor of Silver Sage Manor (i) the Promissory Note for HOME Funds (the "HOME Promissory Note") in the amount of the HOME Funds provided pursuant to the Agreement (Attachment 2 to this Exhibit "A"), (ii) the Promissory Note for LIHTF Funds (the "LIHTF Promissory Note") in the amount of the LIHTF Funds provided pursuant to the Agreement (Attachment 3 to this Exhibit "A"), (iii) the All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds (the "HOME Deed of Trust") (Attachment 4 to this Exhibit "A"), and (iv) the All-Inclusive Deed of Trust and Assignment of Rents Securing LIHTF Funds (the "LIHTF Deed of Trust") (Attachment 5 to this Exhibit "A").

Silver Sage Manor will assign to the City all of its rights and interests in the HOME Promissory Note and the HOME Deed of Trust pursuant to the Assignment of Promissory Note for HOME Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds (Attachment 6 to this Exhibit "A") and all of its rights and interests in the LIHTF Promissory Note and the LIHTF Deed of Trust pursuant the Assignment of Promissory Note for LIHTF Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing LIHTF Funds (Attachment 7 to this Exhibit "A") as security for performance of the Developer's obligations in the Agreement.

Silver Sage Manor, as the payee and holder of the HOME Promissory Note and the LIHTF Promissory Note, will execute in favor of the City the Allonge for Promissory Note for Federal HOME Funds (Attachment 8 to this Exhibit "A") and Allonge for Promissory Note for Federal HOME Funds (Attachment 9 to this Exhibit "A") which names the City as the new holder in due course and payee thereunder.

2. Other Financing. The City acknowledges that the Property may be encumbered by one or more deeds of trust or other security interest created by the Developer, or its assignee, to provide additional financing for construction of the Project, which encumbrances will be recorded in the official records of Clark County Recorder's Office. The City further acknowledges that the Property will be subject to the Declaration of Restrictive Covenants Running With the Land for Low-Income Housing Tax Credits for Lone Mountain Senior Apts. (the "Declaration of Restrictive Covenants"), dated as of October 1, 2011, executed by and between the Owner and

the Nevada Housing Division, which constitutes the extended low-income housing commitment. The City acknowledges and agrees that the HOME Deed of Trust and the LIHTF Deed of Trust assigned to the City will be subject and subordinate to the Declaration of Restrictive Covenants and any liens, deeds of trust or other security instruments required for the acquisition and permanent financing of the Project, including a construction loan in the approximate amount of $6,242,653, and a permanent amortizing mortgage in the amount of approximately $1,090,000. Other than the aforementioned encumbrances, the Developer shall not allow the Property to be encumbered or attached in any manner with any liens, encumbrances or other security instruments during the Period of Compliance.

C. PROJECT REQUIREMENTS

1. Number of Floating Project Assisted Units. Of the 75 apartment units comprising the Lone Mountain Senior Apartments, the Developer agrees to designate and operate 65 units as affordable housing, with 7 units (5 one-bedroom and 2 two-bedroom units) designated as floating HOME units and 4 units as floating LIHTF units (2 one-bedroom and 2 two-bedroom units) (the "Project Assisted Units"). For purposes of this Agreement, a "floating unit" means that the Developer may, with the vacation of the unit by the qualified affordable housing tenant, utilize a different unit to meet its obligation of providing affordable housing required under the Agreement, provided the newly designated unit is comparable to the vacated unit in square footage, number of bedrooms and other apartment features.

2. Tenant Qualifications for Affordable Housing. The Developer agrees that one hundred percent (100%) of the Project Assisted Units must be occupied by tenants whose income does not exceed sixty per cent (60%) of the AMI. The Developer will not lease any of the Project Assisted Units to households whose income, at the time of initial occupancy, exceeds sixty percent (60%) of the AMI, which income is adjusted for family size pursuant to the HUD Program Income Guidelines, Exhibit "F" to the Agreement. Program Income Guidelines will be updated by HUD on an annual basis, and such guidelines will automatically replace Exhibit "G" to the Agreement.

3. Rental Amount Limitations. For the Period of Compliance set forth below, the Developer agrees that the rents charged for the Project Assisted Units will not exceed the low rent limits established by HUD annually for the HOME and LIHTF Programs, which limits are set forth in the HOME/LIHTF Rent Limits, Exhibit "G" to the Agreement. If any tenant receives an additional subsidy through any other rental assistance programs (such as the Section 8 Program of Clark County), the rent of the Project Assisted Unit may be raised to the amount of the rental assistance program limit only if the following requirements are met: (i) the tenant is paying no more than thirty percent (30%) of their adjusted income as rent; (ii) the subsidy is project-based (affects the entire project, not just a single unit); and (iii) the tenant's income is less than fifty percent (50%) of the area median income. If the rental subsidy is tenant-based (not project-based), the total rent is the maximum amount from all sources that the Developer may receive for the Project Assisted Unit. Each tenant in a Project Assisted Unit shall have a minimum one year written lease for the unit, unless a different period is agreed upon by Developer and the tenant.

4. Period of Compliance. The Developer agrees that the obligation to provide affordable housing as required pursuant to this Agreement shall be in effect for a period of thirty (30) years commencing from the date that the Completion Report, received from the Developer, is entered into the Computerized Disbursements and Information System established by HUD (the "Period of Compliance").

5. Right of Recapture. If, during the Period of Compliance, any of the following occur: (i) the Developer sells, transfers, conveys or otherwise loses any of its rights, title or interest in, or possession of, the Property without the prior written approval of the City, whether it be through a sale, foreclosure or any other proceeding, (ii) the Developer fails to provide affordable housing pursuant to the requirements of this Agreement, or (iii) the Project Assisted Units, or any portion thereof, are used or converted to non-qualified HOME activities or uses , then, in such event, the City shall be entitled to recapture the Project Funds invested in the Property, and the Developer agrees to repay the Project Funds to the City upon receipt of demand therefor. The failure to repay the Project Funds as required herein shall entitle the City to declare the principal and interest due under the provisions of the HOME Promissory Note and the State LIHTF Promissory Note to be due and payable and to enforce the security interests in the Property granted by the Developer to the City pursuant to the HOME Deed of Trust and the State LIHTF Deed of Trust. The right of recapture reserved herein to the City shall not apply to the transfer of any membership interests in the Developer.

Any Project Funds previously invested in the Property and recaptured pursuant to this Section will be treated in accordance with 24 CFR 92.503 and the administrative guidelines issued thereunder, NRS Chapter 319, and NAC Chapter 319 and must be returned to the Neighborhood Development Division of the Economic and Urban Development Department of the City to be reinvested in other affordable housing units.

Any transfer of partnership interests, any transfer of the Property to a member of the Owner upon the expiration of the tax credit compliance period, and any transfers permitted under Sections D 7 and D 8 of the Federal HOME Deed of Trust and the State LIHTF Deed of Trust, shall not be considered a sale or transfer in violation of this Agreement.

6. Usage Records. The Developer will provide the Economic and Urban Development Department Director with client usage records for the HOME units on a semi-annual basis during the Period of Compliance of this Agreement. These records will contain, but are not limited to, the following data:

a. Total clients served;
b. Racial breakdown of clients served including American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/ Other Pacific Islander, White, American Indian/Alaska Native and White, Asian and White, Black/African American and White, American Indian/Alaska Native and Black/African American, Other;
c. Number of clients who report a Hispanic ethnicity;

d. Number and percentage of Low and Very Low Income clients as defined by the HUD HOME Program Income Guidelines (Exhibit "H");
e. Number of handicapped clients served;
f. Number of senior citizens served;
g. Number of female head-of-households served;
h. Number of renter households served, and rent charged;
i. Number of owner households served; and
j. Monthly rent paid by each household served.

7. Program Income. In accordance with 24 CFR 92.300(a)(2), if the Property generates other income from the investment of the Project Funds in the Project, such program income may be used by the Developer provided the income is used to provide affordable housing pursuant to the requirements of the HOME and LIHTF Programs. The Developer will maintain a record of all such program income and an accounting of the future disposition of these funds and will provide this information to the City annually for the duration of the Period of Compliance.

8. Prevailing Wage Rate Requirements. The Project is not subject to the federal prevailing wage rates as the number of HOME Assisted Units (7 units) is below the required number of units (12 units or more) requiring compliance with the federal Davis Bacon Act.

ATTACHMENT "1" TO EXHIBIT "A"

DELEGATION AND ASSUMPTION AGREEMENT

(next page)

DELEGATION AND ASSUMPTION AGREEMENT

THIS DELEGATION AND ASSUMPTION AGREEMENT (this "Agreement") is made and entered into this _____ day of _______________, 2012, by and among Silver Sage Manor, Inc.("Silver Sage Manor"), a Nevada non-profit corporation, with offices at 3870 Neil Road, Suite A, Reno NV 89502, and Lone Mountain Seniors, LLC ("Lone Mountain Seniors"), a Nevada limited liability company, with offices at c/o Ovation Development Corporation, 6021 S. Fort Apache, Suite 100,, Las Vegas, Nevada 89148, with the consent of the City of Las Vegas (the "City"), a municipal corporation within the State of Nevada, with offices at 495 South Main Street, Las Vegas, Nevada, 89101.

RECITALS

WHEREAS, Silver Sage Manor and the City entered into that certain Deferred Loan Agreement to Fund Lone Mountain Senior Apartment Project dated March 16, 2011 (the "Deferred Loan Agreement"), which provides funding by the City for the construction of an affordable senior citizen independent living rental housing complex, commonly known and referred to as the "Lone Mountain Senior Apartments" (the "Project"); and

WHEREAS, the Project is to be constructed on the real property owned by Lone Mountain Seniors, which property is more fully described in Exhibit "A" attached hereto and incorporated herein as a part of this Agreement (the "Property"); and

WHEREAS, as more fully set forth in the Deferred Loan Agreement, Silver Sage Manor has agreed to perform certain duties and obligations including, without limitation, construction of the Project on the Property, which the parties hereto recognize cannot be fulfilled or performed by Silver Sage Manor without the assistance of Lone Mountain Seniors; and

WHEREAS, as a condition to disbursement of the proceeds of the deferred loan from the City to Silver Sate Manor to be used for purposes of constructing the Project, Silver Sage Manor desires to assign and delegate all of its duties and obligations to Lone Mountain Seniors, and Lone Mountain Seniors desires to accept and assume performance of all of the duties and obligations of Silver Sage Manor, which duties and obligations are more fully described in the Deferred Loan Agreement; and

WHEREAS, with the execution of this Agreement, Silver Sage Manor and Lone Mountain Seniors desire to implement the assignment and delegation more fully described below as required under the Deferred Loan Agreement.

NOW, THEREFORE, in consideration of the above premises, the mutual promises of the parties hereto and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. Assignment and Delegation. Silver Sage Manor hereby assigns and delegates to Lone Mountain Seniors all of Silver Sage Manor's duties and obligations under the Deferred Loan Agreement, including, without limitation, the obligation to construct the Project on the Property.

2. Acceptance and Assumption. Lone Mountain Seniors hereby accepts and assumes the assignment and delegation from Silver Sage Manor, and agrees to perform all of the duties and obligations of Silver Sage Manor under the Deferred Loan Agreement. In consideration of the assignment and delegation set forth in Section 1 above, Lone Mountain Seniors (i) approves, ratifies and confirms all terms, covenants, conditions and provisions of the Deferred Loan Agreement; (ii) covenants that it will perform all duties and obligations imposed on Silver Sage Manor by the Deferred Loan Agreement; and (iii) covenants that it will be bound by all of the terms, covenants, conditions, provisions and obligations of Silver Sage Manor imposed by the Deferred Loan Agreement after the effective date of this Agreement.

3. Indemnification and Hold Harmless. Lone Mountain Seniors agrees to indemnify and hold Silver Sage Manor harmless from all obligations imposed under the Deferred Loan Agreement.

4. Consent. By execution of this Agreement as provided below, the City hereby consents to the delegation and assumption of duties and obligations as set forth in Sections 1 and 2 above.

5. Effective Date. This Agreement shall be effective as of the date set forth in the first paragraph above.

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

CITY OF LAS VEGAS

____

Elizabeth N. Fretwell, Date
City Manager

ATTEST:

____

Beverly K. Bridges, MMC Date
City Clerk

APPROVED AS TO FORM:

____

Robert S. Sylvain, Date
Deputy City Attorney

SILVER SAGE MANOR, INC.

____

Jerry Mullen, President

LONE MOUNTAIN SENIORS, LLC

By: Lone Mountain Seniors Manager, LLC, a Nevada limited liability company, its Manager

By: Ovation Development Corporation, a Nevada corporation, its Manager

By _______________________________
Alan Molasky, President

ATTACHMENT "2" TO EXHIBIT "A"

PROMISSORY NOTE FOR FEDERAL HOME FUNDS

(next page)

PROMISSORY NOTE FOR FEDERAL HOME FUNDS

(SECURED – ALL INCLUSIVE)

February 1, 2012
$772,360

Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of Silver Sage Manor, Inc.(herein "Holder"), a Nevada non-profit corporation, at 3870 Neil Road, Suite A, Reno NV 89502, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of Seven Hundred Seventy-Two Thousand Three Hundred Sixty Dollars ($772,360), or such amount as is advanced hereunder from time to time, with interest from the date hereof, at the rate of Three Percent (3%) on the unpaid balance until paid (the "Indebtedness"). This Note is non-recourse to Maker.

1. Defined Terms. For purposes of this Promissory Note ("Note"), the following definitions shall apply:

i. "Agreement" shall mean that certain Deferred Loan Agreement to Fund Lone Mountain Senior Apartment Project dated March 16, 2011, as the same may be amended from time to time, executed by and between the City and Holder. Any capitalized term not defined in this Note shall have the meaning ascribed to them in the Agreement.

ii. "All-Inclusive Deed of Trust" shall mean the All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds executed by Maker, as Trustor, in favor of Holder, as Beneficiary, of even date herewith, which document is recorded in the Office of the Clark County Recorder, State of Nevada.

iii. "City" shall mean the City of Las Vegas, a municipal corporation within the State of Nevada.

iv. "City Obligations" shall mean all of the obligations of to be performed by Holder under the Agreement, which are assigned to, and assumed by, Maker.

v. "Operating Agreement" shall mean that certain Lone Mountain Seniors, LLC Operating Agreement dated February 24, 2012, as same may be amended from time to time.

vi. "Property" shall mean that certain real property which is more fully described in the All-Inclusive Deed of Trust.

2. Payment Terms. The principal due hereunder shall be payable as follows:

The Indebtedness represented by this Note, plus any interest accrued thereon, shall be due and payable in its entirety on the earlier of (i) that date which is thirty (30) years from the date that the Completion Report is entered into the Computerized Disbursements and Information System established by HUD, (ii) December 30, 2043, or (iii) the date upon which the City Obligations shall become due and payable whether upon default under the Agreement, by acceleration or otherwise of this Note. Maker agrees to repay to Holder the Indebtedness represented by this Note if, during the Period of Compliance (defined in the All-Inclusive Deed of Trust and the Agreement), (i) the Project Assisted Units (defined in the Agreement) are not managed as affordable housing and occupied by tenants who qualify for such housing under the Agreement, or (ii) there is a sale, conveyance or transfer of ownership, or loss of possession of, the Property, as prohibited in the Agreement. Maker shall have the right to prepay the Indebtedness in full, or in part, at any time.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a note ("Senior Note") in the original principal amount of $6,242,653 issued by the Maker and payable to Wells Fargo Bank, N.A. ("Senior Lender"), or order, to the extent and in the manner provided in that certain Subordination and Standstill Agreement dated on or before February 29, 2012, between the payee of this Note, the Senior Lender and the Maker (the "Subordination Agreement"). The All-Inclusive Deed of Trust securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the deed of trust securing the Senior Note as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the All-Inclusive Deed of Trust securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreement.

Except as otherwise provided herein or in the All-Inclusive Deed of Trust, so long as Maker is in full compliance with all of its obligations under this Note and the All-Inclusive Deed of Trust, by its acceptance hereof, Holder agrees to perform the City Obligations of Maker to the extent that the same cannot be performed by Maker under the Agreement, and the City Obligations will be secured by an assignment of this Note and the All-Inclusive Deed of Trust by Holder to the City.

In the event Holder shall fail to timely and fully pay and perform any of the City Obligations required to be performed by Holder as provided herein, in addition to any other rights and remedies available to Maker, Maker shall be entitled to pay and perform the City Obligations and offset against the amounts due Holder hereunder the full amount of all sums paid and/or costs incurred in connection with Maker's payment and performance of the City Obligations.

Maker waives presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note.

In the event any of the payments from or performance by Maker required by the terms hereof be not paid or performed when same become due, then at any time following the expiration of applicable cure period under the All-Inclusive Deed of Trust, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of one or more installments or other payments or performance from any person thereafter shall not constitute a waiver of Holder's option.

Time is expressly made of the essence with respect to every provision hereof and the All-Inclusive Deed of Trust. This Note shall be governed by, construed and enforced in accordance with the laws of the State of Nevada.

This Note is secured by the All-Inclusive Deed of Trust, which encumbers the Property as security for the performance of the City Obligations.

Maker hereby specifically acknowledges, confirms and agrees that: (i) Maker has received copies of the documents and instruments evidencing and/or securing the City Obligations, as provided in the Agreement, and the attachments thereto (collectively, the "City Obligation Documents"), (ii) Maker has reviewed and understands all of the provisions of the City Obligation Documents, this Note and the All-Inclusive Deed of Trust, and has reviewed the same with legal counsel of Maker's own choosing, (iii) Maker has not requested, received or relied upon any legal advice, representations or warranties from Holder in connection with the City Obligation Documents, this Note or the All-Inclusive Deed of Trust, and (iv) as between Maker and Holder, Maker shall be primarily responsible for, and hereby expressly covenants and agrees to fully and timely perform, all of the obligations of Holder under, arising out of, or with respect to the City Obligation Documents including, without limitation, payment of taxes, maintenance of the Property, compliance with low income housing restrictions, recorded covenants, conditions restrictions, and applicable laws.

