

DEED RESTRICTION
Clark County Welcome Home Community Land Trust

RECORDING REQUESTED PURSUANT
TO GOVERNMENT CODE SECTION _____

When Recorded Mail To:

Clark County

Attn:

DEED RESTRICTION
Clark County Community Land Trust

Owner: _____

Residence: _____

Purchase Price: _____

This Deed Restriction (“Deed Restriction”) is entered into as of this ___ day of _____, 20___, by and between Clark County, a political subdivision of the State of Nevada (the “County”) and _____ (referred to in this Deed Restriction as “Owner”).

RECITALS

A. These Recitals refer to and utilize certain terms which are defined in Section 1 of this Deed Restriction. The parties intend to refer to those definitions in conjunction with the use of the terms in these Recitals.

B. The County has established an affordable homeownership program called the Welcome Home Community Land Trust, through which the County will make available new or rehabilitated single-family dwellings (“Units”) which will be sold to qualified low- and moderate-income purchasers.

C. The County has also established resale restrictions to protect its financial interest in the Units and to provide for the continued availability and affordability of the Units to other low- and moderate-income households. The resale restrictions and other County requirements for the Owner’s purchase of the Residence under the terms and program documents of the County are contained in this (“Deed Restriction”). **This Deed Restriction and its requirements shall run**

with the land and remain senior and shall not be subordinated to the First Lender or the First Lender Loan.

D. The County and the Owner will execute a Homebuyer Ground Lease effective on the date the purchase by the Owner of the Residence closes with the First Lender. The Homebuyer Ground Lease has a term of 99 years, and also places resale restrictions on price and income eligibility for subsequent buyers of the Residence, and also places other obligations on the Owner. **The Homebuyer Ground Lease and its requirements shall remain senior and shall not be subordinated to the First Lender or the First Lender Loan.**

E. The Owner has qualified to purchase and intends to purchase one of the Units, commonly known as the (“Residence”), which is located on a parcel of land owned by Clark County (“Leased Premises”) and more particularly described in Exhibit A.

F. The Owner has a household income at or below _____ percent (___%), of the current (202_) Las Vegas-Henderson-Paradise MSA Area Median Income (“AMI”), adjusted for Owner’s household size (“Designated Income Household”).

G. The purpose of this Deed Restriction is to place permanent affordability restrictions on the Residence so that the economic benefit provided to the Owner will also be available to future residents of Clark County. These affordability restrictions include resale restrictions and other requirements on the Owner, and the provision of an option to purchase the Residence to the County.

H. The Owner is receiving a First Lender Loan (the “First Lender Loan”) from _____ (the “First Lender”). The First Lender Loan is secured by a deed of trust dated _____, _____, executed by the Owner in favor of First Lender and recorded in _____ County on _____, _____, and assigned in the Official Records of the Clark County Recorder as Instrument No. _____ (the “First Lender Deed of Trust”). The First Lender Loan is contained in Exhibit E.

I. The County ___is or ___is not providing to the Owner a second mortgage loan on the Residence in the amount of _____ Dollars (\$_____) (the “County Loan”).

J. The County Loan, if applicable, as provided in paragraph I of this section, is evidenced by a promissory note (the “County Note”) in the amount of the County Loan and secured by a deed of trust on the Residence (the “County Deed of Trust”). The County Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust. This Deed Restriction will remain in full effect as an encumbrance on the Residence after any prepayment of the County Note by the Owner and after the Maturity Date of the County Note.

K. The County Note also evidences Owner’s obligation to pay Excess Sales Proceeds (as more fully defined below) to the County in the event Owner does not sell the Residence at the restricted price in compliance with this Deed Restriction.

NOW, THEREFORE, in consideration of the benefits received by the Owner and the County hereunder, the Owner and the County agree, as follows:

1. DEFINITIONS AND EXHIBITS

The following terms are specially defined for this Deed Restriction and their definitions can be found in the sections indicated below:

- (1) “Affordable Monthly Mortgage Payment” shall be defined as described in Section 13.1.
- (2) “Affordable Mortgage” shall be defined as described in Section 13.1.
- (3) "Affordable Rent" shall be defined as described in Section 4.5.
- (4) “Affordable Sales Price” shall be defined as described in Section 13.1.
- (5) "Deed Restriction" shall mean this document.
- (6) “Combined Loan to Value” shall mean the Total Mortgage Debt on the Residence as a Percentage of the then-current Affordable Sales Price.
- (7) “County” shall mean Clark County, Nevada as referenced in the first sentence of this Deed Restriction, Page 1.
- (8) “CLT-Approved Lender” a mortgage lender that has been approved by the County to provide mortgages on CLT homes.
- (9) “County Deed of Trust” shall have the meaning described in Recital J.
- (10) “County Loan” shall have the meaning described in Recital I.
- (11) “County Note” shall have the meaning described in Recital J.
- (12) “County Purchase Option” shall have the meaning described in Section 12.
- (13) “County Response Notice” shall have the meaning described in Section 10.
- (14) “Designated Income Household” shall mean a household having an annual gross income at or below 100% of AMI, adjusted for Owner’s household size, as specifically stated in Recital E.
- (15) “Eligible Purchaser” shall have the meaning described in Section 14.2.
- (16) “Environmental Law” shall have the meaning described in Section 5.4.

