

DEVELOPMENT SUBSIDY DEFERRED LOAN AGREEMENT

This DEVELOPMENT SUBSIDY DEFERRED LOAN AGREEMENT, ("AGREEMENT"), is made and entered into this 16TH day of May 2007 by and between Nelson A. Martinez, herein called APPLICANT, and the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, with offices located at City Hall, 400 Stewart, Las Vegas, Nevada 89101 (hereinafter referred to as the "City")

WHEREAS, the City of Las Vegas had made available certain funds to be administered as deferred loans to the original eligible homebuyer of CDBG, 15% Set-Aside, and HOME-eligible; and

WHEREAS, as security for the original homebuyer's performance under the Development Subsidy Loan Agreements dated August 31, 1999, and repayment of the deferred loan funds, three deeds of trust were executed by the original homebuyer in favor of the City which encumbered the original homebuyer's property located at 618 Van Buren, Las Vegas, Nevada ("Property") and were recorded in the Office of the Clark County Recorder on September 28, 1999 in Book 9909028 as Instrument Nos. 01340, 01342 and 02342, respectively; and

WHEREAS, to meet the requirements of these deferred loans, the original homebuyer agreed to sell the property to another eligible buyer if the property was sold prior to meeting the ten year affordability period; and

WHEREAS, the Applicant has satisfied the criterion established by the City of Las Vegas for eligibility for a deferred loan.

NOW THEREFORE, City of Las Vegas agrees to provide a deferred loan to Applicant and Applicant agrees to borrow from a deferred loan subject to the following conditions, restrictions and covenants:

I. FUNDS

A. CDBG

The \$19,000 CDBG funds which are the subject of this Agreement, and which had been provided as financial assistance in the building of the Applicant's permanent residence located at 618 Van Buren, Las Vegas, Clark County, State of Nevada, herein called Applicant's Residence are CDBG funds made available through the affordable housing project deferred payment loan. The deferred loan was used to satisfy construction of the Applicant's Residence, the legal description of Applicant's Residence is hereto attached as Exhibit "B" (alternatively, the "Property").

B. 15% Redevelopment Set-Aside Funds

The \$6,000 15% Redevelopment Set-Aside Funds which are the subject of this Agreement, and which had been provided to the original homeowner as financial assistance for the purchase of the Applicant's permanent residence located at 618 Van Buren, Las Vegas, Clark County, State of Nevada, herein called Applicant's Residence are 15% Redevelopment Set-Aside funds made available through a deferred payment loan program, the legal description of Applicant's Residence is hereto attached as Exhibit "B" (alternatively, the "Property").

C. HOME Funds

The \$10,000 HOME funds which are the subject of this Agreement, and which had been provided to the original homeowner as financial assistance for the purchase of the Applicant's permanent residence located at 618 Van Buren, Las Vegas, Clark County, State of Nevada, herein called Applicant's Residence are HOME funds made available through a deferred payment loan program.

II. TERMS OF THE DEFERRED LOAN

The Applicant understands and agrees to assume the above-referenced deferred loans (collectively the "City loan") and only as long as the Applicant resides in the Applicant's Residence for a term of commencing on December 21, 2006, and ending on August 31, 2009 (the "Term").

The Applicant further agrees that throughout the Term the Property will be resold to another CDBG/HOME/15% Set-Aside-eligible buyer upon the death of the Applicant, excluding an eligible heir to or beneficiary of the Property, or, in the event there are two or more Applicants, the Property will be resold to a CDBG/HOME/15% Set-Aside-eligible buyer upon the death of the last surviving Applicant.

In the event of divorce between two Applicants, the Property will be resold to another CDBG/HOME/15% Set-Aside-eligible buyer unless one of the Applicants is entitled pursuant to a decree of divorce to continue residing in the primary housing Property, in which event, the Property will be resold to another CDBG/HOME/15% Set-Aside-eligible buyer upon the death of the Applicant who continues to reside in the Applicant's Residence for the Term, or on the sale, transfer, or any other change of ownership of Applicant's Residence during the Term.

The Applicant further agrees that the Property must be immediately resold to another CDBG/HOME/15% Set-Aside-eligible buyer, if at any time during the Term, the Applicant's Residence is used for other than as the Applicant's primary housing unit, is sold, transferred to another person or entity or otherwise alienated.

Upon verification by the CITY that the Applicant is in breach of any terms of this Agreement, the CITY at its discretion, shall notify the Applicant in writing of said breach and shall mail by certified mail a Notice of Breach to the Applicant and demand immediate resale of the Property to another CDBG/HOME/15% Set-Aside-eligible buyer. The

Applicant shall have a period of ten (10) days from the date of the Notice of Breach to contact the CITY concerning their ability to resell the Property or return the Property to the CITY. In any event, the Property must be resold to another CDBG/HOME/15% Set-Aside-eligible buyer within one hundred twenty (120) days from the date of the Notice of Breach unless agreed otherwise by the CITY at its discretion.