IN WITNESS WHEREOF, Maker has caused this Note to be executed on its behalf by its duly authorized officer as of the date first above written.

Maker: LONE MOUNTAIN SENIORS, LLC, a Nevada limited liability company

By: Lone Mountain Seniors Manager, LLC, a Nevada limited liability company, Manager

By: Ovation Development Corporation, a Nevada corporation, Manager

By: ______________________________
Alan Molasky, President

Holder: SILVER SAGE MANOR, INC., a Nevada non-profit corporation

By: ______________________________
Jerry Mullen, President

ATTACHMENT 3

PROMISSORY NOTE FOR STATE LIHTF FUNDS

(next page)

PROMISSORY NOTE FOR STATE LIHTF FUNDS

(SECURED – ALL INCLUSIVE)

February 1, 2012
$477,640 Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of Silver Sage Manor, Inc.(herein "Holder"), a Nevada non-profit corporation, at 3870 Neil Road, Suite A, Reno NV 89502, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of Four Hundred Seventy-Seven Thousand Six Hundred Forty Dollars ($477,640), or such amount as is advanced hereunder from time to time, with interest from the date hereof, at the rate of Three Percent (3%) on the unpaid balance until paid (the "Indebtedness"). This Note is non-recourse to Maker.

1. Defined Terms. For purposes of this Promissory Note ("Note"), the following definitions shall apply:

v. "Agreement" shall mean that certain Deferred Loan Agreement to Fund Lone Mountain Senior Apartment Project dated March 16, 2011, as the same may be amended from time to time, executed by and between the City and Holder. Any capitalized term not defined in this Note shall have the meaning ascribed to them in the Agreement.

vi. "All-Inclusive Deed of Trust" shall mean the All-Inclusive Deed of Trust and Assignment of Rents Securing LIHTF Funds executed by Maker, as Trustor, in favor of Holder, as Beneficiary, of even date herewith, which document is recorded in the Office of the Clark County Recorder, State of Nevada.

vii. "City" shall mean the City of Las Vegas, a municipal corporation within the State of Nevada.

viii. "City Obligations" shall mean all of the obligations of to be performed by Holder under the Agreement, which are assigned to, and assumed by, Maker.

v. "Operating Agreement" shall mean that certain Lone Mountain Seniors, LLC Operating Agreement dated February 24, 2012, as same may be amended from time to time.

vi. "Property" shall mean that certain real property which is more fully described in the All-Inclusive Deed of Trust.

2. Payment Terms. The principal due hereunder shall be payable as follows:

The Indebtedness represented by this Note, plus any interest accrued thereon, shall be due and payable in its entirety on the earlier of (i) that date which is thirty (30) years from the date that the Completion Report is entered into the Computerized Disbursements and Information System established by HUD, (ii) December 30, 2043, or (iii) the date upon which the City Obligations shall become due and payable whether upon default under the Agreement, by acceleration or otherwise of this Note. Maker agrees to repay to Holder the Indebtedness represented by this Note if, during the Period of Compliance (defined in the All-Inclusive Deed of Trust and the Agreement), (i) the Project Assisted Units (defined in the Agreement) are not managed as affordable housing and occupied by tenants who qualify for such housing under the Agreement, (ii) December 30, 2043, or (iii) there is a sale, conveyance or transfer of ownership, or loss of possession of, the Property, as prohibited in the Agreement. Maker shall have the right to prepay the Indebtedness in full, or in part, at any time.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a note ("Senior Note") in the original principal amount of $6,242,653 issued by the Maker and payable to Wells Fargo Bank, N.A. ("Senior Lender"), or order, to the extent and in the manner provided in that certain Subordination and Standstill Agreement dated on or before February 29, 2012, between the payee of this Note, the Senior Lender and the Maker (the "Subordination Agreement"). The All-Inclusive Deed of Trust securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the deed of trust securing the Senior Note as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the All-Inclusive Deed of Trust securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreement.

Except as otherwise provided herein or in the All-Inclusive Deed of Trust, so long as Maker is in full compliance with all of its obligations under this Note and the All-Inclusive Deed of Trust, by its acceptance hereof, Holder agrees to perform the City Obligations of Maker to the extent that the same cannot be performed by Maker under the Agreement, and the City Obligations will be secured by an assignment of this Note and the All-Inclusive Deed of Trust by Holder to the City.

In the event Holder shall fail to timely and fully pay and perform any of the City Obligations required to be performed by Holder as provided herein, in addition to any other rights and remedies available to Maker, Maker shall be entitled to pay and perform the City Obligations and offset against the amounts due Holder hereunder the full amount of all sums paid and/or costs incurred in connection with Maker's payment and performance of the City Obligations.

Maker waives presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note.

In the event any of the payments from or performance by Maker required by the terms hereof be not paid or performed when same become due, then at any time following the expiration of applicable cure period under the All-Inclusive Deed of Trust, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of one or more installments or other payments or performance from any person thereafter shall not constitute a waiver of Holder's option.

Time is expressly made of the essence with respect to every provision hereof and the All-Inclusive Deed of Trust. This Note shall be governed by, construed and enforced in accordance with the laws of the State of Nevada.

This Note is secured by the All-Inclusive Deed of Trust, which encumbers the Property as security for the performance of the City Obligations.

Maker hereby specifically acknowledges, confirms and agrees that: (i) Maker has received copies of the documents and instruments evidencing and/or securing the City Obligations, as provided in the Agreement and the attachments thereto (collectively, the "City Obligation Documents"), (ii) Maker has reviewed and understands all of the provisions of the City Obligation Documents, this Note and the All-Inclusive Deed of Trust, and has reviewed the same with legal counsel of Maker's own choosing, (iii) Maker has not requested, received or relied upon any legal advice, representations or warranties from Holder in connection with the City Obligation Documents, this Note or the All-Inclusive Deed of Trust, and (iv) as between Maker and Holder, Maker shall be primarily responsible for, and hereby expressly covenants and agrees to fully and timely perform, all of the obligations of Holder under, arising out of, or with respect to the City Obligation Documents including, without limitation, payment of taxes, maintenance of the Property, compliance with low income housing restrictions, recorded covenants, conditions restrictions, and applicable laws.

IN WITNESS WHEREOF, Maker has caused this Note to be executed on its behalf by its duly authorized officer as of the date first above written.

Maker: LONE MOUNTAIN SENIORS, LLC, a Nevada limited liability company

By: Lone Mountain Seniors Manager, LLC, a Nevada limited liability company, Manager

By: Ovation Development Corporation, a Nevada corporation, Manager

By: ______________________________
Alan Molasky, President

Holder: SILVER SAGE MANOR., INC., a Nevada non-profit corporation

By: ______________________________
Jerry Mullen, President

ATTACHMENT 4 TO EXHIBIT "A"

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING FEDERAL HOME FUNDS

(next page)

APN: 138-02-101-015

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Silver Sage Manor, Inc.,
3870 Neil Road, Suite A
Reno NV 89502

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING FEDERAL HOME FUNDS

THIS ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING FEDERAL HOME FUNDS (herein "All-Inclusive Deed of Trust") is made this 1st day of February, 2012, by Lone Mountain Seniors, LLC (herein "Trustor"), a Nevada limited liability company, whose address is 6021 S. Fort Apache, Suite 100, Las Vegas, Nevada, 89148, to Nevada Title Company (herein "Trustee"), a Nevada corporation, whose address is 2500 North Buffalo, Suite 150, Las Vegas, Nevada, 89128, for the benefit of Silver Sage Manor, Inc. (herein "Beneficiary"), a Nevada nonprofit corporation.

WITNESSETH:

Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that real property in the City of Las Vegas, County of Clark, State of Nevada, described on Exhibit A attached hereto (the "Property") and incorporated herein as a part hereof, together with all appurtenances in which Trustor may have an interest (including water rights benefitting the Property as may represented by shares of a company or otherwise), and the rents, issues and profits thereof, reserving the right of Trustor to collect and use the same, except during some default hereunder which, in such event, Trustee shall have the right, power and authority to collect and apply such rents, issues and profits for the benefit of Beneficiary.

This All-Inclusive Deed of Trust is executed for the purpose of securing (a) payment of that certain Promissory Note for HOME Funds of even date herewith (hereinafter "the Secured Note") in the amount of Seven Hundred Seventy-Two Thousand Three Hundred Sixty Dollars ($772,360) (the "HOME Funds"), according to the terms thereof, made by Trustor, and payable to the order of Beneficiary, and (b), the performance of the obligations of Beneficiary to the City of Las Vegas set forth in that certain Deferred Loan Agreement to Fund Lone Mountain Senior

Apartment Project dated March 16, 2011 (the "Agreement"). The Secured Note, including the right to receive payment thereunder, and this All Inclusive Deed of Trust will be assigned by Beneficiary to the City of Las Vegas to secure the performance of Beneficiary's obligation of performance under the Agreement pursuant to an Assignment of Promissory Note for HOME Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds of even date herewith

A. GENERAL PROVISIONS:

1. Trustor shall abide by all of the terms of the Agreement. Trustor agrees to use the Property to provide decent, safe and sanitary rental units to eligible tenants as required under the Agreement. Trustor agrees to maintain and operate the Property as a drug-free environment. As required under the Agreement, Trustor agrees to designate and manage as affordable housing a certain number of units within the Property as floating Project Assisted Units (defined in the Agreement), which units must be occupied by tenants who qualify for affordable housing pursuant to the requirements of the Agreement for a period of thirty (30) year commencing from the date that the Completion Report, received from the Developer, is entered into the Computerized Disbursements and Information System established by HUD (the "Period of Compliance"), unless such obligation is terminated earlier pursuant to the Agreement. Trustor agrees to abide by the HOME Program rules and regulations, specifically 24 CFR 92, NRS Chapter 319, NAC Chapter 319 and the Trust Fund Administrative Guidelines, as may be applicable.

2. Beneficiary, for itself and its successors and assigns, covenants and agrees that all of its rights and powers under this All Inclusive Deed of Trust are subject to and subordinate in right of payment to the prior payment in full of the indebtedness evidenced by the promissory note dated on or before February 29, 2012, in the original principal amount of $6,242,653 (the "Note") issued by Trustor and payable to Wells Fargo Bank, N.A., or order, to the extent and in the manner provided in that certain Subordination and Standstill Agreement dated on or before February 29, 2012, by and amongst Wells Fargo Bank, N.A., Lone Mountain Seniors, LLC., and the City of Las Vegas (the "Subordination Agreement"). This All-Inclusive Deed of Trust is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the deed of trust securing the Note as more fully set forth in the Subordination Agreement.

3. Trustor agrees to repay the HOME Funds if, during the Period of Compliance, a prohibited sale, transfer, conveyance or loss of ownership or possession of the Property occurs as described in the Agreement; provided, however, that the foregoing shall not apply to transfers of any partnership interests in Trustor. In the event of such transfer, however, the floating Project Assisted Units must remain and be occupied as affordable housing as required under the Agreement until the end of the Period of Compliance.

The City of Las Vegas requests that a copy of any Notice of Default and any Notice of Sale issued hereunder be mailed to it at the following address: City of Las Vegas, Economic and Urban Development Department, 495 South Main Street – 6th Floor, Las Vegas, NV 89101.

B. TO PROTECT THE SECURITY OF THIS ALL-INCLUSIVE DEED OF TRUST, TRUSTOR AGREES:

1. To keep the Property in good condition and repair; not to remove or demolish and building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this All-Inclusive Deed of Trust.

4. To pay; (a) at least ten days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock: (b) when due subject to the mutual agreements of the parties as below set forth, all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto: (c) all allowable expenses of this Trust.

If Trustor fails to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without any obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may do any of the following: (a) Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (b) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest or compromise any encumbrance, charge or lien, which in the judgment of Beneficiary or Trustee appears to be prior or superior hereto; and (d), in exercising any of the foregoing powers; employ counsel and pay reasonable attorneys fees and expenses in connection therewith.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate provided in the Secured Note.

C. IT IS MUTUALLY AGREED:

1. That any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money's received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property, or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep in balance any loan made in connection with the Property, and rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of amounts due hereunder if such proceeds are insufficient then Trustor shall have funded any deficiency, and (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then the proceeds may be used for partial rebuilding and partial repayment of the amounts due hereunder in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the amounts due hereunder.

3. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may; reconvey any part of the Property consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

5. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

6. Notwithstanding anything to the contrary contained herein, Trustor hereby irrevocably assigns, gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness hereby secured,

enter upon and take possession of the Property or any part thereof in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.

7. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement secured hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause the Property to be sold, which notice Trustee shall cause to be filed of public record. Beneficiary also shall deposit with Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of any notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to the purchaser at the public sale, a deed conveying title to the Property so sold, without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary as hereinafter defined, may purchase as such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate provided in the secured Note; all other sums then secured hereby; and the remainder, if any to the person or persons legally entitled thereto.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by Beneficiary and duly acknowledged and recorded in the Office of the recorder of the county or counties where the Property is situated, shall be conclusive proof or proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this All-Inclusive Deed of Trust is recorded and the name and address of the Trustee.

9. That this All-Inclusive Deed of Trust applies to, inures to the benefit of, all parties hereto, and binds their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine, and the singular number includes the plural.

10. That Trustee accepts this Trust when this All-Inclusive Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

11. Beneficiary acknowledges that Trustor intends to enter into a regulatory agreement (the "Regulatory Agreement"), which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). Beneficiary acknowledges and agrees that, in the event of a foreclosure of its interest under the Mortgage or delivery by the Partnership of a deed in lieu thereof (collectively, a "Foreclosure"), the following rule contained in Section 42(h)(6)(E)(ii) of the Code shall apply:

For a period of three (3) years from the date of foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement, (i) none of the eligible tenants occupying those units at the time of foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to regulations of the HOME Program or Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

D. THE PARTIES FURTHER AGREE:

1. Trustor covenants and agrees to perform and observe all obligations to be performed and observed by Trustor under this All-Inclusive Deed of Trust securing the Secured Note.

2. The following Covenants, Nos. 1, 3, 4 (rate of interest is the default rate stated in the Secured Note), 5, 6, 7 (attorneys' fees in the amount provided for in the Secured Note), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this All-Inclusive Deed of Trust, provided, however, that the express covenants of this All-Inclusive Deed of Trust shall control to the extent that the same are inconsistent with NRS 107.030.

3. If a monetary event of default occurs under any of the terms of the Secured Note, prior to exercising any remedies thereunder, Beneficiary shall give the Trustor, and such additional parties as identified in paragraph 5 below, or as may be subsequently identified to Beneficiary by written notice, simultaneous written notice of such default. Trustor shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by

Beneficiary under the Secured Note and this All-Inclusive Deed of Trust, or such longer period of time as may be specified in the Secured Note.

4. If a non-monetary event of default occurs under the terms of the Secured Note, prior to exercising any remedies thereunder, Beneficiary shall give Trustor and such additional parties as may be identified in paragraph 5 below or as may be subsequently identified to Beneficiary by written notice, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of any remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Trustor (a) initiates corrective action within the thirty (30) day period, and (b) diligently, continually and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Secured Note.

5. Beneficiary shall give the parties identified below written notice of any default under the Agreement, and the cure periods contained in Paragraphs 3 and 4 above shall commence on the effective date of any such notice, at the following address:

Investor Member

Wells Fargo Affordable Housing
Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, NC 28288
Attention: Director of Tax Credit Asset Management

With a copy to:

Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Attention: Philip C. Spahn

6. Any cure periods available to the parties set forth above shall commence upon the date of any such notice is delivered to such party.

7. Notwithstanding anything to the contrary contained in this All-Inclusive Deed of Trust, the Secured Note, or any related document, the interests of the Investor Member in Trustor and ownership interests in the Investor Member shall be transferable without the consent of the Beneficiary or the Trustee.

8. Notwithstanding anything to the contrary contained in this All-Inclusive Deed of Trust, the Secured Note, or any related document, the withdrawal and/or removal of the Managing Member or the Class B Special Member for cause in accordance with the Operating Agreement, shall not require the consent of Beneficiary and shall not constitute an event of default hereunder. If the Investor Member exercises its right to remove the Trustor's Managing Member pursuant to the Operating Agreement, neither Trustee nor Beneficiary will unreasonably withhold its consent to the substitute Managing Member; provided however, no consent shall be required if the substitute Managing Member is an affiliate of the Investor Member. Notwithstanding the foregoing, the substitute Managing Member shall assume all of the rights and obligations of the removed Managing Member under this All-Inclusive Deed of Trust.

IN WITNESS WHEREOF the parties hereto have executed this All-Inclusive Deed of Trust on the date and year first set forth above

TRUSTOR: Lone Mountain Seniors, LLC, a Nevada limited liability company

By: Lone Mountain Seniors Manager, LLC, a Nevada limited liability company, Manager

By: Ovation Development Corporation, a Nevada corporation, Manager

By: ___________________________________

Alan Molasky, President

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this _______ day of ____________, 2012, Alan Molasky personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public _________________________ My commission expires ______________

EXHIBIT A
LEGAL DESCRIPTION

A.P.N. 138-02-101-015

THAT PORTION OF THE NORTH HALF (N ½) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 2, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE (1) AS SHOWN ON THAT PARCEL MAP ON FILE IN FILE 109 OF PARCEL MAPS, PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

ATTACHMENT "5" TO EXHIBIT "A"

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING STATE LIHTF FUNDS

(next page)

APN: 138-02-101-015

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Silver Sage Manor, Inc.,
3870 Neil Road, Suite A
Reno NV 89502

ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING STATE LIHTF FUNDS

THIS ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING LIHTF FUNDS (herein "All-Inclusive Deed of Trust") is made this 1st day of February, 2012, by Lone Mountain Seniors, LLC (herein "Trustor"), a Nevada limited liability company, whose address is 6021 S. Fort Apache, Suite 100, Las Vegas, Nevada, 89148, to Nevada Title Company (herein "Trustee"), a Nevada corporation, whose address is 2500 North Buffalo, Suite 150, Las Vegas, Nevada, 89128, for the benefit of Silver Sage Manor, Inc. (herein "Beneficiary"), a Nevada nonprofit corporation.