- (17) “Excess Rental Proceeds” shall have the meaning described in Section 4.
- (18) “Excess Sales Proceeds” shall have the meaning described in Section 15.
- (19) “Fair Market Value” shall have the meaning described in Section 13.2.
- (20) “First Lender” shall have the meaning described in Recital H.
- (21) “First Lender Deed of Trust” shall have the meaning described in Recital H.
- (22) “First Lender Loan” shall have the meaning described in Recital H.
- (23) “First-Time Homebuyer” shall have the meaning described in Section 14.2.
- (24) “Ground Lease Fee” shall mean a fee paid by the Owner for the Leased Premises, as required and set forth in the Ground Lease Agreement.
- (25) “Hazardous Substance” shall have the meaning described in Section 5.4.
- (26) “HUD” shall have the meaning described in Section 13.1.
- (27) “Inheriting Owner” shall have the meaning described in Section 8.2.
- (28) “Junior Loan” shall have the meaning described in Section 7.5.
- (29) “Leased Premises” shall have the meaning described in Recital E.
- (30) “Maximum Restricted Resale Price” shall have the meaning described in Section 13.
- (31) “Occupancy Standard” shall have the meaning described in Section 13.1.
- (32) “Original First Lender Loan” shall have the meaning described in Section 7.3.
- (33) “Owner” shall be defined as in the first sentence of this Deed Restriction, Page 1.
- (34) “Owner's Notice of Intent to Transfer” shall have the meaning described in Section 8.1.
- (35) “Permitted Mortgage” shall have the meaning described in Section 7.1.
- (36) “Permitted Mortgagee” shall have the meaning described in Section 7.1.

- (37) “Prohibited Capital Improvements” shall have the meaning described in Section 6.
- (38) “Prohibited Mortgage” shall have the meaning described in Section 7.6.
- (39) “Property” shall have the meaning described in Section 2.
- (40) “Proposed Purchaser” shall have the meaning described in Section 14.1.
- (41) “Purchase Price” shall equal the amount referenced on Page 1 of this Deed Restriction.
- (42) “Required Property Insurance” shall have the meaning described in Section 5.2.
- (43) “Residence” shall have the meaning described in Recital E.
- (44) “Total Mortgage Debt” equals the sum of all mortgages and liens on the Residence, excluding the County Loan.
- (45) “Transaction Fee” shall have the meaning described in Section 12.
- (46) “Transfer” shall have the meaning described in Section 8.1.
- (47) “Units” shall have the meaning described in Recital B.

A. The following exhibits are attached to this Deed Restriction:

- Exhibit A: Legal Description of the Property
- Exhibit B: Form of Annual Owner Occupancy Certification
- Exhibit C: Form of Owner’s Notice of Intent to Transfer
- Exhibit D: Form of Owner Acknowledgement of County Response Notice
- Exhibit E: First Lender Loan Agreement
- Exhibit F: Letters of Agreement and Attorney’s Acknowledgement

2. DESCRIPTION OF PROPERTY

This Deed Restriction concerns the Residence and the real property commonly known as _____, _____, Nevada _____, which is more fully described in Exhibit A attached hereto and incorporated in this Deed Restriction.

3. OWNER CERTIFICATIONS; OWNER OCCUPANCY REQUIREMENT

The Owner certifies that the financial information and any other information previously provided in order to qualify to purchase the Residence is true and correct as of the date first written above and that the Owner shall occupy the Residence as the Owner's principal place of residence. The Owner shall be considered as occupying the Residence if the Owner is living in the unit for at least ten (10) months out of each calendar year. On or before the anniversary of the date of execution of this Deed Restriction, the Owner shall provide an annual written certification to the County, in the form shown in the attached Exhibit B, that the Owner is occupying the Residence as his or her principal place of residence.

4. NO RENTING OR LEASING OF RESIDENCE

The Owner shall not lease the Residence to another party, unless such lease is first approved in writing by the County. The County shall approve the leasing of the Residence only if ALL of the following conditions are met:

4.1 The Owner demonstrates to the County's reasonable satisfaction that the Owner will incur substantial hardship if he or she is not permitted to lease the Residence to a third party, (allowable hardships include military deployment and divorce);

4.2 The term of the lease is not greater than twelve (12) months and cannot be extended without County approval;

4.3 The lease requires the tenant to maintain the Residence and home in good condition and prohibits subleasing;

4.4 The tenant is a low- or moderate-income household as determined by the County; and

4.5 The rent for the Residence does not exceed the lesser of:

(1) Thirty percent (30%) of the income of the tenant household that is renting the Residence, adjusted by the Occupancy Standard for the number of bedrooms in the Residence, less the then current monthly utility allowance appropriate for the Residence as published by the Southern Nevada Regional Housing Authority, or its successor index, or

(2) The Owner’s monthly cost of principal and interest on the First Lender Loan, and property insurance and property taxes associated with Residence (the “Affordable Rent”).

Any lease of the Residence in violation of this Deed Restriction is prohibited and shall be a default under this Deed Restriction and the County Deed of Trust. The Owner further agrees that, in the event the Owner leases the Residence to a third party in violation of this Section 4, any excess rents paid to the Owner by the lessee over the Affordable Rent (“Excess Rental Proceeds”) shall be due and payable to the County immediately upon receipt thereof by the Owner. Such Excess Rental Proceeds shall be considered a recourse debt of the Owner to the County, as evidenced by the County Note, which the County may collect by legal action against the Owner and/or by foreclosure under the County Deed of Trust.