However, notwithstanding the above, the CITY loan shall not be accelerated where to do so would violate applicable federal law. Any failure to execute said option shall not constitute a waiver of the right to exercise the same at any time.

III. ADEQUATE INSURANCE

The Applicant further agrees to maintain policies of sufficient fire, hazard and flood insurance (where required) on the Applicant's Residence which will adequately cover and secure the Property and its contents in the minimum amount of \$35,000 or its fair market value, whichever is higher. The Applicant agrees to have the City of Las Vegas, State of Nevada listed as an additional insured on the policy and to provide the CITY OF LAS VEGAS a Certificate of Insurance which conforms with this provision. Applicant agrees to provide to the City at least ten (10) days written notice of cancellation of any insurance, any material change in insurance coverage or an impending lapse of such coverage. Applicant shall annually adjust the amount of insurance required to be maintained by this Article III.

IV. COMPLIANCE WITH LOCAL CODES

The Applicant also agrees to maintain the Applicant's Residence in accordance with all building, fire, health and other applicable codes during the term of the Agreement.

V. DEED RESTRICTIONS

The Applicant further agrees and understands that the CITY requires that the Property assisted with CDBG/HOME/15% Set-Aside funds remain affordable to families at 80% or below Area Median Income for the stated term of compliance. Applicant agrees to execute the Deed of Trust of even date herewith in favor of City of Las Vegas, State of Nevada (the form of Deed of Trust which is attached hereto as Exhibit "A") and to comply with and/or acknowledge the following deed restrictions:

- (1) The term of compliance expires August 31, 2009.
- (2) The Property must be used as the Applicant's principal residence.
- (3) No temporary subleases of Applicant's Residence are allowed;
- (4) In the event of foreclosure, all deed restrictions contained herein in this Article V and in the Deed of Trust will terminate.
- (5) In the event the Applicant sells prior to completion of the affordability period ending August 31, 2009, the Applicant's Residence must be sold to only a CDBG/HOME/15% Set-Aside-eligible buyer.

VI. ATTORNEY'S FEES AND COURT COSTS

The Applicant agrees that upon any breach of terms, as specified in Article II, III, IV or V of this Agreement or Deed of Trust, the Applicant shall pay for any and all legal costs, including attorney's fees and court costs incurred by the CITY in the recovery or collection of the deferred loan amount due pursuant to this Agreement.

VII. SECURITY

The Applicant agrees that the deferred loan granted herein shall be secured by the Deed of Trust executed by the Applicant, and recorded in the Office of the County Recorder of Clark County, State of Nevada.

The CITY acknowledges that the Property is or will be encumbered by one Deed of Trust (the "First Deed of Trust") created by Applicant to provide partial purchase money financing for Applicant's acquisition of the Property which will be recorded in the Official Records of Clark County, Nevada prior to recordation of Deed of Trust. The CITY OF LAS VEGAS acknowledges and agrees that this Agreement and all rights of the City hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the beneficiary and trustee under the First Deed of Trust. The beneficiary under the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Purchaser under this Agreement. This Agreement will not be subject or subordinate to any replacement of the First Deed of Trust occurring as a result of any prepayment, refinancing, sale or other transaction.

FURTHER, if the Senior Lien Holder as set forth in the first Deed of Trust acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of the Security Instrument shall automatically terminate upon the Senior Lien Holder's acquisition of title, provided that (i) the Trustee has been given written notice of default under the First Deed of Trust and (ii) the Trustee shall not have cured the default under the First Deed of Trust, or diligently pursued curing the default as determined by the Senior Lien Holder, within the 60-day period provided in such notice sent to the trustee.

VIII. NO ASSUMPTION

The Applicant agrees that the deferred City loan which is the subject of this Agreement shall not be assumable by any prospective home buyer, person or entity during the term of the Agreement.

DATED this 16TH day of May, 2007^{17th MA}

Nelson A. Martinez
NELSON A. MARTINEZ, APPLICANT

STATE OF NEVADA)

ss:

COUNTY OF CLARK)

On this 10th day of May, in the year 2007^{7th PS}, before me, personally appeared Nelson A. Martinez, 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 10th day of May, 2007^{7th PS}

FRANCISCO J. SERVIN
Notary Public, State of Nevada
Appointment No. 03-84542-1
My Appointment Expires October 9, 2007

Francisco J. Servin
NOTARY PUBLIC in and for said
County and State

CITY OF LAS VEGAS

Oscar B. Goodman
Oscar B. Goodman, Mayor Date

ATTEST:

Beverly K. Bridges
Beverly K. Bridges, Acting City Clerk

APPROVED AS TO FORM:

J. P. [Signature]
DATE 4/25/07

EXHIBIT "A"