WITNESSETH:

Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale, that real property in the City of Las Vegas, County of Clark, State of Nevada, described on Exhibit A attached hereto (the "Property") and incorporated herein as a part hereof, together with all appurtenances in which Trustor may have an interest (including water rights benefitting the Property as may represented by shares of a company or otherwise), and the rents, issues and profits thereof, reserving the right of Trustor to collect and use the same, except during some default hereunder which, in such event, Trustee shall have the right, power and authority to collect and apply such rents, issues and profits for the benefit of Beneficiary.

This All-Inclusive Deed of Trust is executed for the purpose of securing (a) payment of that certain Promissory Note for LIHTF Funds of even date herewith (hereinafter "the Secured Note") in the amount of Four Hundred Seventy-Seven Thousand Six Hundred Forty Dollars ($477,640) (the "LIHTF Funds"), according to the terms thereof, made by Trustor, and payable to the order of Beneficiary, and (b), the performance of the obligations of Beneficiary to the City of Las Vegas set forth in that certain Deferred Loan Agreement to Fund Lone Mountain Senior

Apartment Project dated March 16, 2011 (the "Agreement"). The Secured Note, including the right to receive payment thereunder, and this All Inclusive Deed of Trust will be assigned by Beneficiary to the City of Las Vegas to secure the performance of Beneficiary's obligation of performance under the Agreement pursuant to an Assignment of Promissory Note for LIHTF Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing LIHTF Funds of even date herewith.

A. GENERAL PROVISIONS:

1. Trustor shall abide by all of the terms of the Agreement. Trustor agrees to use the Property to provide decent, safe and sanitary rental units to eligible tenants as required under the Agreement. Trustor agrees to maintain and operate the Property as a drug-free environment. As required under the Agreement, Trustor agrees to designate and manage as affordable housing a certain number of units within the Property as floating Project Assisted Units (defined in the Agreement), which units must be occupied by tenants who qualify for affordable housing pursuant to the requirements of the Agreement for a period of thirty (30) year commencing from the date that the Completion Report, received from the Developer, is entered into the Computerized Disbursements and Information System established by HUD (the "Period of Compliance"), unless such obligation is terminated earlier pursuant to the Agreement. Trustor agrees to abide by the HOME Program rules and regulations, specifically 24 CFR 92, NRS Chapter 319, NAC Chapter 319 and the Trust Fund Administrative Guidelines, as may be applicable.

2. Beneficiary, for itself and its successors and assigns, covenants and agrees that all of its rights and powers under this All Inclusive Deed of Trust are subject to and subordinate in right of payment to the prior payment in full of the indebtedness evidenced by the promissory note dated on or before February 29, 2012, in the original principal amount of $6,242,653 (the "Note") issued by Trustor and payable to Wells Fargo Bank, N.A., or order, to the extent and in the manner provided in that certain Subordination and Standstill Agreement dated on or before February 29, 2012, by and amongst Wells Fargo Bank, N.A., Lone Mountain Seniors, LLC., and the City of Las Vegas (the "Subordination Agreement"). This All-Inclusive Deed of Trust is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the deed of trust securing the Note as more fully set forth in the Subordination Agreement.

3. Trustor agrees to repay the LIHTF Funds if, during the Period of Compliance, a prohibited sale, transfer, conveyance or loss of ownership or possession of the Property occurs as described in the Agreement; provided, however, that the foregoing shall not apply to transfers of any partnership interests in Trustor. In the event of such transfer, however, the floating Project Assisted Units must remain and be occupied as affordable housing as required under the Agreement until the end of the Period of Compliance.

The City of Las Vegas requests that a copy of any Notice of Default and any Notice of Sale issued hereunder be mailed to it at the following address: City of Las Vegas, Economic and Urban Development Department, 495 South Main Street – 6th Floor, Las Vegas, NV 89101.

B. TO PROTECT THE SECURITY OF THIS ALL-INCLUSIVE DEED OF TRUST, TRUSTOR AGREES:

1. To keep the Property in good condition and repair; not to remove or demolish and building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this All-Inclusive Deed of Trust.

4. To pay; (a) at least ten days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock: (b) when due subject to the mutual agreements of the parties as below set forth, all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto: (c) all allowable expenses of this Trust.

If Trustor fails to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without any obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may do any of the following: (a) Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (b) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest or compromise any encumbrance, charge or lien, which in the judgment of Beneficiary or Trustee appears to be prior or superior hereto; and (d), in exercising any of the foregoing powers; employ counsel and pay reasonable attorneys fees and expenses in connection therewith.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate provided in the Secured Note.

C. IT IS MUTUALLY AGREED:

1. That any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money's received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property, or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep in balance any loan made in connection with the Property, and rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of amounts due hereunder if such proceeds are insufficient then Trustor shall have funded any deficiency, and (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then the proceeds may be used for partial rebuilding and partial repayment of the amounts due hereunder in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the amounts due hereunder.

3. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may; reconvey any part of the Property consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

5. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

6. Notwithstanding anything to the contrary contained herein, Trustor hereby irrevocably assigns, gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness hereby secured,

enter upon and take possession of the Property or any part thereof in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.

7. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement secured hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause the Property to be sold, which notice Trustee shall cause to be filed of public record. Beneficiary also shall deposit with Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of any notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to the purchaser at the public sale, a deed conveying title to the Property so sold, without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary as hereinafter defined, may purchase as such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate provided in the secured Note; all other sums then secured hereby; and the remainder, if any to the person or persons legally entitled thereto.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by Beneficiary and duly acknowledged and recorded in the Office of the recorder of the county or counties where the Property is situated, shall be conclusive proof or proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this All-Inclusive Deed of Trust is recorded and the name and address of the Trustee.

9. That this All-Inclusive Deed of Trust applies to, inures to the benefit of, all parties hereto, and binds their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine, and the singular number includes the plural.

10. That Trustee accepts this Trust when this All-Inclusive Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

11. Beneficiary acknowledges that Trustor intends to enter into a regulatory agreement (the "Regulatory Agreement"), which constitutes the extended low-income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended (the "Code"). Beneficiary acknowledges and agrees that, in the event of a foreclosure of its interest under the Mortgage or delivery by the Partnership of a deed in lieu thereof (collectively, a "Foreclosure"), the following rule contained in Section 42(h)(6)(E)(ii) of the Code shall apply:

For a period of three (3) years from the date of foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement, (i) none of the eligible tenants occupying those units at the time of foreclosure may be evicted or their tenancy terminated (other than for good cause, including but not limited to, the tenants' ineligibility pursuant to regulations of the HOME Program or Section 42 of the Code), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

D. THE PARTIES FURTHER AGREE:

1. Trustor covenants and agrees to perform and observe all obligations to be performed and observed by Trustor under this All-Inclusive Deed of Trust securing the Secured Note.

2. The following Covenants, Nos. 1, 3, 4 (rate of interest is the default rate stated in the Secured Note), 5, 6, 7 (attorneys' fees in the amount provided for in the Secured Note), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this All-Inclusive Deed of Trust, provided, however, that the express covenants of this All-Inclusive Deed of Trust shall control to the extent that the same are inconsistent with NRS 107.030.

3. If a monetary event of default occurs under any of the terms of the Secured Note, prior to exercising any remedies thereunder, Beneficiary shall give the Trustor, and such additional parties as identified in paragraph 5 below, or as may be subsequently identified to Beneficiary by written notice, simultaneous written notice of such default. Trustor shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by

Beneficiary under the Secured Note and this All-Inclusive Deed of Trust, or such longer period of time as may be specified in the Secured Note.

4. If a non-monetary event of default occurs under the terms of the Secured Note, prior to exercising any remedies thereunder, Beneficiary shall give Trustor and such additional parties as may be identified in paragraph 5 below or as may be subsequently identified to Beneficiary by written notice, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of any remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Trustor (a) initiates corrective action within the thirty (30) day period, and (b) diligently, continually and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Secured Note.

5. Beneficiary shall give the parties identified below written notice of any default under the Agreement, and the cure periods contained in Paragraphs 3 and 4 above shall commence on the effective date of any such notice, at the following address:

Investor Member

Wells Fargo Affordable Housing
Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, NC 28288
Attention: Director of Tax Credit Asset Management

With a copy to:

Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Attention: Philip C. Spahn

6. Any cure periods available to the parties set forth above shall commence upon the date of any such notice is delivered to such party.

7. Notwithstanding anything to the contrary contained in this All-Inclusive Deed of Trust, the Secured Note, or any related document, the interests of the Investor Member in Trustor and ownership interests in the Investor Member shall be transferable without the consent of the Beneficiary or the Trustee.

8. Notwithstanding anything to the contrary contained in this All-Inclusive Deed of Trust, the Secured Note, or any related document, the withdrawal and/or removal of the Managing Member or the Class B Special Member for cause in accordance with the Operating Agreement, shall not require the consent of Beneficiary and shall not constitute an event of default hereunder. If the Investor Member exercises its right to remove the Trustor's Managing Member pursuant to the Operating Agreement, neither Trustee nor Beneficiary will unreasonably withhold its consent to the substitute Managing Member; provided however, no consent shall be required if the substitute Managing Member is an affiliate of the Investor Member. Notwithstanding the foregoing, the substitute Managing Member shall assume all of the rights and obligations of the removed Managing Member under this All-Inclusive Deed of Trust.

IN WITNESS WHEREOF the parties hereto have executed this All-Inclusive Deed of Trust on the date and year first set forth above

TRUSTOR: Lone Mountain Seniors, LLC, a Nevada limited liability company

By: Lone Mountain Seniors Manager, LLC, a Nevada limited liability company, Manager

By: Ovation Development Corporation, a Nevada corporation, Manager

By: ______________________________

Alan Molasky, President

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this _______ day of ____________, 2012, Alan Molasky personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public______________________ My commission expires ____________

EXHIBIT A
LEGAL DESCRIPTION

A.P.N. 138-02-101-015

THAT PORTION OF THE NORTH HALF (N ½) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 2, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE (1) AS SHOWN ON THAT PARCEL MAP ON FILE IN FILE 109 OF PARCEL MAPS, PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

ATTACHMENT "6" TO EXHIBIT "A"

ASSIGNMENT OF PROMISSORY NOTE FOR FEDERAL HOME FUNDS AND ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING FEDERAL HOME FUNDS

(next page)

APN: 138-02-101-015

When recorded, return to:
City of Las Vegas
Earlie King
Economic and Urban Development Department
495 South Main Street, 6th Floor
Las Vegas, NV 89101

ASSIGNMENT OF PROMISSORY NOTE AND ALL-INCLUSIVE DEED OF TRUST FOR FEDERAL HOME FUNDS

FOR VALUE RECEIVED, the undersigned, Silver Sage Manor. Inc., a Nevada nonprofit corporation, hereby grants, assigns and transfers to the City of Las Vegas, a municipal corporation within the State of Nevada, (i) all of the undersigned's right, title and interest in and to that certain Promissory Note for HOME Funds in the amount of $772,360 dated February 1, 2012, which includes the money due or to become due thereunder, executed by Lone Mountain Seniors, LLC, a Nevada limited liability company, in favor of the undersigned, and (ii) all of the undersigned's right, title and interest in and to that certain All Inclusive Deed of Trust and Assignment of Rents Securing HOME Funds (the "**Deed of Trust**") dated as of February 1, 2012, and recorded in the Official Records of the County Recorder's Office for the County of Clark simultaneously herewith, which includes all rights accrued or to accrue under that Deed of Trust. The Deed of Trust encumbers that certain real property described on the attached Exhibit "1".

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Promissory Note and All-Inclusive Deed of Trust for HOME Funds as of ______________, 2012.

Silver Sage Manor, Inc.

By: ______________________________
Jerry Mullen, President

STATE OF NEVADA)
) ss
COUNTY OF _______)

On this _____ day of ______________, 2012, Jerry Mullen personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public _________________My commission expires _______________

EXHIBIT 1
LEGAL DESCRIPTION

A.P.N. 138-02-101-015

THAT PORTION OF THE NORTH HALF (N ½) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 2, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE (1) AS SHOWN ON THAT PARCEL MAP ON FILE IN FILE 109 OF PARCEL MAPS, PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

ATTACHMENT "7" TO EXHIBIT "A"

ASSIGNMENT OF PROMISSORY NOTE FOR STATE LIHTF FUNDS AND ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING STATE LIHTF FUNDS

(next page)

APN: 138-02-101-015

When recorded, return to:
City of Las Vegas
Earlie King
Economic and Urban Development Department
495 South Main Street, 6th Floor
Las Vegas, NV 89101

ASSIGNMENT OF PROMISSORY NOTE FOR STATE LIHTF FUNDS AND ALL-INCLUSIVE DEED OF TRUST FOR STATE LIHTF FUNDS

FOR VALUE RECEIVED, the undersigned, Silver Sage Manor. Inc., a Nevada nonprofit corporation, hereby grants, assigns and transfers to the City of Las Vegas, a municipal corporation within the State of Nevada, (i) all of the undersigned's right, title and interest in and to that certain Promissory Note for LIHTF Funds in the amount of $477,640, which includes the money due or to become due thereunder, executed by Lone Mountain Seniors, LLC, a Nevada limited liability company, in favor of the undersigned, and (ii) all of the undersigned's right, title and interest in and to that certain All Inclusive Deed of Trust and Assignment of Rents Securing LIHTF Funds (the "**Deed of Trust**") dated as of February 1, 2012, and recorded in the Official Records of the County Recorder's Office for the County of Clark simultaneously herewith, which includes all rights accrued or to accrue under that Deed of Trust. The Deed of Trust encumbers that certain real property described on the attached Exhibit "1".

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Promissory Note and All-Inclusive Deed of Trust for LIHTF Funds as of ____________ __, 2012.

Silver Sage Manor, Inc.

By: ____________________________
Jerry Mullen, President

STATE OF NEVADA)
) ss
COUNTY OF _______)

On this _____ day of ______________, 2012, Jerry Mullen personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public _________________My commission expires _______________

EXHIBIT 1
LEGAL DESCRIPTION

A.P.N. 138-02-101-015

THAT PORTION OF THE NORTH HALF (N ½) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 2, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE (1) AS SHOWN ON THAT PARCEL MAP ON FILE IN FILE 109 OF PARCEL MAPS, PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

ATTACHMENT 8 TO EXHIBIT "A"

ALLONGE FOR PROMISSORY NOTE FOR FEDERAL HOME FUNDS

(next page)

ALLONGE FOR PROMISSORY NOTE FOR FEDERAL HOME FUNDS

To be attached to that certain Promissory Note for Federal HOME Funds dated February 1, 2012, in the original amount of $772,360 executed by Lone Mountain Seniors, LLC, in favor of Silver Sage Manor, Inc., a Nevada nonprofit corporation.

Pay to the order of City of Las Vegas

Dated: ____________________

Silver Sage Manor, Inc.

By: ____________________________________
Jerry Mullen, President

ATTACHMENT 9 TO EXHIBIT "A"

ALLONGE FOR PROMISSORY NOTE FOR STATE LIHTF HOME FUNDS

(next page)

ALLONGE FOR PROMISSORY NOTE FOR STATE LIHTF FUNDS

To be attached to that certain Promissory Note for State LIHTF Funds dated February 1, 2012, in the original amount of $477,640 executed by Lone Mountain Seniors, LLC, in favor of Silver Sage Manor, Inc., a Nevada nonprofit corporation.

Pay to the order of City of Las Vegas

Dated: ____________________

Silver Sage Manor, Inc.