5. MAINTENANCE AND INSURANCE REQUIREMENTS

5.1 The Owner shall maintain the Residence, including landscaping, in good repair and in a neat, clean and orderly condition (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal and other governmental agencies and bodies having or claiming jurisdiction, and all their respective departments, bureaus and officials, will not commit waste or permit deterioration of the Residence, and shall make all repairs and replacements necessary to maintain the Residence in good condition and repair. Failure by the Owner to maintain the Residence shall constitute a default under this Deed Restriction.

5.2 The Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the Residence (adjusted every five (5) years to reflect current replacement value; an appraisal may be required by the County), naming the County as an additional insured (“Required Property Insurance”). If the Security is located in a flood plain, Owner shall also obtain flood insurance. Owner must keep the improvements now existing or subsequently erected on the Security insured against loss by fire, hazards included within the term “extended coverage,” and any other hazards including, but not limited to, earthquakes, winds, and floods, for which First Lender requires insurance. Owner must maintain the types of insurance First Lender requires in the amounts (including deductible levels) and for the periods that First Lender requires. What First Lender requires pursuant to the preceding sentences can change during the term of the Loan, and may exceed any minimum coverage required by Applicable Law. Owner may choose the insurance carrier providing the insurance, subject to First Lender’s right to disapprove Owner’s choice, which right will not be exercised unreasonably.

The insurance carrier providing this insurance shall be licensed to do business in the State of Nevada and be chosen by Owner subject to approval by the County, and if needed by the First Lender.

All insurance policies and renewals thereof will be in a form acceptable to the County and will include a standard mortgagee clause with standard lender's endorsement in favor of the holder of the First Lender Note and the County as their interests may appear and in a form acceptable to the County. The County shall have the right to hold, or cause its designated agent

to hold, the policies and renewals thereof, and Owner shall promptly furnish to the County, or its designated agent, the original insurance policies or certificates of insurance, all renewal notices and all receipts of paid premiums. In the event of loss, Owner will give prompt notice to the insurance carrier and the County or its designated agent. The County, or its designated agent, may make proof of loss if not made promptly by Owner. The County shall receive thirty (30) days advance notice of cancellation of any insurance policies required under this section. If Owner fails to maintain required insurance the County will maintain that insurance on behalf of the Owner, and any amount so expended by the County shall be promptly paid by Owner and may be collected from sales proceeds upon sale of the home.

5.3 The Owner covenants that the Owner shall not repair automobiles, other motor vehicles or any other heavy machinery in the parking area, garage, driveway or any other portion of the Property. The Owner further covenants that not more than three (3) automobiles shall be parked on a permanent basis in the parking area, garage, driveway or any other portion of the Property. Vehicles or heavy machinery shall be immediately removed from the Property if they become inoperable for more than five (5) calendar days.

5.4 The Owner will not bring hazardous materials on site, except for those used in the course of normal home maintenance and cleaning. Owner shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Owner shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

("Hazardous Substances") shall mean those substances defined as toxic or hazardous substances or hazardous waste under any Environmental Law, including but not limited to, the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, radioactive materials, and other substances identified in NRS 40.504.¹

("Environmental Law") shall mean all federal and state of Nevada laws that relate to health, safety or environmental protection.

¹ "Hazardous substance" means:

1. An element, compound, mixture, solution, material or substance whose use, possession, transportation, storage, release, discharge or disposal is regulated pursuant to chapter 444, 445A, 445B, 445C, 459, 477 or 618 of NRS;
2. An element, compound, mixture, solution, material or substance designated as a hazardous substance pursuant to [42 U.S.C. § 9602](#) and an element, compound, mixture, solution, material or substance described in [42 U.S.C. § 9601\(14\)](#);
3. An element, compound, mixture, solution, material or substance listed as a hazardous waste in, or having the characteristics identified in, [42 U.S.C. § 6921](#) on January 1, 1993, except any waste for which regulation under the Resource Conservation and Recovery Act of 1976, [42 U.S.C. §§ 6901 et seq.](#), has been suspended by an act of Congress; and
4. Petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, synthetic oil, synthetic gas usable for fuel or any mixture thereof.

Owner shall promptly give County written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory County or private party involving the Property and any Hazardous Substance or Environmental Law of which Owner has actual knowledge. If Owner learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Owner shall promptly take all necessary remedial actions in accordance with Environmental Law. The Owner shall be responsible for remediating any soils or other contamination caused by Owner violating the prohibition of use and storage of hazardous substances. The County shall determine that the Property is in a clean and, if needed, remediated condition, as certified by the appropriate regulatory agency active in the County.

5.5 In the event that the Owner breaches any of the covenants contained in this Section 5 and such default continues for a period of ten (10) days after written notice from the County with respect to graffiti, debris, waste material, general maintenance, automobiles or heavy machinery or thirty (30) days after written notice from the County with respect to landscaping and building improvements, then the County, in addition to whatever other remedy it may have at law or in equity, shall have the right to enter the Leased Premises, and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the County shall be permitted (but is not required) to enter the Leased Premises and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas, to remove vehicles and machinery, and to attach a lien on the Residence, or to assess the Residence, in the amount of the expenditures arising from such acts and work of protection, maintenance, removal and preservation by the County and/or costs of such cure, which amount shall be promptly paid by the Owner to the County, plus an administrative charge equal to ten percent (10%) of the cost of such work upon demand.