APN: 139-27-110-142

WHEN RECORDED MAIL TO:

Sue Prescott
City of Las Vegas
Neighborhood Services Department
400 Stewart Avenue
Las Vegas, NV 89101

MAIL TAX BILL TO:

Nelson A. Martinez
618 Van Buren
Las Vegas, Nevada 89106

DEED OF TRUST

(DEVELOPMENT SUBSIDY DEFERRED PAYMENT LOAN)

THIS DEED OF TRUST, made this _____ day of _____, 2006, between Nelson A. Martinez, herein called TRUSTOR, whose address is 618 Van Buren, Las Vegas, Nevada 89106; and CITY OF LAS VEGAS, a municipal corporation duly organized in the State of Nevada, whose principal office is located at 400 Stewart Avenue, Las Vegas, Nevada 89101, Attention: Neighborhood Services Department, herein called TRUSTEE AND BENEFICIARY.

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

SEE EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF, and commonly known as 618 Van Buren, Las Vegas, Nevada 89106 ("Property").

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

TOGETHER WITH the rents, issues and profits thereof, reserving the right to collect and use the same, except during some default hereunder, in which event the TRUSTEE shall collect the same by any lawful means in the name of the BENEFICIARY.

FOR THE PURPOSE OF SECURING (1) performance of the Loan Agreement executed by TRUSTOR on the ____ day of _____, 2006 ("Development Subsidy Deferred Loan Agreement") and incorporated by reference herein.

TO PROTECT THE SECURITY OF THE DEED OF TRUST, TRUSTOR AGREES:

By the execution of this Deed of Trust that those provisions included in the Development Subsidy Deferred Loan Agreement are hereby incorporated herein by reference and made a part hereof as though fully set forth herein at length; that the TRUSTOR or his successors will observe and perform said provisions; and that the references to Property, obligations and parties in said provisions shall be construed to refer to the Property obligations and parties set forth in this Deed of Trust.

The CITY OF LAS VEGAS acknowledges that the Property is or will be encumbered by one Deed of Trust (the "First Deed of Trust") created by TRUSTOR to provide partial purchase money financing for TRUSTOR'S acquisition of the Property which will be recorded in the Official Records of Clark County, Nevada prior to recordation of this Security Instrument. TRUSTEE acknowledges and agrees that this Deed of Trust and all rights of TRUSTEE hereunder are and will be subject and subordinate to the lien of the First Deed of Trust and to all rights and remedies of the BENEFICIARY and TRUSTEE under the First Deed of Trust. The BENEFICIARY under the First Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Purchaser under this Deed of Trust. This Deed of Trust will not be subject to or subordinate to any replacement of the First Deed of Trust occurring as a result of any prepayment, refinancing, sale or other transaction.

FURTHER, if the Senior Lien Holder as set forth in the First Deed of Trust acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of the Deed of Trust shall automatically terminate upon the Senior Lien Holder's acquisition of title, provided that (i) the Trustee has been given written notice of default under the First Deed of Trust, and (ii) the Trustee shall not have cured the default under the First Deed of Trust or diligently pursued curing the default as determined by the Senior Lien Holder, within the 90-day period provided in such notice sent to the TRUSTEE.

THE TRUSTOR AGREES TO COMPLY WITH THE FOLLOWING RESTRICTIONS:

1. The term of compliance shall expire August 31, 2009.
2. The Property shall be used as Applicant's principle residence;
3. No temporary subleases of the Property are allowed;
4. In the event the homebuyer sells the subject property prior to completion of Affordability Period on August 31, 2009, the Property must be sold to only CDBG/HOME/15% Set-Aside-eligible buyers.
5. All deed restrictions contained herein are canceled in the event of foreclosure.

The following Covenants Nos. 1, 2 (\$35,000), 3, 4 (6%), 5, 6, 7 (10%), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.

THE UNDERSIGNED TRUSTOR requests that a copy of any Notice of Default, any Notice of Sale, and or any Notice of Lien hereunder be mailed to the address hereinabove set forth:

Nelson A. Martinez, Trustor

STATE OF NEVADA)

ss:

COUNTY OF CLARK)

On this _____ day of _____, in the year 2006, before me, personally appeared Nelson A. Martinez, 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 _____, 2006.

NOTARY PUBLIC in and for said
County and State

EXHIBIT "B"
LEGAL DESCRIPTION

Assessor's Parcel Number (APN): 139-27-110-142

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF NEVADA,
COUNTY OF CLARK AND IS DESCRIBED AS FOLLOWS:

Lot TWO (2) in Block TWENTY-THREE (23) of H.F.M. & M. ADDITION TO THE CITY
OF LAS VEGAS, as shown by map thereof on file in Book 1 of Plats, Page 47, in the office
of the County Record of Clark County, Nevada.