By: ________________________________

Jerry Mullen, President

EXHIBIT "B"
SCHEDULE OF PERFORMANCE
Lone Mountain Senior Apartments

Estimated Development and Completion Schedule

Estimated Date	Milestone
December 2010	Submitted applications City of Las Vegas HOME / LIHTF funds
May 2011	Submitted application for 2011 Low Income Housing Tax Credits
October 2011	Project fully funded
January 2012	Complete bidding process for contractors
February 2012	close partnership, close construction loan, and **start construction**
March 2013	Start pre-leasing
April 2013	**Construction Complete**
September 2013	Final Cost Certification
December 2013	100% occupied and issuance of 8609's from Nevada Housing Division

EXHIBIT "C"
PROJECT BUDGET

Lone Mountain Senior Apartments

	Total Project Costs	CLV Funds	LIHTC Equity	Def. Developer Fee	Permanent Mortgage
LAND	1,241,504		1,241,504		-
Demolition	-				-
Off Site work	-				-
On Site work	580,093	400,000	180,093		-
Buildings	4,288,172	512,200	2,685,972		1,090,000
Contractor Fees	292,096		292,096		-
General Requirements	194,244		194,244		-
Contingency Fund	374,822		374,822		-
Arch/Engineering	567,983	20,000	547,983		-
Permits/Fees	686,800	270,000	416,800		-
Construction Interest	279,676		279,676		-
Bridge Interest	-		0		-
Constr. Finance Costs	121,276	7,800	113,476		-
Perm Finance Costs	30,000		30,000		-
3rd Party Reports	8,853		8,853		-
Other Soft Costs	655,269	40,000	615,269		-
Developer Fee	1,040,000		1,035,348	4,652	-
Project Reserves	313,031		313,031		-
TOTAL USES	**10,673,819**	**1,250,000**	**8,329,167**	**4,652**	**1,090,000**

EXHIBIT "D"
SITE MAP

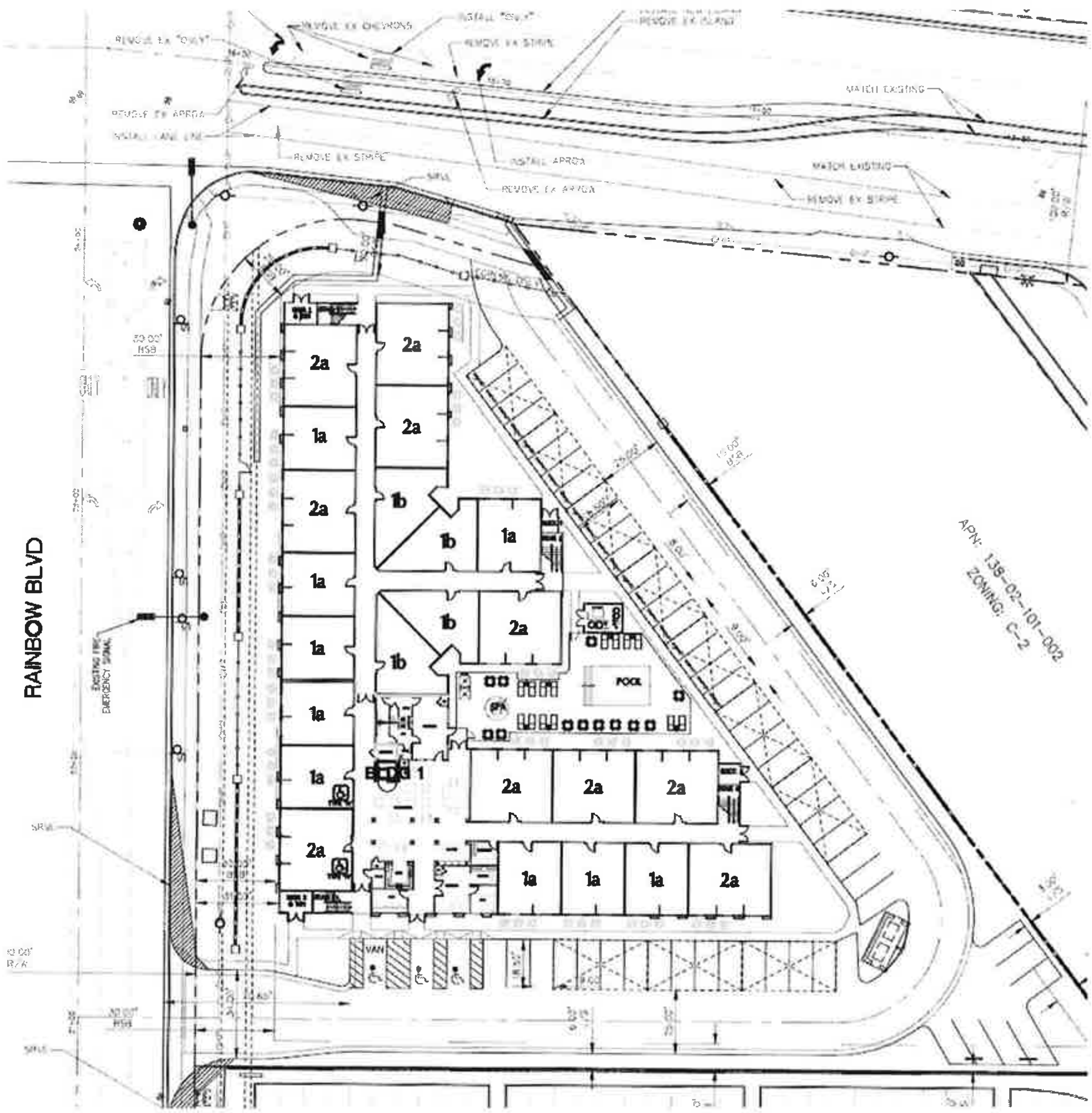


EXHIBIT "E"
PROJECT RENDERING

EXHIBIT "F"
LEGAL DESCRIPTION

A.P.N. 138-02-101-015

THAT PORTION OF THE NORTH HALF (N ½) OF THE NORTHWEST QUARTER (NW ¼) OF SECTION 2, TOWNSHIP 20 SOUTH, RANGE 60 EAST, M.D.M., CITY OF LAS VEGAS, COUNTY OF CLARK, STATE OF NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE (1) AS SHOWN ON THAT PARCEL MAP ON FILE IN FILE 109 OF PARCEL MAPS, PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

EXHIBIT "G"
HOME/LIHTF PROGRAM INCOME GUIDELINES

(next page)

HOME/LIHTF PROGRAM INCOME GUIDELINES:
U.S. Department of Housing and Urban Development (HUD)
HOME/ Program Limits (Effective May, 2011)
Median Family Income ($63,400)

FAMILY SIZE	INCOME NOT TO EXCEED	
1	30%	13,700
	50%	22,800 (Very Low-Income)
	60%	27,360
	80%	36,500 (Low-Income)
2	30%	15,650
	50%	26,050(Very Low-Income)
	60%	31,260
	80%	41,700(Low-Income)
3	30%	17,600
	50%	29,300(Very Low-Income)
	60%	35,160
	80%	46,900 (Low-Income)
4	30%	19,550
	50%	32,550 (Very Low-Income)
	60%	39,060
	80%	52,100 (Low-Income)
5	30%	21,150
	50%	35,200(Very Low-Income)
	60%	42,240
	80%	56,300 (Low-Income)
6	30%	22,700
	50%	37,800 (Very Low-Income)
	60%	45,360
	80%	60,450(Low-Income)
7	30%	24,250
	50%	40,400 (Very Low-Income)
	60%	48,480
	80%	64,650 (Low-Income)
8	30%	25,850
	50%	43,000 (Very Low-Income)
	60%	51,600
	80%	68,800 (Low-Income)

EXHIBIT "H"
HOME/LIHTF PROGRAM RENT LIMITS

(next page)

HOME/LIHTF PROGRAM RENT LIMITS
U.S. Department of Housing and Urban Development (HUD)
Program Limits (May, 2011)

PROGRAM	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM
Low Home Rent Limit	575	616	740	854	953
High Home Rent Limit	728	781	939	1,077	1,181

For Information Only:

Fair Market Rent	770	907	1,067	1,483	1,785
50% Rent Limit	570	610	732	846	945
65% Rent Limit	721	774	931	1,066	1,170

EXHIBIT "I"

DISCLOSURE OF PRINCIPALS

DISCLOSURE OF PRINCIPALS

The principals and partners Silver Sage Manor, Inc., *and all persons and entities holding* more than 1% interest in Silver Sage Manor, Inc., or any principal of Silver Sage Manor, Inc., are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
	Stockholders---None		
	Board of Directors (see attached list)		
	Officers (see attached list)		

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

By: ___________________________________

., President

Subscribed and sworn to before me this
_____ day of __________________, 20___.

____

Notary Public

EXHIBIT "J"

RIDER TO DEFFERED LOAN AGREEMENT

RIDER TO DEFERRED LOAN AGREEMENT

Notwithstanding anything to the contrary set forth in the Deferred Loan Agreement to Fund Lone Mountain Senior Apartment Project dated March 16, 2011, and attachments thereto (the "Loan Documents"), by and between the City of Las Vegas (the "City") and Silver Sage Manor, Inc. (the "Borrower"), evidencing or securing the City's deferred loan in the amount of $1,250,000 (the "Loan") to the Borrower, the City makes the covenants set forth in this Rider.

1. The City will give Wells Fargo Affordable Housing Community Development Corporation, together with its successors and assigns, (the "Investor Member") a copy of any written notice it gives to the Borrower or Lone Mountain Seniors, LLC ("Lone Mountain") under the Loan Documents at the following address:

Wells Fargo Affordable Housing
Community Development Corporation
MAC D1053-170
301 South College Street
Charlotte, NC 28288
Attention: Director of Tax Credit Asset Management

With a copy to:
Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Attention: Philip C. Spahn

2. If the Investor Member makes any such payment or otherwise cures such default in the time provided for such cure payment or cure by the Borrower or Lone Mountain, the City will accept such action as curing the respective default under the Loan Documents.

3. The City will permit the Investor Member to transfer its membership interest in Lone Mountain to any person or entity at any time.

4. The City will permit the Investor Member to remove the managing member of the Borrower and the Class B Special Member of Lone Mountain in accordance with Lone Mountain's operating agreement, provided that the substitute managing member shall be acceptable to the City in its reasonable discretion. An affiliate of the Investor Member shall be an acceptable substitute managing member.

5. The City will permit insurance and condemnation proceeds to be used to rebuild the Project provided that (i) sufficient funds are provided from other sources to effectively rebuild the Project to a multifamily housing complex, and (ii) the City shall hold all such proceeds and disburse them based on the progress of construction, subject to such additional reasonable conditions as the City may impose.

6. The City has not and will not cross-default or cross-collateralize the Loan with any loan to an entity other than the Borrower.

7. The Investor Member is intended to be a direct beneficiary of the covenants set forth in this Rider and shall be entitled to bring an action to enforce the same independent of any rights of Lone Mountain or the Borrower.

DEFERRED LOAN AGREEMENT TO FUND
MCKNIGHT SENIOR VILLAGE APARTMENT REHABILITATION PROJECT

(A Redevelopment Agency Affordable Housing Set-Aside Program Funded Project)

This Deferred Loan Agreement to Fund McKnight Senior Village Apartment Rehabilitation Project (this "Agreement") is made and entered into this 16th day of March, 2011, by and between the City of Las Vegas (the "City"), a municipal corporation within the State of Nevada, with offices located at City Hall, 495 S. Main Street, Las Vegas, Nevada 89101, and Silver State Housing (the "Developer"), a non-profit corporation organized under the laws of the State of Nevada, with a mailing address of 2655 S. Rainbow Blvd., Suite 401, Las Vegas, Nevada 89146. The City and the Developer are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, pursuant to Resolution No. RA-402000 adopted by the City of Las Vegas Redevelopment Agency (the "RDA") dated July 5, 2000, the City is the designated recipient of the 18% affordable housing set aside funds derived from the ad valorem tax increment received by the RDA, which funds are to be used for the construction of affordable housing within the City of Las Vegas; and

WHEREAS, the Developer has requested financial assistance from the City for the purpose of rehabilitating the existing 110-unit affordable housing complex commonly known and referred to as the "McKnight Senior Village Apartments", which rehabilitated units will be used to provide affordable housing to seniors who qualify under the requirements of this Agreement to become residents thereof; and

WHEREAS, the Las Vegas City Council, at its meeting on March 16, 2011, approved the Developer's request for financial assistance after determining that the rehabilitation of the McKnight Senior Village Apartments, and subsequent operation to provide affordable housing to seniors who qualify for such housing, is a project which furthers the goals and objectives of the Affordable Housing Set-Aside Program (the "RDA Program") operated by the City.

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

I. DEVELOPER PROJECT RESPONSIBILITIES

In consideration of the allocation of the Project Funds (defined in Section II below) by the City to the Developer pursuant to this Agreement, the Developer agrees to complete the Project described in the Project Description, Financing and Requirements, Exhibit "A" attached hereto and incorporated herein as a part hereof, and thereafter to operate and manage the McKnight Senior Village Apartments for the purpose of providing affordable housing to seniors who qualify for such housing according to the requirements of this Agreement. The Project will consist of the rehabilitation work described in the Scope of Work, Exhibit B attached hereto and incorporated herein as a part of this Agreement. Any substantial change or deviation from the work described in the Scope of Work requires the approval of the City Council.

II. CITY PROJECT RESPONSIBILITIES

In consideration of the Developer's promise to complete the Project pursuant to the requirements of this Agreement, the City agrees to provide the Developer with a deferred loan (hereinafter defined) in an amount not to exceed One Million One Hundred Ninety-Four Thousand Five Hundred Seventy-Two Dollars ($1,194,572) of funds from the City's RDA Program (the "Project Funds"). The Project Funds shall be used for the purpose of reimbursing the Developer for eligible Project costs incurred in completing the Project. For the purpose of this Agreement, a "deferred loan" is one in which the Developer is released from the obligation of repayment if the Developer has complied with all of the requirements of this Agreement for the period of time defined as the Period of Compliance in Section C 1 of the Project Description, Financing and Requirements.

The Project Funds shall be disbursed pursuant to the applicable provisions contained in Section VII E of this Agreement after the request for payment has been received from the Developer and approved by the City.

III. CONDITIONS TO THE RELEASE OF PROJECT FUNDS

The City's obligation to reimburse the Developer for the eligible Project costs incurred during the Project shall be subject to the following conditions set forth below.

A. Issuance of Notice to Proceed. The City's Economic and Urban Department Director, or the Director's designee, has provided the Developer with a written Notice to Proceed authorizing commencement of the Project. Subsequent to issuance of the Notice to Proceed, the Developer agrees to provide the City with written construction progress reports until the Project is completed. The failure to comply with the requirements of this provision may result in the denial of some or all of the Project Funds to be provided under this Agreement.

B. Issuance of Title Insurance. A Preliminary Title Report is provided to the City indicating that the title of the Property is held in a manner which is acceptable to the City, and a CLTA Lender's Policy of Title Insurance, in a form acceptable to the City, is issued in the minimum amount of the Project Funds, which names the City as an insured party thereunder. The CLTA Lender's Policy of Title Insurance shall be issued prior to the disbursement of any of the Project Funds to the Developer.

C. Property Appraisal. An appraisal/valuation ascertaining the fair market value of the Property as required pursuant to Section V M of this Agreement is provided to the City.

D. Delegation and Assumption. The Developer has delegated all of its obligations under this Agreement, and McKnight Senior Village Limited Partnership has assumed all of those obligations, pursuant to the Delegation and Assumption Agreement, which document is set forth as Attachment 1 to the Project Description, Financing and Requirements.

E. Promissory Note. McKnight Senior Village Limited Partnership has executed the Promissory Note for RDA Funds (the "RDA Promissory Note") in favor of the Developer as evidence of the deferred loan of the Project Funds by the Developer to the McKnight Senior Village Limited Partnership, which document is set forth as Attachment 2 to the Project Description, Financing and Requirements.

F. Deed of Trust. McKnight Senior Village Limited Partnership, as Trustor, has executed and caused the recordation of the All-Inclusive Deed of Trust and Assignment of Rents Securing Promissory Note for RDA Funds (the "RDA Deed of Trust") encumbering the ownership interest of McKnight Senior Village Limited Partnership in the Property in favor of the Developer, as Beneficiary therein, as security for repayment of the RDA Promissory Note in the event that McKnight Senior Village Limited Partnership fails to perform the obligations of the Developer under this Agreement, which document is set forth as Attachment 3 to the Project Description, Financing and Requirements.

G. Assignment of Promissory Note and All-Inclusive Deed of Trust. The Developer has executed and caused the recordation of the Assignment of Promissory Note and All-Inclusive Deed of Trust for RDA Funds assigning all of the Developer's interest in the RDA Promissory Note and the RDA Deed of Trust as described therein to the City, which document is set forth as Attachment 4 to the Project Description, Financing and Requirements.

H. Allonge to RDA Promissory Note. The Developer has executed the Allonge to Promissory Note for RDA Funds making the RDA Promissory Note payable to the order of the City, which document is set forth as Attachment 5 to the Project Description, Financing and Requirements.

IV. PERIOD OF PERFORMANCE

This Agreement shall commence as of the date set forth in the introductory paragraph above, and shall continue in force and effect until performance of all of the obligations set forth in this Agreement, unless terminated earlier pursuant to Sections VIII B of this Agreement. The date set forth in the introductory paragraph of this Agreement will be the date of approval of the Project Funds for the Project by the City Council for the City, but such approval does not obligate the City to provide the Project Funds until this Agreement has been executed by the Parties.

The Project Funding must be expended on or before December 30, 2013. The Developer agrees that the Project shall proceed according to the timelines set forth in the Project Schedule, Exhibit "B" attached hereto and incorporated herein as a part of this Agreement, and to complete the Project by November 30, 2013, unless an extension has been requested in writing by the Developer and granted in writing by the Director of the Economic and Urban Development Department, or the Director's designee, (which approval shall not be unreasonably withheld) to the timelines or completion date.

V. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE HOME/LIHTF PROGRAM MANUAL AND OTHER APPLICABLE STATUTES AND REGULATIONS

The Developer agrees to comply with the requirements, policies, regulations and time criteria of the HOME/LIHTF Programs specified in the Economic and Urban Development Department HOME/LIHTF Program Manual. The Developer shall obtain any and all applicable federal, state, and local permits, licenses, notices or certificates required to rehabilitate the Project. The Developer further agrees to abide by all applicable federal, state, and local regulations, statutes, ordinances and laws, including the state prevailing wage rate laws set forth in NRS Chapter 332. The failure to abide by any of the above may result in the forfeiture of any and all of the Project Funds provided under this Agreement.

B. INDEPENDENT CONTRACTOR

The Developer has requested financial support from the City to enable it to complete the Project contemplated herein. The City shall have no relationship whatsoever with the Project except for providing financial support and the receipt of the construction progress reports required from the Developer under Section III of this Agreement. In any and all events, the performance contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by the Developer, subject to review by the Economic and Urban Development Department Director, or the Director's designee, to assure compliance with the requirements of this Agreement and continuing eligibility for the Project Funding.

C. INDEMNIFICATION

The Developer agrees to protect, defend, indemnify and save the City, its officers, employees and agents, harmless from and against any and all damages, claims, suits, liens, judgments or any other form of liability of whatever nature for injuries to, or death of, any person caused by, connected with, or arising out of any activities or performance undertaken pursuant to this Agreement. The Developer's obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph shall include reasonable attorneys' fees incurred by the City in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and reasonable investigation expenses incurred by the City in enforcing and/or obtaining compliance with the provisions of this paragraph.

D. ON-SITE MONITORING

The Project funded under this Agreement will be subject to on-site monitoring by duly authorized representatives (including independent auditors) of the City and representatives of the State of Nevada, or any combination thereof. The representatives will be announced, at a minimum, 24 hours in advance of any on-site visits, which shall occur during normal operating hours. During any on-site visit, the representatives shall be granted access to any and all records pertaining to the Project. The representatives may interview any employee of the Developer, or any entity associated with the Project, who volunteers to be interviewed.

The Developer shall allow the representatives to conduct such reviews, audits and on-site monitoring of the Project as the reviewing entity deems appropriate in order to determine:

(i) Whether the Project is being operated in a manner consistent with the Consolidated Plan and the primary objectives of the Project Funds;

(ii) Whether the objectives of the Project are being achieved;

(iii) Whether the Project is being operated in an efficient and effective manner;

(iv) Whether management control systems and internal procedures have been established to meet the objectives of the Project;

(v) Whether the financial operations of the Project are being conducted properly;

(vi) Whether the periodic reports to the City contain accurate and reliable information; and

(vii) Whether all of the activities of the Project are conducted in compliance with applicable federal, state and local laws, rules and regulations and the provisions of this Agreement.