5.6 Failure to meet any of the above requirements constitute a default under these Deed Restrictions and the Homebuyer Ground Lease and County may declare a default under the Homebuyer Ground Lease, and after a notice and cure period may terminate the Homebuyer Ground Lease.

6. RESTRICTION ON IMPROVEMENTS TO THE RESIDENCE

6.1 The owner may not perform the following improvements, construction, or additions to the residence:

- a. Room addition;
- b. Addition of additional square footage to the Residence primary building, and garage, if applicable;
- c. In-ground swimming pool or spa;
- d. Accessory dwelling unit; and
- e. Any other structures.

Collectively, these are deemed to be Prohibited Capital Improvements (“Prohibited Capital Improvements”).

6.2 The Owner shall not make any construction, modification, alteration, removal, relocation, exterior decoration or redecoration (including exterior painting), grading, excavation, changes or additions to fencing or walls, or reconstruction of Residence or Leased Premises, including landscaping unless identical to the original color, structure and landscaping. If for some reason a variation is required, it must be submitted to the County, in writing, for review and consideration. The County shall only approve variations from original residences if it deems that the installation or alterations contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding residences and that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the alterations shall not detract from the attractiveness of the surrounding residences, Leased Premises, or common areas, and that the enjoyment, upkeep and maintenance thereof will not become a burden to the County or surrounding Owners.

No clotheslines and outdoor clothes drying or hanging shall be permitted at the Residence or Leased Premises, if in view of other residences, nor shall anything be hung, painted or displayed on the outside of any windows (or inside, if visible from the outside) or placed on the outside walls or outside surfaces of doors of any Improvement on a Residence, and no awnings, canopies or shutters (except as may be specifically authorized by Nevada law) shall be affixed or placed upon the exterior walls or roofs of the Residence or Leased Premises, or any part thereof, nor relocated or extended. Window air conditioners are prohibited.

This Section shall not be deemed to prohibit minor repairs or rebuilding which are for the purpose of maintaining or restoring the Residence at or to its existing condition. All walks, walls, driveways, patios, decks and courtyards are an integral component and part of the residence and surrounding landscape. Adding textured surfaces such as brick, stone, are not discouraged but shall require approval of the County. Owners cannot and shall not modify in any way the walls constructed in common areas, Leased Premises, or by the County.

The criteria set forth in this Lease is intended to provide minimum standards for creating and maintaining the continuity and visual quality of the neighborhood image and character. All other portions of the Residence and Leased Premises shall be maintained by each Owner consistent with this Lease.

6.3 To extent permitted by law, television satellite dishes, DBS antenna, MDS antenna, and transmission-only antenna adhering to the following standards and restrictions shall be allowed.

- a) An antenna that is designed to receive direct broadcast satellite service and/or video programming services via multipoint distribution services that is one meter or less in diameter or by diagonal measurement.
- b) An antenna that is designed to receive direct television broadcast signals.

- c) Satellite dishes cannot be attached to any structure other than the side of the Residence, or a pole designed specifically for that purpose. If a satellite dish is attached to a pole, the maximum allowable height from the ground to the top edge of the dish shall be no more than five feet (5'), but in no event shall it protrude above the surrounding property fence.
- d) Satellite dishes must be fully screened from view from adjacent streets, and sidewalks.

Notwithstanding the foregoing, the County shall authorize variances from one or more of the above standards if it appears that the standard unreasonably delays or prevents installation, maintenance or use, or unreasonably increases the cost of installation or use or precludes reception of an acceptable quality signal. The County shall promptly consider all such applications so as not to unreasonably delay the installation, maintenance or use of the satellite dish or antenna. No other satellite dishes, television antenna, CB antenna or other antenna of any type shall be erected or maintained at the Residence or Leased Premises.

6.4 No sign, banner, flag, poster; billboard or advertisement of any kind, including, without limitation, informational signs, “for sale” or “for rent” signs and those of contractors and subcontractors, shall be erected, displayed or maintained on or around the Residence, without the prior written consent of the County. If permission is granted to any Owner to erect a sign, the County reserves the right to restrict the size, shape, color, lettering, height, material and location of the sign, or in the alternative, provide the Owner with a sign to be used for such purposes. No sign shall be nailed or otherwise attached to trees. Owners may not erect signs on common areas or Lease Premises.

6.5 No rubbish, refuse or scrap lumber or metal; and no grass, shrub or tree clippings; and no plant waste, compost, built materials or debris of any kinds shall be kept, stored or allowed to accumulate on any Residence or Leased Premises unless screened from view, except that such material may be kept in areas designated for this purpose in connection with authorized and approved construction. A refuse container, the use of which has been approved by the County, containing such materials, may be placed outside at times reasonably necessary to permit garbage or trash pickup. Reasonably necessary time shall not extend more than twelve (12) hours before scheduled pickup. No Owner shall carry on or permit to be carried on, any practice on the Residence which unreasonably interferes with the quiet enjoyment and proper use of another Owner or Residence or Leased Premises or of common areas.

6.6 No tent, shed, shack or other temporary or portable building, improvement or structure shall be placed upon any portion of the Residence or Leased Premises.

6.7 Owners may use landscape lighting to enhance the Residence and yard. Only indirect low-level lighting is permitted. No lighting which causes glare, discomfort or disrupts the visual environment of neighboring residences and yards is permitted. Any lights mounted higher than six feet (6') off the ground must be pointed downward and away from neighboring residences. No light on any building, tree, pole or any other vertical element on the Leased Premises may be located higher than the eaves of the Residence. Ground mounted spotlights and uplights are

acceptable provided they point towards the building and do not provide nuisance light levels in adjacent residences.

6.8 PARTY WALLS

a) General rules of law apply. Each wall, fence, driveway, or similar structure built as a part of the original construction on the Leased Premises which serves and/or separates such from an adjoining residence shall constitute a party wall structure. To the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Owners who make use of the party's structure shall share the cost of reasonable repair and maintenance of such structure equally.

(c) Damage and Destruction. If a party wall or structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners subsequently use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users or other persons under any rule of law regarding liability for negligent or willful acts or omissions which caused or contributed to the damage.

7. FINANCING

7.1 The Owner may mortgage the Residence only with the written permission of the County. Any mortgage or deed of trust permitted in writing by the County is defined as a "Permitted Mortgage", and the holder of such a mortgage or deed of trust is defined as a "Permitted Mortgagee".

7.2 NON-SUBORDINATION: Any Permitted Mortgage shall remain subordinate and inferior to County's right and interest in the Leased Premises and reversionary interest in the Leased Premises.

Upon acquisition of the Residence by any foreclosing First Lender Loan, the foreclosing First Lender or its successor's rights to the Residence shall be subject to the terms and provisions of this Deed Restriction.

7.3 Any First Lender Loan must be a fully-amortizing, fixed-interest rate mortgage. The "Original First Lender Loan" must have a term and amortization period of at least 30 years. Loans to refinance a First Lender Loan may have a shorter term and amortization period as long as they meet all of the other conditions of Section 7.5.

7.4 By signing this Deed Restriction, County gives written permission for the Original First Lender Loan, contained in Exhibit E, signed by the Owner effective on the day this Lease is signed for the purpose of financing Owner's purchase of the Residence.

7.5 No earlier than twelve (12) months after purchase, Owners may submit a request to the County to refinance their first mortgage for the following purposes:

- Lower interest rate;
- Shortened first mortgage loan term; or
- Lower monthly payment.

When requesting approval to refinance, Owners must:

- Use a CLT-Approved Lender;
- Be in compliance with the Deed Restriction, the Homebuyer Ground Lease; and, if applicable, the County Loan;
- Pay an administrative fee posted on the County’s website;
- Have no delinquent mortgage payments, property taxes, ground lease fees, HOA payments, unauthorized loans, or liens; and
- Ensure that new loan is subordinated to the Deed Restriction and Ground Lease.

Cash equity withdrawals on the Residence are allowed only under the following circumstances and must be pre-approved in writing by the County:

- Capital improvements to the Residence; and
- Funds required to implement a marriage dissolution agreement or domestic partnership dissolution agreement.

Documentation supporting the expense will be required. Under no circumstances can the new loan amount exceed the original loan amount, and the Combined Loan to Value cannot exceed 95% of the Affordable Sales Price.

If, not earlier than twelve (12) months after purchase, Owner seeks a loan that is to be secured by a mortgage on the Residence (including a loan to refinance an existing First Lender Loan, or a home equity loan in third position (“Junior Loan”) to finance home repairs or for any other purpose), Owner must inform the County, in writing, of the proposed terms and conditions of such mortgage loan at least 15 business days prior to the expected closing of the loan. Home equity lines of credit (HELOCs) are strictly prohibited. The information to be provided to the County must include:

- a. the name of the proposed lender;
- b. Owner’s reason for requesting the loan;
- c. the principal amount of the proposed loan and the Total Mortgage Debt that will result from the combination of the loan and existing mortgage debt, if any;
- d. expected closing costs;
- e. the rate of interest;
- f. the repayment schedule, including monthly mortgage payment; and
- g. a copy of the appraisal commissioned in connection with the loan request.

County may also require Owner to submit additional information.

County will not permit such a mortgage loan if the new loan amount exceeds the original loan amount, and the Combined Loan to Value cannot exceed 95% of the Affordable Sales Price calculated in accordance with Section 10.2, or if the terms of the transaction otherwise threaten the interests of either the Owner or the County.

Any loan approved by the County under this Section shall remain subordinate and inferior to County's right and interest in the Leased Premises and reversionary interest in the Leased Premises.

7.6 All mortgages and liens, EXCEPT a Permitted Mortgage are prohibited ("Prohibited Mortgage") and constitute a Default under this Deed Restriction. A home equity line of credit (HELOC) and any loan not approved by the County is a Prohibited Mortgage.

7.7 Owner and County recognize that it would be contrary to the purpose of this Deed Restriction if Owner could receive more than the Affordable Price as the result of the foreclosure of a mortgage. Therefore, Owner hereby irrevocably assigns to County all net proceeds of sale of the Residence that would otherwise have been payable to Owner and that exceed the amount of net proceeds, defined as Excess Sales Proceeds below in Section 15, that Owner would have received if the Residence had been sold for the Affordable Price, calculated as described in Section 13.1. Owner authorizes and instructs the Permitted Mortgagee, or any party conducting any sale, to pay such excess amount directly to County. If, for any reason, such excess amount is paid to Owner, Owner hereby agrees to promptly pay such amount to County.

7.8 The County may charge the homeowner a fee to refinance the Original First Lender Loan, or to remove cash equity from the home.