E. MAINTENANCE OF RECORDS

The Developer agrees to maintain financial records and supporting documentation pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain them for a period of five years after the Project completion date; except that records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period , until five years after expiration of the Period of Compliance (defined in Section C 1 of the Project Description, Financing and Requirements). The records subject to audit findings shall be retained for five years after the audit findings have been resolved. In the event the Developer goes out of existence, the Developer shall turn over to the City all of its records relating to this Agreement which will be retained by the City for the required retention period.

F. AUDITING OF RECORDS AND BOOKS

The Developer agrees to permit the City, or its designated representative(s), (including independent auditors, HUD or the Comptroller of the United States or any combination thereof) 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 the Developer's operation hereunder. The Developer further understands and agrees that the inspection and audit will be exercised only after written notice to the Developer. If the records or books are not located within Clark County, Nevada, the Developer agrees to deliver the records or books to the address within the City of Las Vegas designated by the City. If the City, or its designated representative(s), find that the records delivered by the Developer are incomplete, the Developer agrees to pay the City or its representative(s), the costs to travel (including transportation, lodging, meals, and other related expenses) to the Developer's offices to inspect and audit, as deemed necessary, all records of the

Project relating to finances, as well as other records (such as the performance records) that may be required by relevant directives of funding sources of the City.

G. INSURANCE

1. Insurance Coverage. The Developer, shall procure and maintain at its own expense during the entire term of this Agreement, the following insurance coverage:

a. Industrial/Workers' Compensation Insurance protecting the Developer and the City from potential Developer employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement.

b. General Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit per occurrence, and Two Million Dollars ($2,000,000) in the aggregate, for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverage must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverage for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.

c. Automobile Liability Insurance in the amount of One Million Dollars ($1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by the Developer (owned or hired) in the performance of the services under this Agreement.

d. Comprehensive Fire and Hazard Insurance covering the full replacement costs of the Project.

The insurance policies required under this Section are in addition to, and not in lieu of, the Developer's indemnification obligation provided under Section V.C.

2. Certificates of Insurance. Prior to the commencement of its performance under this Agreement, the Developer shall have on file with the City current certificates of insurance evidencing the policies required herein.

a. Developer shall furnish the renewal certificates for the required insurance during the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare the Developer in default of its obligation under this Section.

b. The City, its officers, employees and volunteers must be expressly named as additional insured parties under the policies required under this Section.

3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by the Developer including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VIII, A IX, A X, etc.)

4. Lapse of Insurance. If the Developer fails to maintain any of the insurance policies required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order that the required policies may be maintained. The Developer is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from the Developer or deduct the amount paid from any sums due the Developer under this Agreement.

5. Primary Coverage. The Developer's insurance shall be the primary coverage with respect to the City, its officers, employees and agents. Any other coverage (insurance or otherwise) available to the City, its officers, employees and agents shall be considered coverage in excess to that required of the Developer and shall not contribute with it.

6. Notice of Cancellation. Each insurance policy supplied by the Developer must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits until thirty (30) days prior written notice by certified mail "return receipt requested" has been given to the City. This notice requirement does not waive the insurance requirements contained herein.

H. IRS REGULATIONS

The Developer agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he or she is paid $600 or more, (or as updated by the IRS) and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. The 1099 instructions can be obtained on the IRS website.

I. LIMIT ON ASSIGNMENT OF INTEREST

The Developer may not assign any part of its rights in this Agreement without the written consent of City. Any such assignment of rights without the consent of City shall result in the forfeiture of all the Project Funds, or any part thereof, as determined by City.

J. THIRD PARTY CONTRACTS

The Developer shall provide reasonable advance notice to, and obtain the written consent from, the City prior to obtaining, through funds made available pursuant to this Agreement, professional services pursuant to a written contractual agreement with a third party. A copy of the contractual agreement is to be provided to the City. The advance notice shall demonstrate the necessity of such services and shall provide for an adequate remedy in the event the professional services are not rendered in a manner consistent with the terms of this Agreement.

K. GROUND BREAKING CEREMONIES

The Developer understands and agrees that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the Developer. In addition, the Developer agrees to coordinate with the City any ceremonial events concerning the Project including the review and approval of the date for groundbreaking ceremonies, the invitations, invitation list, press release, and the ceremonial programs. The City will be responsible for scheduling the ceremonial event with City elected officials.

L. INCOMPLETE PROJECT

If, for any reason whatsoever, subsequent to the execution of this Agreement, the Developer is unable to begin or complete the Project and the Project Funds were utilized for the Project, the Developer may, with the approval and consent of the City, transfer the Property by deed to the City without cost to the City. In the event of such transfer, the City will make reasonable efforts to ensure the Property is utilized for a Project-eligible project, or the City may sell the Property and return the amount of the Project Funds utilized for the purchase to its source.

As an alternative to conveyance of the Property to the City, the Developer may elect to sell the Property, provided arrangements have been made through escrow for the proceeds resulting therefrom to be used in the following order of priority: (i) repayment of any Project financing which is senior to the financing provided by the City, (ii) repayment of the Project Funds expended on the Project, (iii) repayment to the Developer the amount of its investment in the Project, and (iv) the balance of the proceeds, if any, existing thereafter shall be returned to the City. If the proceeds from the sale of the Property are inadequate to repay the City for the Project Funds expended on the Project, the Developer agrees to pay the deficiency and such payment shall be made at, and as a condition to, the close of escrow concerning the sale of the Property.

M. APPRAISAL OF PROPERTY

The Developer hereby acknowledges that the policy of the City is to secure as collateral an interest in any and all real property being rehabilitated with the Project Funds. For projects involving the acquisition of real property, improvements to real property, rehabilitation of property, or any combination thereof, the City will not provide funding in excess of fair market value of the Property as rehabilitated. For purposes of this Project, in order to determine if funding is available, and the amount of such funding, the City requires an appraisal or valuation be completed indicating the fair market value of the rehabilitated Property, including all rehabilitation or improvements to be made to the Property. The City will not disburse any Project Funds for the Project to this Agreement until an appraisal or valuation is received to the satisfaction of the City.

N. DEFINITION AND DISPOSITION OF PROGRAM INCOME

For purposes of this Agreement, "Program Income" shall mean the gross income received by the Developer directly generated from the use of RDA funds or matching contribution generated during the Period of Compliance and includes, but is not limited to, the following:

(i) Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, improved or constructed with the Project Funds;

(ii) Gross income from the use or rental of real property owned by the Developer that was acquired, rehabilitated, improved, or constructed with the Project Funds, less the costs incidental to generation of the income;

(iii) Payments of principal and interest on loans made using the Project Funds;

(iv) Proceeds from the sale of loans made with the Project funds;

(v) Proceeds from the sale of obligations secured by loans made with the Project Funds;

(vi) Interest earned on the Program Income pending its disposition; and

(vii) Any other interest or return on the investment permitted under 92.205(b) for HOME funds or matching contributions.

Any Program Income generated by the Project must be deposited into the City's local account for the RDA Program unless the City permits the Developer in writing to retain the Program Income for use in additional projects which qualify for funding under the RDA Program or any other affordable housing program approved by the City.

O. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the City Council effective October 1, 1999, the Developer warrants that it has disclosed, on the form attached hereto as Exhibit "H", all principals, including, partners of the Developer, as well as all persons and entities holding more than 1% interest in the Developer or any principal of the Developer. Throughout the term hereof, the Developer shall notify the City in writing of any material change in the above disclosure within 15 days of such change.

VI. FEDERAL GENERAL CONDITIONS

A. RELIGIOUS ACTIVITIES (24 CFR 92.257)

As a general rule, in accordance with the First Amendment principles of the Separation of Church and State, the Project Funds may not be used for inherent religious activities as cited at 24 CFR 92.257.

B. POLITICAL ACTIVITIES

The Developer will comply with Section 319 of Public Law 101-121 of the Department of Interior Appropriations Act, which prohibits the use of the Project Funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

C. HATCH ACT (CHAPTER 15, TITLE 5, U.S. CODE)

The Developer further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

D. OTHER PROGRAM REQUIREMENTS (24 CFR 92.350-3, 92.358)

The Developer shall carry out its activities in compliance with all federal laws and regulations as described in 24 CFR 92.350-92.358, except that the Developer will not assume the City's environmental responsibilities described at 24 CFR 92.352, nor the City's responsibility for initiating the review process under the provisions of 24 CFR Part 58. More specifically the Developer shall be required to comply with the following:

1. GENERAL (24 CFR 92.350)

The requirements set forth in 24 CFR Part 5, Subpart A, are applicable to participants in the RDA Program. The requirements of this subpart include nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and drug-free workplace.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964-- FAIR HOUSING ACT--EXECUTIVE ORDER 11063

This Agreement is subject to the requirements of 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 and also obligating the Developer to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--AGE DISCRIMINATION ACT OF 1975 -- SECTION 504 OF THE IMPROVEMENT ACT OF 1973

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Section 504 of the Improvement Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Project Funds.

4. LABOR STANDARDS AND DAVIS BACON ACT (24 CFR 92.354)

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also apply to this Agreement. Each Contractors or subcontractor on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This is a state prevailing wage project.

5. ENVIRONMENTAL STANDARDS (24 CFR 92.352)

This Agreement is not subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING (24 CFR 92.353)

The Developer shall assure that they have taken all reasonable steps to minimize the displacement of persons (seniors, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to 24 CFR 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES

The Developer shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for equal employment opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing improvement, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT (24 CFR 92.355)

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to 24 CFR 92.355; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR DEVELOPERS

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES (24 CFR 92.505)

For non-profit organizations the requirements of OMB Circular No. A-122 apply. All Developers of the City's grants, as provided herein, are required to be familiar with the OMB circulars as it pertains to the Agreement.

12. CONFLICT OF INTEREST (24 CFR 92.356)

The Developer, its officers, employees, agent or consultant may not occupy a HOME/LIHTF/RDA -assisted affordable housing unit within the Project unless prior written authorization has been granted by the City. This provision does not apply to the Project manager or maintenance worker who is provided housing as part of the compensation for his services.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive Order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits. Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 12166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

E. DRUG-FREE WORKPLACE

As a recipient of the Project Funds, the Developer agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 24 CFR Part 21, which requires the Developer maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

F. ANTI-LOBBYING

Section 319 of Public Law 101-121 of the Department of the Interior Appropriations Act prohibits the Developer from using appropriated federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federally appropriated funds have been paid or will be paid, by or on behalf of the Developer to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

G. AMERICANS WITH DISABILITIES ACT

The Developer agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the Developer and the activities to be performed by the Developer under the scope of this Agreement. If employing more than fifteen (15) employees, the Developer agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), the Developer agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, the Developer agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

H. AFFIRMATIVE MARKETING (24 CFR 92.351)

The Developer agrees to undertake an affirmative marketing program in conformance with 24 CFR 92 351.

I. MCKINNEY HOMELESS ASSISTANCE ACT (24 CFR 576)

The Developer agrees to abide by 24 CFR Part 576, of the Stewart B. McKinney Homeless Assistance Act.

J. RECORD KEEPING 24 (CFR 92.508)

The Developer shall maintain records in accordance with 24 CFR 92.508.

K. FORFEITURE OF FUNDS

Any material breach of the terms of this Section VI shall result in forfeiture of the Project Funds provided to the Developer pursuant to this Agreement, or any part thereof, as determined appropriate by the City.

L. EXPIRATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, the Developer shall transfer to the City the Project Funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of these funds.

M. HOUSING QUALITY STANDARDS (24 CFR 251)

Housing that is constructed or rehabilitated with RDA funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

N. TREATMENT OF RECAPTURED/REPAYMENT PROJECT FUNDS (24 CFR 92.503)

A sale, transfer or other conveyance of the Property is subject to the requirement that the amount of Project Funds previously invested in the Property and recaptured pursuant to Sections V.N. above and will be treated in accordance with 24 CFR 92.503 and Administrative Guidelines, NRS Chapter 319, and NAC 310 and must be returned to the Neighborhood Development Division of the Economic and Urban Development Department of the City to be reinvested in other affordable housing units.

O. DISPLACEMENT OR DISLOCATION OF TENANTS (24 CFR 353)

In conjunction with the Project, the Developer agrees to minimize displacement or dislocation of current tenants by assisting with their relocation per 24 CFR 92.353. If any tenants are displaced as a result of acquisition or improvement of the Property, the Developer agrees to assume sole financial responsibility for any liability associated with 49 CFR Part 24.

P. OMB CIRCULARS

The OMB Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The OMB Circulars also address many other management issues, including record keeping, procurement, bank accounts, and program income. The Developer is required to be familiar with the OMB Circulars as it pertains to the federal funding received under this Agreement.

VII. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to the requirements of the Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O" and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 audit pursuant to the Single Audit Act. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend $500,000 or more during a one year period in federal funds aggregate, conduct an A-133 audit.

Any agency that expends between $200,000 through $499,999 in federal funds will be required to have a CPA Audited Financial Statement submitted to the City. The funds expended may be from one or multiple federal sources.

If the Developer falls under the requirements of OMB A-133 Auditing Rules, the Developer must submit a full and complete copy of each conducted audit to the Economic and Urban Development Department. The Developer is responsible for ensuring that each audit is completed in a proper and timely manner. Failure to submit a copy of the A-133 audit will render the Developer as non-compliant, and no funds may be drawn until the Economic and Urban Development Department has received and reviewed a copy of the audit. The Developer should refer to the Program Manual which is applicable to the Project for further guidance on this matter.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible. Backup must include the following documents to verify proof of payment: copies of the front and back of the cancelled checks, downloaded check copies from the Developer's bank's website, or bank statements in addition to a paid bill, invoice or receipt.

C. FINANCIAL RECORDKEEPING

The financial records pertaining to all invoices, materials, payrolls, personnel records and other data concerning matters related to this Agreement may be requested from the Developer by a duly authorized representative, City-contracted independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. PROJECT BUDGET

Eligible expenditures for payment by the City will be made in accordance with the Project Budget and, subject to any conditions imposed under this Agreement, shall include semi-annual reports, when seeking reimbursement from the City for Project costs. All eligible expenses will be reimbursable with appropriate back-up documentation such as, but not limited to, paid invoices, the front and back of cancelled checks, bank statements and/or payroll sheets. The Developer shall not make any unapproved changes in the Project Budget. Line items may be revised if permission is requested and approved in writing by the Department Manager or designee.

E. METHOD OF PAYMENT

The City shall reimburse valid invoices for expenditures identified in the Projects Budget, Exhibit "C" attached hereto. Before paying such expenses, the City will review invoice expenditures to determine their consistency with the eligible expenditures approved pursuant to this Agreement. The City reserves the right to refuse reimbursement for expenses, which are ineligible for reimbursement with the Project Funds, or which are not within the scope of this Agreement.

The Developer agrees that disbursement under this Agreement will be made only when the total amount of eligible reimbursable expenses exceeds $1,000, excepting for the final request for payment under this Agreement. If the Developer requests payment in an amount less than the minimum established, payment will be made when the cumulative amount of all eligible reimbursable expenses exceeds $1,000.

The Developer agrees that it may not request disbursement of funds under this Agreement until the funds are needed for payment of Project eligible costs. The amount of each request must be limited to the amount needed and will be paid on a reimbursement basis.

Ten Thousand Dollars ($10,000) of the funds allocated under this Agreement will be retained until the Project is completed and the Developer submits the following:

(i) Documentation showing that the improvement work performed on the assisted units meet the applicable local codes and rehab standards, or, if new construction, that the Project has received an occupancy certificate;

(ii) Completed form HUD-2516 "Contract and Subcontract Activity" for projects involving new construction or improvement;

(iii) Evidence of the recorded fully executed Deed of Trust securing the City's interest in the Property; and

(iv) Evidence that the City of Las Vegas has been named as additional insured on insurance policy.

(v) Completed Section 504 Accessibility Questionnaire for the office and public/common space areas.

(vi) Affirmative Fair Housing Marketing Plan for the project.

F. UNEXPENDED PROJECT FUNDS

The Project Funds must be spent in a timely manner. In the event that the staff of the Economic and Urban Development Department has reason to believe that the total amount of the Project Funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the City reserves the right to reprogram the Project Funds allocated hereunder to another eligible project and/or program.

G. EXPIRATION OR TERMINATION OF AGREEMENT

Pursuant to 24 CFR Part 92.504(c)(2)(vii), the Developer must transfer upon expiration or termination of this Agreement all of the unexpended Project Funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of the Project Funds provided pursuant to this Agreement.

H. ACCOUNTING METHODS

Expenditures charged to the Project Funds will be accounted for separately from all other revenue sources. These records shall be maintained by the Developer.

I. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following definitions shall apply:

1. Non-expendable personal property is defined as any property either tangible or intangible other than real property as defined herein which has a unit acquisition cost of $500 or more and a useful life of more than one year.

2. Real property is defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Non-expendable personal property shall be depreciated on a 5-year, straight-line schedule, as is the accounting standard used for the City in its financial management. The Developer will be required to maintain property records for and report to the City during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, the City shall provide the Developer with disposition instructions upon request. If the property is disposed of for cash during this period, the proceeds from such disposition constitute Program Income which must be reported in accordance with the Subsections D and E of Section VI of this Agreement. Examples of non-expendable personal property are vehicles and computer equipment. If the property is a vehicle, the City shall be named as a lien-holder on the title.

When non-expendable personal property has been fully depreciated in accordance with the City's 5-year straight-line schedule, and the property is disposed of for cash, the Developer may retain such funds provided that the Developer notifies the City in writing and that the Developer uses such funds for the exclusive benefit of the Project.