8. RESTRICTIONS ON RESALE OF THE RESIDENCE

8.1 Transfer. Any Transfer of the Residence will be subject to the provisions of this Deed Restriction including, without limitation, the County Purchase Option described in Section 12. "Transfer" means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Residence, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest (other than as permitted pursuant to Section 4), a mortgage, a deed of trust (other than the First Lender Deed of Trust or a Junior Loan permitted pursuant to Section 7) or an interest evidenced by a land contract by which possession of the Residence is transferred and Owner retains title. Any Transfer without satisfaction of the provisions of this Deed Restriction is prohibited and shall constitute a default under this Deed Restriction and the County may then exercise any of the remedies set forth in Section 17.2, including, without limitation, exercise of the County Purchase Option upon default, as set forth in Section 20. A Transfer shall not include a transfer:

- a. to an existing spouse or domestic partner;

- b. by an Owner to a spouse or domestic partner where the spouse or domestic partner becomes the co-owner of the Residence;
- c. between spouses as part of a marriage dissolution proceeding;
- d. to an existing spouse or domestic partner of Owner by devise or inheritance following the death of Owner;
- e. by Owner into an inter vivos revocable trust in which Owner is the beneficiary; or
- f. refinance of the First Lender Loan or Junior Loan meeting the requirements of Section 7.5 of the Deed Restriction; provided, however, that Owner shall provide written notice of all such transfers to County; and Owner shall continue to occupy the Residence as his or her principal place of residence (except where the transfer occurs pursuant to subsections 8.2 or 8.3, in which event the transferee shall owner-occupy the Residence and affirmatively assume Owner's obligations under this Deed Restriction, the County Note, and the County Deed of Trust).

All other Transfers shall require written notice to the County pursuant to Section 9 and shall be to Eligible Purchasers. Consideration received by the Owner for such Transfer shall not exceed the Maximum Restricted Resale Price defined in Section 13. For purposes of this section, "domestic partner" is defined pursuant to Nevada Revised Statute Chapter 122A. Domestic partners may not be persons related to each other by blood or adoption such that their marriage would be barred in the State of Nevada. For purposes of this section, an individual shall be considered a Domestic Partner of Owner upon presentation of an affidavit or other acceptable evidence by Owner to the County.

8.2 Inheritance. If Owner dies (or if the last surviving co-owner of the Residence dies), the executor or personal representative of Owner's estate shall notify County within ninety (90) days of the date of the death. The person inheriting the Residence (the "Inheriting Owner") shall provide the County with the information necessary for the County to determine the Inheriting Owner's relationship to the deceased Owner. Upon receiving such notice County shall consent to a transfer of the Residence and Owner's rights to the Leased Land to one or more of the possible heirs of Owner listed below:

- a. the spouse of the Owner; or
- b. the child or children of the Owner; or
- c. member(s) of the Owner's household who have resided in the Residence for at least one year immediately prior to Owner's death, and who are either a legal heir or first-degree consanguinity.

8.3. Any other heirs, legatees or devisees of Owner, in addition to submitting Letters of Agreement and Attorney's Acknowledgment as provided in Exhibit F, must demonstrate to County's satisfaction that they are a Designated Income Household as defined in Recital F. If they

cannot demonstrate that they are a Designated Income Household, they shall not be entitled to possession of the Residence but must transfer the Residence in accordance with the provisions of this Deed Restriction or the County may exercise its Option To Purchase the Residence pursuant to Section 12; provided, however that the Inheriting Owner may own and occupy the Residence for up to twelve (12) months prior to providing an Owner's Notice of Intent to Transfer to the County pursuant to Section 9, and provided further that the Inheriting Owner remains in compliance with the requirements of this Deed Restriction, the Homebuyer Ground Lease and the County Deed of Trust (if applicable).

Failure of an Inheriting Owner to follow the procedures and file the notices described in this Deed Restriction shall constitute a default under this Deed Restriction and the County may then exercise any of the remedies set forth in Section 17.2, including, without limitation, exercise of the County Purchase Option upon default, as specified in Section 20.

9. NOTICE OF INTENDED TRANSFER; PREPARATION OF RESIDENCE FOR SALE

9.1 In the event the Owner intends to Transfer or vacate the Residence, the Owner shall promptly give the County written notice of such intent (the "Owner's Notice of Intent to Transfer"), in the form shown in Exhibit C attached to this Deed Restriction. The Owner shall give the County the Owner's Notice of Intent to Transfer prior to notifying real estate brokers or lenders of Owner's intent to Transfer the Residence and prior to listing of the Residence on the Multiple Listing Service or any similar listing service. The Owner's Notice of Intent to Transfer shall be sent to the County by certified mail, return receipt requested at the address provided in section 30 of this Deed Restriction. The Owner's Notice of Intent to Transfer shall include the information necessary for the County to determine the Maximum Restricted Resale Price of the Residence, including the following information:

- a. the address of the Residence;
- b. the date of purchase of the Residence by the Owner;
- c. the purchase price of the Residence paid by the Owner at the time of his/her purchase;
- d. a copy of the HUD-1 Settlement Statement or equivalent document from the close of escrow on the Owner's purchase of the Residence;
- e. the date on which Owner intends to vacate Residence;
- f. the date the Residence will be placed on the market; and
- g. the name and phone number of the person to contact to schedule inspections of the Residence by the County.

9.2 Following delivery to the County of the Owner's Notice of Intent to Transfer, the Owner shall prepare the Residence for sale, as follows:

- a. Within thirty (30) days of delivery of the Owner's Notice of Intent to Transfer, the Owner shall obtain and deliver to the County a current written report of inspection of the Residence by a licensed structural pest control operator;
- b. Within the sooner of (a) sixty (60) days from the date of delivery of the Owner's Notice of Intent to Transfer, or (b) prior to two (2) weeks before close of escrow on the Transfer, the Owner shall repair all damage noted in the pest report including damage caused by infestation or infection by wood-destroying pests, as well as remediate any environmental contamination caused by Owner's occupancy and use of the Property (provided, however, that in the event Owner does not cause the work to be performed in accordance with this subsection the cost of such work shall be considered deferred maintenance and reflected as a downward adjustment in the Maximum Restricted Resale Price pursuant to Section 13);
- c. Within thirty (30) days of the date of the Owner's Notice of Intent to Transfer, the Owner shall allow the County, or its designee, to inspect the Residence, including the interiors, to determine its physical condition, and, if requested by the County, following such inspection, the Owner shall obtain and deliver to the County a home inspection report prepared by a licensed home inspector.
- d. If the Residence is vacant, the Owner shall maintain utility connections until the close of escrow on the Transfer.

9.3 Upon receipt by County of the Owner's Notice of Intent to Transfer, County will begin to market the home, first using any waiting list for CLT homes established by the County, followed by other marketing and advertising activities necessary to find an Eligible Purchaser, as defined in this Deed Restriction. The Owner does not need to retain the services of a broker; however, if they do it will be at Owner's expense.

9.4 In the event of County purchase of the Residence, the Owner shall permit a final walk-through of the Residence by County, or the County's designee, in the final three (3) days prior to close of escrow on the Transfer.

10. COUNTY RESPONSE TO OWNER'S NOTICE OF INTENDED TRANSFER

The County shall respond in writing (the "County Response Notice") to the Owner's Notice of Intent to Transfer within sixty (60) days of: County receipt of a complete Owner's Notice of Intent to Transfer that includes all information required under Section 9.1, including County receipt of the pest control report and home inspection report (if any) required pursuant to Section 9.3. The County Response Notice shall inform the Owner of the County's election to proceed under one of the following two alternatives:

10.1 County Exercise of County Purchase Option. The County Response Notice may notify the Owner that the County elects to exercise the County Purchase Option, or assign its right to a public agency or another nonprofit organization or Eligible Purchaser, to purchase the Residence, as granted in Section 12, and shall include the County's calculation of the Maximum

Restricted Resale Price to be paid by the County pursuant to Section 13 and the Transaction Fee to be paid by the Owner pursuant to Section 12.

10.2 Owner Sale at Restricted Sale Price to Eligible Purchaser. Alternatively, the County Response Notice may notify the Owner that the County will not at this time exercise the County Purchase Option to purchase the Residence and that the Owner may proceed to sell the Residence to an Eligible Purchaser at a price not to exceed the Maximum Restricted Resale Price, pursuant to the procedure set forth in Section 14. In this event, the County Response Notice shall include the following information: (1) the maximum qualifying income for an Eligible Purchaser; (2) the certifications required of an Eligible Purchaser; and (3) the Maximum Restricted Resale Price the Owner may receive for the Residence, calculated by the County pursuant to Section 13. The County will begin to market the home, first using any waiting list for CLT homes established by the County, followed by other marketing and advertising activities necessary to find an Eligible Purchaser, as defined in this Deed Restriction.

11. OWNER ACKNOWLEDGMENT OF COUNTY RESPONSE NOTICE

No later than fourteen (14) days following the date of the County Response Notice, the Owner shall acknowledge in writing to the County, in the form shown in Exhibit D attached to this Deed Restriction, that Owner has received the County Response Notice and still intends to Transfer the Residence.

12. COUNTY PURCHASE OPTION

The Owner agrees that the County shall have the option to purchase the Residence (the “County Purchase Option”) for an amount equal to the Maximum Restricted Resale Price as set forth in Section 13 of this Deed Restriction. The County may, instead of purchasing the Residence itself, assign its right to purchase the Residence pursuant to the County Purchase Option, including but not limited to a public agency, a nonprofit organization, another County or political subdivision of the State of Nevada, or another Eligible Purchaser. If the County assigns the County Purchase Option, the assignee shall sign the County Response Notice and shall thereby be bound to purchase the Residence pursuant to the terms of the County Purchase Option as set forth in this Deed Restriction.

The Owner may be required to pay the County a “Transaction Fee” equal to the County’s reasonable costs associated with the exercise of the Option if the County (or its assignee) exercises the County Purchase Option and purchases the Residence; provided, however that such Transaction Fee shall not exceed three percent (3%) of the sales price of the Residence. The County Purchase Option may be exercised by the County or its assignee in the County Response Notice, as described in Section 10, to be sent by the County to the Owner within thirty (30) days of the County’s receipt of a complete Owner’s Notice of Intent to Transfer and all required inspection reports. If the County Response Notice notifies the Owner that the County or its assignee will exercise the County Purchase Option to purchase, the County or its assignee shall purchase the Residence within ninety (90) days of the date of the County Response Notice and title shall be delivered by the Owner to the County by grant deed, free and clear of any mortgage or other liens, unless approved in writing by the County. Escrow period for County purchase may

be extended for an additional 30-90 days. In the event of exercise of the County Purchase Option and purchase of the Residence by the County or its assignee, the Owner shall permit a final walk-through of the Residence by the County or its assignee in the final three (3) days prior to close of escrow on the Transfer.