VIII. DEFAULT, REMEDIES AND MODIFICATION OF AGREEMENT

A. DEFINITION OF DEFAULT

If, during the term of this Agreement, any of the following occurs:

(i) the Developer fails to operate the Project for the purpose of providing affordable housing to tenants who qualify for such housing under this Agreement as required pursuant to Section II above;

(ii) the Property is sold, transferred or conveyed in violation of the provisions of Section C 5 of the Project Description, Financing and Requirement, Exhibit A attached to this Agreement;

(iii) the Developer fails to provide or maintain the insurance required in Section V G above;

(iv) the Developer fails to defend, indemnify and hold the City harmless as required pursuant to Section V C above;

(v) a petition in bankruptcy is filed by or against the Developer, an assignment by the Developer is made for the benefit of creditors, a receiver, trustee in bankruptcy or similar offer is appointed to take charge of all or a part of the Developer or the Property, or the Developer is adjudicated to be bankrupt;

(vi) the Developer fails to comply with conditions set forth in Section III of this Agreement; or

(vii) the Developer fails to perform or comply with any of the other term, condition or obligation required under this Agreement; and

and the occurrence as set forth above is not remedied within 20 days after written notice of default is provided by the City as required herein, then the City may declare the Developer to be in default of this Agreement and, if applicable, the RDA Deed of Trust. In the event of such breach, written notice of the default shall be given pursuant to Section VIII below and, if applicable, pursuant to Sections D 6 or D 7 of the RDA Deed of Trust.

B. CITY REMEDIES FOR DEFAULT

Upon the occurrence of any default described in Section VIII A above, the City shall be entitled to implement any of the following remedies set forth herein:

(i) Temporarily withhold disbursement of the Project Funds pending correction of the deficiency by the Developer;

(ii) Disallow use of the Project Funds for all or part of the cost of the activity, action or expense not in compliance with the requirements of this Agreement;

(iii) Suspend or terminate this Agreement, in whole or in part, and the current award of the Project Funds for the Project;

(iv) Withhold further awards for the Project or any other affordable housing project of the Developer;

(v) Declare the RDA Promissory Note to be immediately due and payable, and if the Developer fails to repay the RDA Promissory Note as required herein, proceed to enforce the City's security interest in the Property provided by the RDA Deed of Trust executed in favor of the City; or

(vi) Pursue any other legal or equitable remedy that may be available to the City.

After expiration of the cure period set forth in Section VIII A above, any one or more of the remedies selected by the City shall be implemented by written notice to the Developer stating the effective date of the remedy. The City reserves the right to set the terms and conditions for any suspension or termination.

C. MODIFICATION OR AMENDMENT

The City and the Developer hereby agree to amend or otherwise revise this Agreement should such modification be required by any applicable federal, state or local laws, rules or regulations. Any change in the provisions of this Agreement, including the exhibits or attachments hereto, may be made only pursuant to a written amendment which is executed by the Developer and by (i) the Mayor, with City Council approval, if the amendment provides only for an increase in the amount of the Project Funds to be provided under this Agreement which is $25,000 or more, or (ii) the Director of the Economic and Urban Development Department or designee, if the amendment provides an increase in the amount of the Project Funds to be provided under this Agreement which is below $25,000, or merely revises the language of the Agreement without any impact on the amount of the Project Funds provided hereunder.

D. AMENDMENT OR REVISION REQUIRED BY STATE OF NEVADA

The Developer and the City hereby agree to amend or otherwise revise this Agreement should such modification be required by the State of Nevada or any applicable state statutes or regulations.

E. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions are not inserted, or is not correctly inserted, then upon the application of either party, this Agreement shall forthwith be physically amended to make such insertion.

F. NOTICES

Any notice required to be given under this Agreement Contract shall be deemed to have been given when the notice is (i) received by the party set forth below by personal service, (ii) telephonically faxed to the telephone number below provided confirmation of transmission is received thereof, or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

CITY: Director of the Department of Economic and
Urban Development
City of Las Vegas - City Hall, Sixth Floor
495 S. Main Street
Las Vegas, Nevada 89101- Fax No. 702-598-3938

DEVELOPER: Lori Muehlhausen, Executive Director
Silver State Housing
2655 S. Rainbow Blvd. Suite 401
Las Vegas, NV 89146 Fax No.702-364-4925

Any change in the addresses stated above shall be made in writing and delivered in the manner provided herein.

G. NOTIFICATION OF DEVELOPER CHANGES

The Developer must notify within 15 days the City in writing of any of the following changes: Key staff personnel, Executive Director, changes of more than half of the Board of Directors, Developer name change, change of address, phone, fax or email address. The City must have complete and up to date information on file for the Developer.

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

CITY OF LAS VEGAS

Carolyn G. Goodman

Carolyn G. Goodman, Date
Mayor

SILVER STATE HOUSING

By: Lori Muehlhausen 4/2/12

Lori Muehlhausen Date
Executive Director

ATTEST:

Beverly K. Bridges 4/9/2012

Beverly K. Bridges, MMC Date
City Clerk

APPROVED AS TO FORM:

Robert S. Sylvain 3-28-12

Robert S. Sylvain, Date
Deputy City Attorney

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH TERMS AND CONDITIONS IMPOSED IN CONNECTION THEREWITH

I, Lori Muehlhausen, Executive Director of Silver State Housing, a Nevada non-profit corporation, on behalf of that corporation, do hereby accept the deferred loan approved by the City Council of the City of Las Vegas, Nevada on the 16th day of March, 2011, and the terms and conditions imposed in connection therewith, which are contained in the Deferred Loan Agreement to Fund McKnight Village Rehabilitation Project, a copy of which is attached hereto and incorporated herein.

Executed this 2ND day of APRIL, 2012.

Silver State Housing

By: Lori Muehlhausen
Lori Muehlhausen, Executive Director

State of Nevada)
) ss
County of Clark)

On this 2 day of APRIL, 2012, before me, the undersigned, a Notary Public in and for said county and State, personally appeared LORI MUEHLHAUSEN as EXECUTIVE DIRECTOR, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.

Notary Public

MARINA ADAMY
Notary Public, State of Nevada
Appointment No. 11-4398-1
My Appt. Expires March 28, 2015

TABLE OF EXHIBITS AND ATTACHMENTS

EXHIBIT "A"

PROJECT DESCRIPTION, FINANCING AND REQUIREMENTS

A. PROJECT DESCRIPTION

The Project involves the rehabilitation of the existing rental housing complex commonly known and referred to as "McKnight Senior Village Apartments," and subsequent operation of the rehabilitated units as floating affordable housing units (identified in Section C 2 below) for the Period of Compliance (defined in Section C 1 below). The scope of the rehabilitation work to be performed is set forth in the Scope of Work, Exhibit "B" attached to the Agreement. The McKnight Senior Village Apartments consist of 110 one bedroom units located on the real property legally described in the Legal Description, Exhibit "C" attached to the Agreement. The site of the Property is generally depicted on the Site Map, Exhibit "D" to the Agreement.

B. PROJECT FINANCING

Silver State Housing, ("Silver State"), is a private non-profit corporation created for religious, charitable or educational purposes as defined by NRS 244.1505 and NRS 372.3261. Silver State is responsible to the City for completing, or causing the completion of, the Project using the public financing provided under the Agreement. The Property, which is the subject of the Project, is owned by the McKnight Senior Village Limited Partnership (the "Limited Partnership"), a Nevada single purpose limited partnership, whose general partner is McKnight Street Investments, LLC, a Nevada limited liability company. George Gekakis is the sole and managing member of McKnight Street Investments, LLC. Subsequent to the execution of the Agreement, and as a condition to receipt of any of the Project Funds, Silver State will assign, and the Limited Partnership will assume, Silver State's obligations under the Agreement, including the obligation to rehabilitate the Property, pursuant to the Delegation and Assumption Agreement (Attachment 1 to this Exhibit A). Silver State and the Limited Partnership are collectively referred to herein as the "Developer".

1. Public Financing. The City agrees to provide affordable housing set aside funds as a deferred loan to the Developer in an amount not to exceed $1,194,572 (the "Project Funds") to be used to reimburse the Developer for the eligible Project costs incurred in the completion of the Project. The timing and method of providing the Project Funds shall be entirely within the City's discretion. The Project Funds will be used only for the costs identified in the Project Budget, Exhibit "F" attached to the Agreement. Any Project costs incurred by the Developer in excess of the amount of the Project Funds will be the responsibility of the Developer unless otherwise agreed in writing by the City. After completion of the Project, the Developer shall be responsible for all operational and maintenance costs of the Project.

The Project Funds, provided by the City to Silver State will be loaned by Silver State to the Limited Partnership, and used for the reimbursement of the eligible Project costs incurred by the Limited Partnership in completing the Project. As security for the repayment of the of the Project Funds in the event the Developer fails to perform its obligations under the Agreement, the Limited Partnership will execute (i) the Promissory Note for RDA Funds (Attachment 2 to this Exhibit "A")(the "RDA Promissory Note") in the amount of the Project Funds in favor of Silver State, and (ii) the All-Inclusive Deed of Trust and Assignment of Rents Securing RDA

Funds (Attachment 3 to this Exhibit "A")(the "RDA Deed of Trust") encumbering its ownership interests in the Property.

Silver State, as the holder of the RDA Promissory Note, and the beneficiary of the RDA Deed of Trust, shall assign its rights and interest in both documents pursuant the Assignment of Promissory Note and All-Inclusive Deed of Trust for RDA Funds (Attachment 4 to Exhibit "A"), as security for the performance of its obligations under the Agreement, including, without limitation, the obligation to the repay the Project Funds under certain circumstances provided under the Agreement. In addition to the aforementioned Assignment, Silver State shall also execute the Allonge to Promissory Note for RDA Funds (Attachment 5 to Exhibit "A") making the RDA Promissory Note payable to the order of the City.

2. Private Financing. The Project is not being financed with any private financing. Other than the encumbrance created by the RDA Deed of Trust, the Developer shall not allow the Property to be encumbered or attached in any manner with any liens, encumbrances or other security instruments during the Period of Compliance subsequent to the encumbrance created by the RDA Deed of Trust.

C. PROJECT REQUIREMENTS

1. Period of Compliance. The Project will be operated as affordable housing for a minimum period of 5 years from the date of Project Completion (the "Period of Compliance"). The Period of Compliance will commence to run from the date of the last disbursement of the Project Funds, which date is the date of the last check issued in the name of Silver State.

2. Designation of Assisted Units. Of the total 110 one-bedroom units comprising the McKnight Senior Village Apartments, the Developer agrees to designate and operate all of the units as affordable housing units, and to lease or rent only to tenants who qualify for such affordable housing pursuant to the requirements set forth in Sections 3 and 4 below and the RDA Program (the "RDA Assisted Units").

3. Tenant Qualifications for Affordable Housing. For the Period of Compliance set forth below, the Developer will not lease any of the RDA Assisted Units to any person or household who at the time of initial occupancy have income determinations that exceed 60% of area median income ("AMI") adjusted for family size as shown on the HOME Program Income Guidelines attached as Exhibit "G" to the Agreement, which guidelines will be updated by the HUD on an annual basis and shall automatically replace Exhibit "G" to the Agreement.

4. Rental Amount Limitation. For the Period of Compliance, the Developer agrees that the rents to be charged for the RDA Assisted Unit will not exceed the amounts established by HUD annually for the HOME Program, which amounts are set forth in the HOME Program Rent Limits attached as Exhibit "H" to the Agreement. If any tenant receives a rent subsidy through any federal or state rental assistance program, the rent of the RDA Assisted Unit may be raised to the amount of the rental assistance program limit only if the following requirements are met: (i) the tenant is paying no more than 30 percent of their adjusted income; (ii) the rent subsidy is project-based (affects the entire project, not just a single unit); and (iii) the tenant's income is less than 50 percent of the area median income. Each tenant in the RDA Assisted Units shall

have a written lease with the Developer, or its permitted assignee, for a minimum period of one year, unless a different period is agreed upon by the Developer and the tenant.

5. Repayment of Project Funds. If, during the Period of Compliance, any of the following occur: (i) the Developer, or the Limited Partnership, assignees, sells, transfers, conveys or otherwise lose their interest in, or possession of, the Property through foreclosure or any other proceeding, (ii) the Property is not used to provide affordable housing pursuant to the requirements of this Agreement, or (iii) the RDA Assisted Units, or any portion thereof, are converted to non-qualified RDA activities, including, without limitation, the RDA Assisted Units, or any portion thereof, are subleased, the City shall be entitled to recapture the Project Funds invested in the Property, and the Developer agrees to repay the Project Funds to the City upon receipt of demand therefor. The failure to repay the Project Funds as required herein shall entitle the City to declare the principal set forth in the RDA Promissory Note, and any interest due thereunder, to be immediately due and payable and the City may enforce the security interest granted in the Property to the City by the Developer pursuant to the RDA Deed of Trust.

6. Usage Records. The Developer will provide the Economic and Urban Development Department with client usage records for the RDA Assisted Units on an annual basis during the Period of Compliance set forth above. These records will contain but are not limited to, the following data:

a. Total clients served;
b. To the extent provided by residents, racial breakdown of clients served including American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/ Other Pacific Islander, White, American Indian/Alaska Native and White, Asian and White, Black/African American and White, American Indian/Alaska Native and Black/African American, Other;
c. To the extent provided by residents, number of clients who report a Hispanic ethnicity;
d. Number and percentage of Low and Very Low Income clients as defined by HUD HOME Program Income Guidelines (Exhibit "F");
e. Number of handicapped clients served;
f. Number of senior citizens served;
g. Number of female head-of-households served;
h. Number of renter households served, and rent charged;
i. Number of owner households served; and
j. Monthly rent paid by each household served.

7. Program Income. The Project Funds provided to the Developer must be returned to the City upon a sale, transfer, or other conveyance of the assisted property (other than as authorized by this Resolution) prior to the expiration of the Period of Compliance.

ATTACHMENT 1 TO EXHIBIT "A"

DELEGATION AND ASSUMPTION AGREEMENT

(next page)

DELEGATION AND ASSUMPTION AGREEMENT

THIS DELEGATION AND ASSUMPTION AGREEMENT (this "Assignment Agreement") is made and entered into this _____ day of _______________, 2012, by and among Silver State Housing, ("Silver State"), a Nevada non-profit corporation, with offices at 2655 South Rainbow Boulevard, Suite 401, Las Vegas, Nevada 89146 and McKnight Senior Village Limited Partnership, a Nevada limited partnership, with offices at ___________________________ 89___, with the consent of the City of Las Vegas (the "City"), a municipal corporation within the State of Nevada, with offices at 495 South Main Street, Las Vegas, Nevada, 89101.

RECITALS

WHEREAS, Silver State and the City entered into that certain Deferred Loan Agreement to Fund McKnight Senior Village Apartment Rehabilitation Project dated March 16, 2011 (the "Deferred Loan Agreement"), which provides funding by the City in the amount of $1,194,572 (the "Project Funds") to be used to rehabilitate the existing 110 unit affordable housing complex commonly known and referred to as "McKnight Senior Village Apartments," and subsequent operation of the complex as affordable housing to senior citizens who qualify for such housing under the requirements of the Deferred Loan Agreement (the "Project"); and

WHEREAS, the Project is located on the real property owned by McKnight Senior Village Limited Partnership, which property is more fully described in Exhibit "A" of the Deferred Loan Agreement (the "Property"); and

WHEREAS, subsequent to the execution of the Deferred Loan Agreement, and as a condition precedent to disbursement of the Project Funds for the Project, Silver State is required to delegate all of its duties and obligations to McKnight Senior Village Limited Partnership, and McKnight Senior Village Limited Partnership is required to assume performance of all of the duties and obligations of Silver State, as set forth in the Deferred Loan Agreement; and

WHEREAS, with the execution of this Assignment Agreement, Silver State intends to delegate to McKnight Senior Village Limited Partnership, all of its duties and obligations of Silver State as set forth in the Deferred Loan Agreement.

NOW, THEREFORE, in consideration of the above premises, the mutual promises of the parties hereto and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. <u>Delegation of Obligations</u>. Silver State hereby delegates to McKnight Senior Village Limited Partnership all of its duties and obligations under the Deferred Loan Agreement, including, without limitation, the obligation to rehabilitate the 110 units comprising the McKnight Senior Village Apartments and thereafter to provide affordable housing to senior citizens who qualify for such housing pursuant to the requirements of the Deferred Loan Agreement.

2. Assumption of Obligations. McKnight Senior Village Limited Partnership hereby assumes the performance of all of the duties and obligations of Silver State as set forth in the Deferred Loan Agreement and hereby agrees to be bound by all the terms, conditions, and covenants as set forth therein after the effective date of this Assignment Agreement.

3. Consent to Delegation and Assumption. By execution of this Assignment Agreement as provided below, the City hereby consents to the delegation of the obligations by Silver State under the Deferred Loan Agreement, and to assumption of the obligations by McKnight Senior Village Limited Partnership, both as set forth in Sections 1 and 2 above.

4. Effective Date. This Assignment Agreement shall be effective as of the date set forth in the first paragraph above.

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

CITY OF LAS VEGAS

____
Carolyn G. Goodman, Date
Mayor

ATTEST:

____
Beverly K. Bridges, MMC Date
City Clerk

APPROVED AS TO FORM:

____
Robert S. Sylvain, Date
Deputy City Attorney

SILVER STATE HOUSING

By ______________________________
Lori Muehlhausen, Executive Director

MCKNIGHT SENIOR VILLAGE LIMITED PARTNERSHIP

By: McKnight Street Investments, LLC, its General Partner

By: George Gekakis, its sole Managing Member

____
George Gekakis

ATTACHMENT 2 TO EXHIBIT "A"

PROMISSORY NOTE FOR RDA FUNDS

(next page)

PROMISSORY NOTE FOR RDA FUNDS

(SECURED – ALL INCLUSIVE)

March 16, 2011
$1,194,572 Las Vegas, Nevada

FOR VALUE RECEIVED, the undersigned (herein "Maker") hereby promises to pay to the order of Silver State Housing, a Nevada non-profit corporation (herein "Holder"), at 2655 S. Rainbow Blvd., Ste 401, Las Vegas, NV 89146, or at such other place or to such other party as Holder may from time to time designate in writing, the principal sum of One Million One Hundred Ninety-Four Thousand Five-Hundred Seven-Two Dollars ($1,194,572). This Note will be with recourse to the Maker and shall bear compounded interest at the rate of Zero Percent (0%), which will accrue during the term of the Note.

Each payment is to be applied when received, first, to any expenses reimbursable to Holder, second, to any unpaid interest and third, any balance shall be used to reduce the principal balance. Maker shall have the right to prepay the indebtedness represented by this Promissory Note in full, or in part, at any time. The indebtedness represented by this Note shall be due and payable in its entirety on the earlier of (i) the date that Maker sells, conveys, transfers or otherwise loses its title and interest in or possession of the property that is secured by this Note, prior to expiration of the Period of Compliance, as defined in that certain Deferred Loan Agreement to Fund McKnight Senior Village Apartment Rehabilitation Project (the "Agreement"); or (ii) during the Home Period of Compliance, the date that Maker fails to maintain the affordability requirements mandated by the Agreement prior to the expiration of the Period of Compliance.

The Maker and any endorsers or guarantors hereof and all others who may become liable for all or part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and non-payment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability.

In the event any of the payments from or performance by Maker required by the terms hereof be not paid or performed when same become due, then at any time thereafter, the whole of the unpaid principal balance of this Note shall, at the option of Holder and without notice, become immediately due and payable. This option may be exercised at any time after any such event and the acceptance by Holder of one or more installments or other payments or performance from any person thereafter shall not constitute a waiver of Holder's option.

Time is expressly made of the essence with respect to every provision hereof and the All-Inclusive Leasehold Deed of Trust (defined below). This Note shall be governed by, construed and enforced exclusively in accordance with the laws of the State of Nevada.

This Note is secured by the certain All-Inclusive Leasehold Deed of Trust and Assignment of Rents of even date herewith executed by Maker, aka Trustor to Silver State Housing, as trustee, in favor of Holder, as beneficiary, which All-Inclusive Deed of Trust ("All-Inclusive Deed of Trust") encumbers that certain real property more particularly described therein (the "Property").

IN WITNESS WHEREOF, the Maker has caused this Note to be executed on its behalf by its duly authorized officer as of the date first above written.

McKnight Senior Village Limited Partnership, a Nevada limited partnership

By: McKnight Street Investments, LLC, General Partner of McKnight Senior Village Limited Partnership

By: ______________________________

George Gekakis, Managing Member of
McKnight Street Investments, LLC

ATTACHMENT 4 TO EXHIBIT "A"

ALL-INCLUSIVE LEASEHOLD DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING RDA FUNDS

(next page)

APN #:
139-25-410-007
139-25-410-042
139-25-410-043

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Silver State Housing
2655 S. Rainbow Blvd., Ste 401
Las Vegas, NV 89146

ALL-INCLUSIVE LEASEHOLD DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING RDA FUNDS

THIS ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS SECURING RDA FUNDS (this "Deed of Trust") is made this _____ day of ______________, 2012, by McKnight Senior Village Limited Partnership, a Nevada limited partnership (herein called Trustor), whose address is 2655 S. Rainbow Boulevard, Suite 401, Las Vegas, Nevada 89146, to Nevada Title Company (herein "Trustee"), a Nevada corporation, whose address is 2500 North Buffalo Drive, Suite 150 Las Vegas, Nevada 89128-7851, for the benefit of Silver State Housing (herein "Beneficiary"), a Nevada non-profit corporation, whose address is provided below.

WITNESSETH:

That Trustor irrevocably grants, transfers and assigns to Trustee in Trust for the benefit of Beneficiary, with power of sale and with right of entry and possession, that certain property located in the City of Las Vegas, State of Nevada, legally described on Exhibit "1" hereto (herein the "Property"), together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents issues and profits.

This All-Inclusive Deed of Trust is executed for the purpose of securing (1) payment of that certain Promissory Note for RDA Funds in the amount of One Million One Hundred Ninety-Four Thousand Five Hundred Seventy-Two Dollars ($1,194,572) with interest accruing thereon according to the terms thereof of even date herewith (the "Secured Note") made by Trustor, payable to the order of Beneficiary, or its assignee, and (2) performance of the obligations of the Beneficiary to the City of Las Vegas under the Deferred Loan Agreement to Fund the McKnight Senior Village Apartment Rehabilitation Project dated March 16, 2011 (herein the "Project Agreement"). The Secured Note, including the right to receive payment thereunder, and this All-Inclusive Deed of Trust will be assigned by Beneficiary to the City of Las Vegas to secure performance of Beneficiary obligation under the Project Agreement pursuant to that certain Assignment of Promissory Note for RDA Funds and All-Inclusive Deed of Trust and Assignment of Rents Securing RDA Funds of even date herewith.

A. GENERAL PROVISIONS

1. Trustor shall abide by all of the terms of the Project Agreement. Trustor agrees to use the Property to provide decent, safe, and sanitary rental units to eligible recipients as required under the Project Agreement. Trustor agrees to maintain and operate the Property as a drug-free environment. Trustor agrees to manage and maintain all of the units within the Property as affordable housing for the Period of Compliance (5 years), which is defined in the Project Agreement. Trustor agrees to abide by the HOME rules, specifically 24 CFR 92, NRS Chapter 319, NAC Chapter 319 and NRS 278, as applicable.

2. Trustor agrees to repay Secured Note if a prohibited sale or transfer of the Property occurs as prohibited in the Project Agreement; provided, however, that the foregoing shall only apply to transfers of the Property and not to transfers of membership interests in Trustor. In any event, however, all of the units within the Property must remain affordable until the end of the Period of Compliance.

3. The City of Las Vegas requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to it at the following address: City of Las Vegas, Economic and Urban Development Department, 400 Stewart Avenue – 2nd Floor, Las Vegas, NV 89101.

B. TO PROTECT THE SECURITY OF THE ALL-INCLUSIVE DEED OF TRUST, TRUSTOR AGREES:

1. To keep the Property in good condition and repair; not to remove or demolish and build thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary, or its assignee fire, vandalism and malicious mischief insurance satisfactory to and with loss payable to Beneficiary, or its assignee.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary (including its assignee) or Trustee and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary, or its assignee, to foreclose this All-Inclusive Deed of Trust.

4. To pay; (a) at least ten days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock; (b) when due, subject to the mutual agreements of the parties as below set forth, all encumbrances, charges and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto; and (c) all allowable expenses of this Trust.

If Trustor fails to make any payment or to do any act as herein provided, then Beneficiary or Trustee may, without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, (a) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (b) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest or compromise and encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and (d) in exercising any such powers; pay reasonable expenses, employ counsel and pay reasonable attorneys fees.

5. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditures at the rate provided in the Secured Note.

6. If the Property, or any part thereof, or any direct or indirect interest therein, shall be sold, conveyed, disposed of, alienated, hypothecated, leased (except to tenants of space in the improvements), assigned, pledged, mortgaged, further encumbered or otherwise transferred, or Trustor shall be divested of its title to the Property, or any direct or indirect interest therein, in any manner or way, whether voluntarily or involuntarily without the prior written consent of Beneficiary being first obtained, which consent may be withheld in Beneficiary's sole discretion, then the same shall constitute an event of default.

7. Trustor shall forever warrant, defend and preserve title and the validity and priority of the lien of this instrument and shall forever warrant and defend the same to Beneficiary against the claims of all persons whomsoever.

8. Trustor shall not cause or permit a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest in the Property or any part thereof, other than in accordance with the provisions of the Project Agreement, and only with the prior written consent of Beneficiary.

C. IT IS MUTUALLY AGREED:

1. That, to the extent permitted under Nevada law, any award of compensation and/or damages in connection with any condemnation for public use or of injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such money received by it in the same manner and with the same effect as hereinafter provided for the disposition of the proceeds from fire or other insurance.

2. That in the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefore, provided that (a) such proceeds are sufficient to rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of amounts due hereunder if such proceeds are insufficient then Trustor shall have funded any deficiency, (b) Beneficiary shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a

construction escrow or similar arrangement, and (c) no material default then exists under the Project Agreement. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the amounts due hereunder in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the amounts due hereunder.

3. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure promptly to pay.

4. That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this All-Inclusive Deed of Trust and the Secured Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of the Property, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

5. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this All-Inclusive Deed of Trust and the Secured Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals of such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

6. Notwithstanding anything to the contrary contained herein, Trustor hereby irrevocably assigns, gives to and confers upon Beneficiary or its designee the right, power and authority, during the continuance of this Trust to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior or subsequent to any default by Trustor in payment of any indebtedness hereby secured, to enter upon and take possession of the Property, or any part thereof in its own name, sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less allowable expenses of operation, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of defaults hereunder or invalidate any act done pursuant to such notice.

7. That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement secured hereunder, in addition to any rights or remedies available to Beneficiary at law or in equity, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and notice of breach and of election to cause to be sold the Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with the Trustee this All-Inclusive Deed of Trust, the Secured Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of the notice of breach, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Any sale or transfer of the Property must be contingent on the Property remaining as affordable housing and in compliance with the requirements set forth in the HOME rules and regulations. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, include costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the rate provided in the Secured Note; all other sums then secured hereby and the remainder, if any, to the person or persons legally entitle thereto.

8. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the county recorder of the county or counties where the Property is situated, shall be conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without the need for any conveyance from the predecessor Trustee, succeed to all its title, estate rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and document number where this All-Inclusive Deed of Trust is recorded and the name and address of the Trustee.

9. That this All-Inclusive Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary as used herein shall mean the owner and holder of the Secured Note, and its assignee, including pledges of the Secured Note, whether or not named as Beneficiary herein. In this All-Inclusive Deed of Trust, whenever the context so requires, the neuter gender includes the feminine and/or masculine and the singular number includes the plural.

10. That the Trustee accepts this Trust when this All-Inclusive Deed of Trust, duly executed and acknowledged, is made a public record as provided. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

D. THE PARTIES FURTHER AGREE:

1. Trustor covenants and agrees that Trustor shall perform and observe all obligations to be performed and observed by Trustor under this All-Inclusive Deed of Trust securing the Secured Note.

2. If Trustor be in default under the terms of the Secured Note, and if Beneficiary consequently incurs any penalties, charges, or other expenses on account of the Secured Note or the Project Agreement during the period of such default, the amount of such penalties, charges and expenses shall be immediately added to the principal amount of the Secured Note and shall be immediately payable by Trustor to Beneficiary.

3. Trustor and Beneficiary agree that in the event the proceeds of any condemnation award or settlement in lieu thereof, or the proceeds of any casualty insurance covering destructible improvements located upon the Property, are applied by the holder of the Secured Note in reduction of the unpaid principle amount thereof, the unpaid principal balance of the Secured Note shall be reduced by an equivalent amount and be deemed applied to the last sums due under the Secured Note.

4. Any demand hereunder delivered by Beneficiary to Trustee for the foreclosure of the lien of this All-Inclusive Deed of Trust may not be for more than the sum of the following amounts: (i) The equity of Beneficiary in the Secured Note, which equity is the difference between the balance of the principal and interest accrued and unpaid on the Secured Note on the date of the foreclosure sale and, if applicable, the then unpaid balance of principal and interest so accrued and unpaid on the RDA Agreement as of the date of such foreclosure sale; plus (ii) the aggregate of all amounts theretofore paid by Beneficiary pursuant to the terms of this All-Inclusive Deed of Trust prior to the date of such foreclosure sale for taxes and assessments, insurance premiums, delinquency charges, foreclosure costs, and any other sums advanced by Beneficiary pursuant to the terms of the All-Inclusive Deed of Trust, to the extent the same where not previously repaid by Trustor to Beneficiary; plus (iii) the costs of foreclosure together with attorneys' fees and costs incurred by Beneficiary in enforcing this All-Inclusive Deed of Trust or the Secured Note as permitted by law.

5. The following Covenant Nos. 1, 3, 4 (rate of interest is the default rate stated in the Secured Note), 5, 6, 7 (5%), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust, provided, however, that the express covenants of this All-Inclusive Deed of Trust shall control to the extent that the same are inconsistent with NRS 107.030.

6. If a monetary event of default occurs under any of the terms of any of the Secured Note, prior to exercising any remedies thereunder, Beneficiary shall give the Trustor, and such persons as identified in paragraph 8 below, or as identified by written notice to Beneficiary, simultaneous written notice of such default. Trustor shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note. The foregoing grace period shall run concurrently with the thirty-five (35) day cure period under NRS 107.080(2)(a)(2).

7. If a non-monetary event of default occurs under the terms of the Secured Note,

prior to exercising any remedies thereunder, Beneficiary shall give Trustor and each of the Limited Partners (or the Limited Liability Company if applicable), as identified below or as identified in a written notice to Beneficiary, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by Beneficiary under the Secured Note, or such longer period of time as may be specified in the Secured Note. If the default is such that it is not reasonably capable of being cured within thirty (30) days, or such longer period if so specified, and if Trustor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Secured Note.

8. Beneficiary shall give written notice of any default under any loan agreements and any cure periods shall commence on the effective date of service of such notice, at the following address:

Trustor: McKnight Senior Village Limited Partnership
c/o Silver State Housing
2655 S. Rainbow Blvd., Ste 401
Las Vegas, NV 89146
Attention: Executive Director

9. Any cure periods available to the parties set forth above shall commence upon the date of the notice is delivered to the party.

10. To the full extent permitted by law, Trustor agrees that Trustor shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisement, valuation, stay, moratorium or extension, or any law now or hereafter in force providing for the reinstatement of the debt prior to any sale of the Property to be made pursuant to any provisions contained herein or prior to the entering of any decree, judgment or order of any court of competent jurisdiction, or any right under any statute to redeem all or any part of the Property so sold. Trustor, for Trustor and Trustor's successors and assigns, and for any and all persons ever claiming any interest in the Property, to the full extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel: (a) waives, releases, relinquishes and forever forgoes all rights of valuation, appraisement, stay of execution, reinstatement and notice of election or intention to mature or declare due the debt (except such notices as are specifically provided for herein); (b) waives, releases, relinquishes and forever forgoes all right to a marshaling of the assets of Trustor, including the Property, to a sale in the inverse order of alienation, or to direct the order in which any of the Property shall be sold in the event of foreclosure of the liens and security interests hereby created and agrees that any court having jurisdiction to foreclose such liens and security interests may order the Property sold as an entirety; and (c) waives, releases, relinquishes and forever forgoes all rights and periods of redemption provided under applicable law. To the full extent permitted by law, Trustor shall not have or assert any right under any statute or rule of law

pertaining to the exemption of homestead or other exemption under any federal, state or local law now or hereafter in effect, the administration of estates of decedents or other matters whatever to defeat, reduce or affect the right of Beneficiary under the terms of this All-Inclusive Deed of Trust to a sale of the Property, for the collection of the debt without any prior or different resort for collection, or the right of Beneficiary under the terms of this All-Inclusive Deed of Trust to the payment of the debt out of the proceeds of sale of the Property in preference to every other claimant whatever. Furthermore, Trustor hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, waives releases, relinquishes and forever forgoes all present and future statutes of limitations as a defense to any action to enforce the provisions of this All-Inclusive Deed of Trust or to collect any of the debt to the fullest extent permitted by law. Trustor covenants and agrees that upon the commencement of a voluntary or involuntary bankruptcy proceeding by or against Trustor, Trustor shall not seek a supplemental stay or otherwise shall not seek pursuant to 11 U.S.C. §105 or any other provision of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law, or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, to stay, interdict, condition, reduce or inhibit the ability of Beneficiary to enforce any rights of Beneficiary against any guarantor or indemnitor of the secured obligations or any other party liable with respect thereto by virtue of any indemnity, guaranty or otherwise.

11. Trustor, to the full extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, (i) submits to personal jurisdiction in the state in which the premises is located over any suit, action or proceeding by any person arising from or relating to the note, this all-inclusive deed of trust or any other of the documents referenced herein, (ii) agrees that any such action, suit or proceeding may be brought in any state or federal court of competent jurisdiction sitting in the county in which the premises is located, (iii) submits to the jurisdiction of such courts, and (iv) to the fullest extent permitted by law, agrees that it will not bring any action, suit or proceeding in any other forum (but nothing herein shall affect the right of beneficiary to bring any action, suit or proceeding in any other forum).

12. This All-Inclusive Deed of Trust will be governed by and construed in accordance with the laws of the State of Nevada, provided that to the extent that any of such laws may now or hereafter be preempted by federal law, such federal law shall so govern and be controlling, and provided further that the laws of the State of Nevada shall govern as to the creation, priority and enforcement of liens and security interests in the Property located in Nevada.

13. Beneficiary may waive any single event of default by Trustor hereunder without waiving any other prior or subsequent event of default. Beneficiary may remedy any event of default by Trustor hereunder without waiving the event of default remedied. Neither the failure by Beneficiary to exercise, nor the delay by Beneficiary in exercising, any right, power or remedy upon any event of default by Trustor hereunder shall be construed as a waiver of such event of default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Beneficiary of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Trustor therefrom shall in any event be effective unless the same shall be in writing and signed by

Beneficiary, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose given. Acceptance by Beneficiary of any payment in an amount less than the amount then due on any of the debt shall be deemed an acceptance on account only and shall not in any way affect the total amount that is due and owing or the existence of an event of default. In case Beneficiary shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under the other documents incorporated herein and shall thereafter elect to discontinue or abandon the same for any reason, Beneficiary shall have the unqualified right to do so and, in such an event, Trustor and Beneficiary shall be restored to their former positions with respect to the debt, the Property and otherwise, and the rights, remedies, recourses and powers of Beneficiary shall continue as if the same had never been invoked.

14. A determination that any provision of this All-Inclusive Deed of Trust is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this All-Inclusive Deed of Trust to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

15. Without affecting Trustor's liability for the payment of any of the debt, Beneficiary may from time to time and without notice to Trustor: (a) release any person liable for the payment of the debt; (b) extend or modify the terms of payment of the debt; (c) accept additional real or personal property of any kind as security or alter, substitute or release any property securing the debt; (d) recover any part of the Property; or (e) join in any extension agreement of this All-Inclusive Deed of Trust or any agreement subordinating the lien hereof.

16. All remedies contained in this All-Inclusive Deed of Trust are cumulative and Beneficiary shall also have all other remedies provided at law and in equity or in any other documents referenced herein. Such remedies may be pursued separately, successively or concurrently at the sole subjective direction of Beneficiary and may be exercised in any order and as often as occasion therefore shall arise. No act of Beneficiary shall be construed as an election to proceed under any particular provisions of this All-Inclusive Deed of Trust to the exclusion of any other provision of this All-Inclusive Deed of Trust or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Beneficiary.

17. Trustor shall, on the request of Beneficiary and at the expense of Trustor: (a) promptly correct any defect, error or omission which may be discovered in the contents of this All-Inclusive Deed of Trust; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this All-Inclusive Deed of Trust and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Property; (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically, without limitation, any financing statement) deemed advisable by Beneficiary to protect, continue or perfect the liens or the security interests hereunder against the rights or interests of third persons; and (d) promptly furnish to Beneficiary, upon Beneficiary's request, a

duly acknowledged written statement and estoppel certificate addressed to such party or parties as directed by Beneficiary and in form and substance supplied by Beneficiary, setting forth all amounts due under the Secured Note, stating whether any default or event of default has occurred hereunder, stating whether any offsets or defenses exist against the debt and containing such other matters as Beneficiary may reasonably require.

18. Trustor shall pay all costs and expenses of every character reasonably incurred in connection with the closing of the loan evidenced by the Secured Note and secured hereby, attributable or chargeable to Trustor as the owner of the Property or otherwise attributable to any consent requested of Beneficiary, including, without limitation, appraisal fees, recording fees, documentary, stamp, mortgage or intangible taxes, brokerage fees and commissions, title policy premiums and title search fees, uniform commercial code/tax lien/litigation search fees, escrow fees, consultants' fees and reasonable attorneys' fees. If Trustor defaults in any such payment, which default is not cured within any applicable grace or cure period, Beneficiary may pay the same and Trustor shall reimburse Beneficiary on demand for all such costs and expenses incurred or paid by Beneficiary, together with such interest thereon at the default interest rate from and after the date of Beneficiary's making such payment until reimbursement thereof by Trustor. Any such sums disbursed by Beneficiary, together with such interest thereon, shall be additional indebtedness of Trustor secured by this All-Inclusive Deed of Trust.

19. Trustor shall promptly notify Beneficiary in writing of any litigation or threatened litigation affecting the Property, or any other demand or claim which, if enforced, could impair or threaten to impair Beneficiary's security hereunder. Without limiting or waiving any other rights and remedies of Beneficiary hereunder, if Trustor fails to perform any of its covenants or agreements contained in this All-Inclusive Deed of Trust or in any and such failure is not cured within any applicable grace or cure period, or if any action or proceeding of any kind (including, but not limited to, any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Beneficiary's interest in the Property or Beneficiary's right to enforce its security, then Beneficiary may, at its option, with or without notice to Trustor, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this All-Inclusive Deed of Trust or to remedy the failure of Trustor to perform its covenants and agreements (without, however, waiving any default of Trustor).

20. Trustor agrees to pay on demand all expenses of Beneficiary or Trustee incurred with respect to the foregoing (including, but not limited to, reasonable fees and disbursements of counsel), together with interest thereon from and after the date on which Beneficiary or Trustee incurs such expenses until reimbursement thereof by Trustor. Any such expenses so incurred by Beneficiary, together with interest thereon as provided above, shall be additional indebtedness of Trustor secured by this All-Inclusive Deed of Trust. The necessity for any such actions and of the amounts to be paid shall be determined by Beneficiary in its discretion. Beneficiary is hereby empowered to enter and to authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Trustor or any person in possession holding under Trustor.

21. Trustor hereby indemnifies and holds Beneficiary harmless for, from and against all loss, cost and expenses with respect to any event of default hereof, any liens (i.e., judgments,

mechanics' and materialmen's liens, or otherwise), charges and encumbrances filed against the Property, and from any claims and demands for damages or injury, including claims for property damage, personal injury or wrongful death, arising out of or in connection with any accident or fire or other casualty on the Property or the improvements thereon or any nuisance made or suffered thereon, including, without limitation, in any case, reasonable attorneys' fees, costs and expenses as aforesaid, whether at pretrial, trial or appellate level, and such indemnity shall survive payment in full of the debt. This Section shall not be construed to require Beneficiary to incur any expenses, make any appearances or take any actions.

22. Trustor acknowledges that the Property is or may be subject to liens or encumbrances of record in existence as of the Effective Date of this All-Inclusive Deed of Trust and this All-Inclusive Deed of Trust is or may be subordinate to such prior liens or encumbrances.

TRUSTOR:

McKnight Senior Village Limited Partnership
a Nevada Limited Partnership

By: McKnight Street Investments, LLC, General Partner of McKnight Senior Village Limited Parthership

By: ______________________________
George Gekakis, Managing Member of
McKnight Street Investments, LLC

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this _____ day of ______________, 2012, ________________ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public ________________ My commission expires ______________

EXHIBIT "1"

LEGAL DESCRIPTION

APNs: 139-28-410-007; 139-25-410-042; 139-25-410-043

Situated in the City of Las Vegas, County of Clark, State of Nevada, to wit:

Parcel One (1): Lots one (1) through five (5), inclusive, and lots ten (10) through fourteen (14), inclusive in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada.

Parcel Two (2): Lot seven (7) in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada. Together with that portion of vacated Gay Street appurtenant thereto as vacated by that certain order of vacation recorded October 6, 1997 in book 971006 as document no. 00833, official records.

Parcel Three (3): Lots six (6), eight (8), and nine (9) in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada. Together with that portion of vacated Shelby Street and vacated Gay Street appurtenant thereto as vacated by that certain order of vacation recorded October 6, 1997 in book 971006 as document no. 00833, official records.

ATTACHMENT 5 TO EXHIBIT "A"

ASSIGNMENT OF PROMISSORY NOTE AND ALL-INCLUSIVE DEED OF TRUST FOR RDA FUNDS

(next page)

APNs: 139-25-410-007
139-25-410-042
139-25-410-043

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue
Las Vegas, NV 89101

ASSIGNMENT OF PROMISSORY NOTE AND ALL-INCLUSIVE DEED OF TRUST FOR RDA FUNDS

FOR VALUE RECEIVED, the undersigned, Silver State Housing, a Nevada nonprofit corporation, hereby grants, assigns and transfers to the City of Las Vegas, a municipal corporation within the State of Nevada, (i) all of the undersigned's right, title and interest in and to that certain Promissory Note for RDA Funds in the amount of $1,194,572, which includes the principal and interest due or to become due thereunder, executed by McKnight Senior Village, Limited Partnership, a Nevada limited partnership, in favor of the undersigned, and (ii) all of the undersigned's right, title and interest in that certain All-Inclusive Deed of Trust and Assignment of Rents Securing RDA Funds recorded in the Official Records of the County Recorders' Office for the County of Clark on ____________ as Instrument No. __________ (the "**Deed of Trust**"). The Deed of Trust encumbers that certain real property described on the Exhibit 1 attached hereto.

IN WITNESS WHEREOF, the undersigned has executed this Assignment of Deed of Trust as of ______________.

SILVER STATE HOUSING

By: ______________________________
Lori Muehlhausen
Executive Director

Date: ____________________________

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this _____ day of _______________, 200___, __________________ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said County of Clark, the day and year first above written.

Notary Public _________________ My commission expires ________________

EXHIBIT 1

LEGAL DESCRIPTION

APNs: 139-28-410-007; 139-25-410-042; 139-25-410-043

Situated in the City of Las Vegas, County of Clark, State of Nevada, to wit:

Parcel One (1): Lots one (1) through five (5), inclusive, and lots ten (10) through fourteen (14), inclusive in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada.

Parcel Two (2): Lot seven (7) in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada. Together with that portion of vacated Gay Street appurtenant thereto as vacated by that certain order of vacation recorded October 6, 1997 in book 971006 as document no. 00833, official records.

Parcel Three (3): Lots six (6), eight (8), and nine (9) in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada. Together with that portion of vacated Shelby Street and vacated Gay Street appurtenant thereto as vacated by that certain order of vacation recorded October 6, 1997 in book 971006 as document no. 00833, official records.

ATTACHMENT 5 TO EXHIBIT "A"

ALLONGE TO PROMISSORY NOTE FOR RDA FUNDS

ALLONGE TO PROMISSORY NOTE FOR RDA FUNDS

To be attached to that certain Promissory Note for RDA Funds dated March 16, 2011, in the original amount of $1,194,572 executed by McKnight Senior Village Limited Partnership, in favor of Silver State Housing, a Nevada nonprofit corporation.

Pay to the order of City of Las Vegas, a municipal corporation within the State of Nevada

Dated: ____________________

Silver State Housing

By: ______________________________________
Lori Muehlhausen, Executive Director

EXHIBIT "B"

SCOPE OF WORK

1) Removal of existing flooring and installation of new vinyl wood flooring throughout.
2) Removal of existing appliances and installation of new appliances consisting of refrigerator, range, dishwasher and microwave.
3) Painting of units with new colors.
4) Removal and installation of new cabinet fronts.
5) Installation of new covered parking throughout.

EHIBIT C

LEGAL DESCRIPTION

APNs: 139-28-410-007; 139-25-410-042; 139-25-410-043

Situated in the City of Las Vegas, County of Clark, State of Nevada, to wit:

Parcel One (1): Lots one (1) through five (5), inclusive, and lots ten (10) through fourteen (14), inclusive in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada.

Parcel Two (2): Lot seven (7) in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada. Together with that portion of vacated Gay Street appurtenant thereto as vacated by that certain order of vacation recorded October 6, 1997 in book 971006 as document no. 00833, official records.

Parcel Three (3): Lots six (6), eight (8), and nine (9) in block two (2) of Tankel's north addition no. 2 as shown by map thereof on file in book 1 of plats, page 95, in the office of the county recorder of Clark County, Nevada. Together with that portion of vacated Shelby Street and vacated Gay Street appurtenant thereto as vacated by that certain order of vacation recorded October 6, 1997 in book 971006 as document no. 00833, official records.

EXHIBIT "D"

SITE MAP

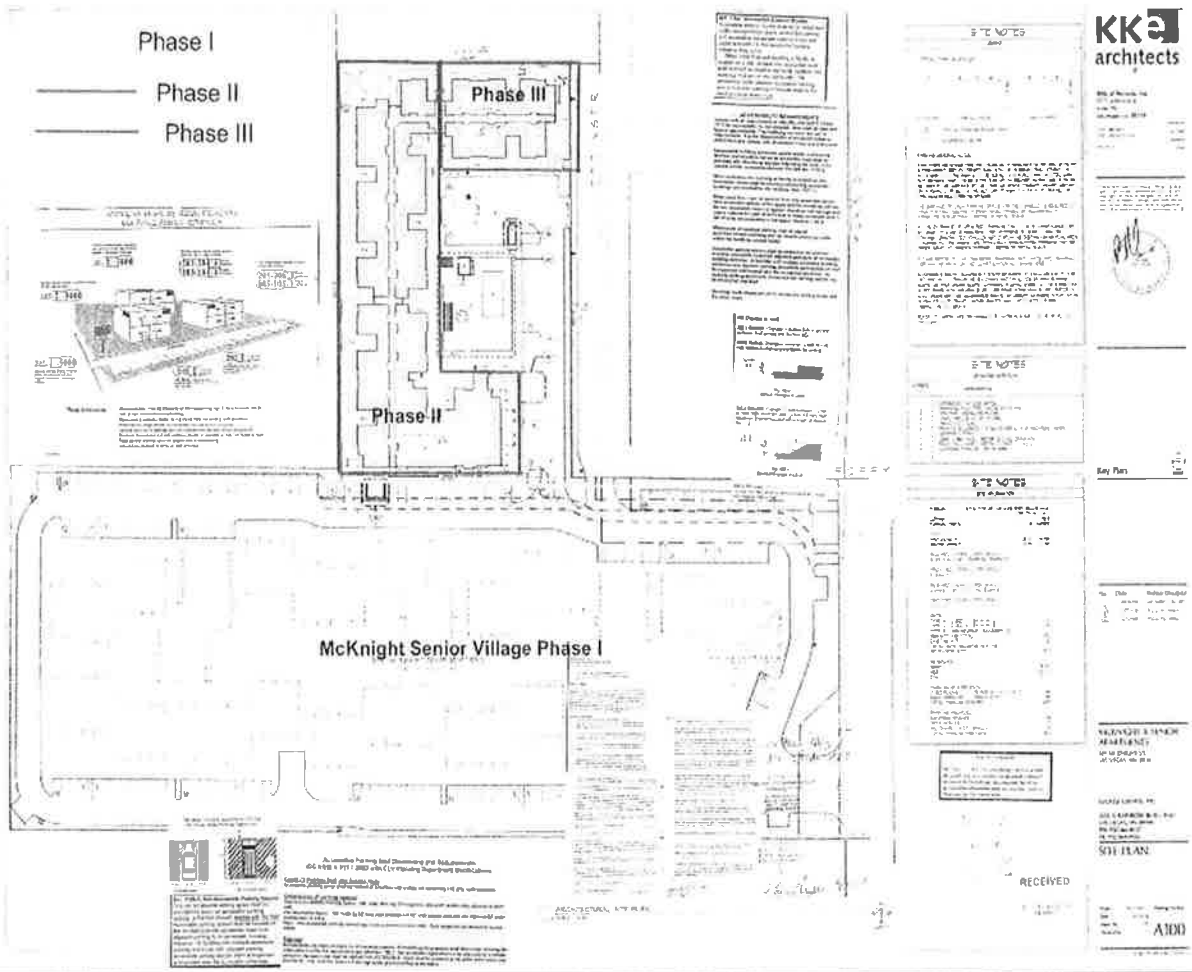


EXHIBIT "E"

PROJECT SCHEDULE

ACTION	DATE

Action	Date
Schematic Designs/Working Drawings Complete	N/A
Local Building Code Review Complete	N/A
Final Plans and Specifications Complete	N/A
Construction to Begin	April-2012
Construction Completed	November-2013

EXHIBIT "F"

PROJECT BUDGET

Item	Total Estimated Cost	RDA Funded
	$ 0	$ 0
	$ 0	$ 0
		$ 0
		$ 0
Construction/Rehabilitation Costs:		
Appliances	$ 209,102	$ 209,102
Flooring	$ 282,916	$ 282,916
Cabinets	$ 86,240	$ 86,240
Painting	$ 275,000	$ 275,000
Covered Parking	$ 132,000	$ 132,000
Builder's Overhead, Profit, General Requirements	$ 147,789	$ 147,789
Financing Costs		
Soft Costs		
Contingency	$ 19,705	$ 19,705
Insurance	$ 12,000	$ 12,000
Title and Recording	$ 5,000	$ 5,000
Legal and Accounting	$ 25,000	$ 25,000
Total Cost	**$ 1,194,752**	**$ 1,194,752**

EXHIBIT "G"

HOME PROGRAM INCOME GUIDELINES

U.S. Department of Housing and Urban Development (HUD)
HOME/ADDI Program Limits (Effective May, 2011)
Median Family Income ($63,400)

FAMILY SIZE	INCOME NOT TO EXCEED	
1	30%	13,700
	50%	22,800 (Very Low-Income)
	60%	27,360
	80%	36,500 (Low-Income)
2	30%	15,650
	50%	26,050 (Very Low-Income)
	60%	31,260
	80%	41,700 (Low-Income)
3	30%	17,600
	50%	29,300 (Very Low-Income)
	60%	35,160
	80%	46,900 (Low-Income)
4	30%	19,550
	50%	32,550 (Very Low-Income)
	60%	39,060
	80%	52,100 (Low-Income)
5	30%	21,150
	50%	35,200 (Very Low-Income)
	60%	42,240
	80%	56,300 (Low-Income)
6	30%	22,700
	50%	37,800 (Very Low-Income)
	60%	45,360
	80%	60,450 (Low-Income)
7	30%	24,250
	50%	40,400 (Very Low-Income)
	60%	48,480
	80%	64,650 (Low-Income)
8	30%	25,850
	50%	43,000 (Very Low-Income)
	60%	51,600
	80%	68,800 (Low-Income)

EXHIBIT "H"

HOME PROGRAM RENT LIMITS

U.S. Department of Housing and Urban Development (HUD) Program Limits (May, 2011)

PROGRAM	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM
Low Home Rent Limit	575	616	740	854	953
High Home Rent Limit	728	781	939	1,077	1,181
For Information Only:					
Fair Market Rent	770	907	1,067	1,483	1,785
50% Rent Limit	570	610	732	846	945
65% Rent Limit	721	774	931	1,066	1,170

EXHIBIT "I"

DISCLOSURE OF PRINCIPALS

The Board of Directors of Silver State Housing, *and all persons and entities holding* more than 1% interest in Silver State Housing, or any principal of Silver State Housing, are the following:

	FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
	Lori Muehlhausen	2655 S. Rainbow # 401, LV, NV 89146	702-364-8027
	Robin Mulkalian	2655 S. Rainbow # 401, LV, NV 89146	702-364-8027
	K.C. Camis	2655 S. Rainbow # 401, LV, NV 89146	702-364-8027
	Joann Oscars	2655 S. Rainbow # 401, LV, NV 89146	702-364-8027
	Carmelean Kitty Martin	2655 S. Rainbow # 401, LV, NV 89146	702-364-8027
	Gina Slater	2655 S. Rainbow # 401, LV, NV 89146	702-364-8027
	James Lewis	2655 S. Rainbow # 401, LV, NV 89146	702-364-8027

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

Silver State Housing, a Nevada non profit corporation

By: ________________________________
Lori Muehlhausen, Executive Director

Subscribed and sworn to before me this
_____ day of ________________, 2012.

____
Notary Public