13. DETERMINATION OF MAXIMUM RESTRICTED RESALE PRICE FOR COUNTY PURCHASE OR RESTRICTED SALE

If the County (or its assignee) exercises the County Purchase Option, or if the Owner sells to an Eligible Purchaser, the maximum sales price (the “Maximum Restricted Resale Price”) that the Owner shall receive from the County (or its assignee) or the Eligible Purchaser for purchase of the Residence shall be the LESSER of the Affordable Sales Price or the Fair Market Value.

13.1 AFFORDABLE SALES PRICE: The Affordable Sales Price (“Affordable Sales Price”) shall be calculated as follows:

- a. “Monthly Affordable Housing Expense” shall be calculated as one-twelfth of 35% of Area Median Income for the Las Vegas-Henderson-Paradise MSA as published by the United States Department of Housing and Urban Development (“HUD”), or successor index, for the year of sale adjusted by household size according to the number of bedrooms in the unit as listed below (“Occupancy Standard”) using the following HUD household size adjustment factors (1 person=0.7, 2 persons=0.8; 3 persons=0.9; 4 persons=1.0; 5 persons=1.08) multiplied by the percent of Area Median Income of the targeted homebuyer (e.g. 80%)

Studio unit: household size of two persons

One-bedroom unit: household size of two persons

Two-bedroom unit: household size of three persons

Three-bedroom unit: household size of four persons

Four-bedroom unit: household size of five persons

For example, the HUD 2023 Area Median Income in the Las Vegas-Henderson-Paradise MSA is \$83,900. Monthly Affordable Housing Expense for a household at 80% AMI purchasing a two-bedroom unit is calculated as follows: \$83,900 multiplied by 35% multiplied by 1/12 multiplied by 0.9 multiplied by 80% equals \$1,762.

- b. The following monthly costs will be deducted from Monthly Affordable Housing Expense as calculated or estimated by the County at the time of sale:
 1. Property taxes;
 2. Property insurance;
 3. Owner association dues and/or landscape maintenance district fees, if applicable; and

4. Owner Ground Lease Fee, in an amount specified in the Homebuyer Ground Lease.
- c. The result of the calculations in this section 13.1 (subsections a. through b. above) will be the Affordable Monthly Mortgage Payment (“Affordable Monthly Mortgage Payment”). The Affordable Mortgage (“Affordable Mortgage”) will be determined based on the Affordable Monthly Mortgage Payment and prevailing interest rates at the time of sale for a 30-year, fixed interest-rate mortgage. Prevailing interest rates shall equal the Freddie Mac Primary Mortgage Market Survey weekly average at the time of the calculation or other successor index selected by the County.
- d. The Affordable Sales Price will equal the Affordable Mortgage plus a 5% Owner down payment.

13.2 Fair Market Value.

In certain circumstances it may be necessary to determine the fair market value of the Residence without taking account of the resale restrictions imposed by this Deed Restriction (the “Fair Market Value”). These circumstances include where the parties wish to determine if the Affordable Sales Price exceeds the Fair Market Value in order to determine the Maximum Restricted Resale Price pursuant to this Section 13.

If it is necessary to determine the Fair Market Value of the Residence, it shall be determined by a certified Member, Appraisal Institute (“MAI”) or other qualified real estate appraiser approved in advance by the County. If possible, the appraisal shall be based upon the sales prices of comparable market-rate properties sold in the market area during the preceding three- (3) month period. The cost of the appraisal shall be split between the County and the Owner, unless the appraisal is obtained from and paid by a new purchaser.

In the event damage or deferred maintenance has occurred while the Owner owned the Residence which has decreased the value of the Residence, the appraisal shall specifically ascribe a value to these adjustment factors and state what the fair market value of the Residence would be without such adjustments. Nothing in this section shall preclude the Owner and the County from establishing the Fair Market Value of the Residence by mutual agreement in lieu of an appraisal pursuant to this section.

14. SALE OF RESIDENCE BY OWNER IF COUNTY DOES NOT EXERCISE COUNTY OPTION TO PURCHASE

In the event the County Response Notice notifies the Owner that the County will not be exercising the County Purchase Option, the County will be responsible for marketing and resaling of the Residence in compliance with the following requirements:

14.1 Marketing. Upon receipt by County of the Owner’s Notice of Intent to Transfer, if the County does not choose to exercise the County Purchase Option, the County will initiate marketing and screening activities for resale of the Residence, which may include use of a waiting

list and other marketing activities as needed to identify potential buyers. Owners are required to cooperate with the County to market the Residence to Eligible Purchasers. A proposed purchaser (“Proposed Purchaser”) who the Owner believes will qualify as an Eligible Purchaser may be referred to the County or its designee for an eligibility determination.

14.2 Eligible Purchaser. A Proposed Purchaser shall qualify as an “Eligible Purchaser” if he or she meets the following requirements, subject to approval of the County or its designee.

- a. First-Time Homebuyer. The Proposed Purchaser shall certify that he or she qualifies as a “First-Time Homebuyer” as defined by the County at the time of homebuyer qualification.
- b. Intent to Owner-Occupy. The Proposed Purchaser shall certify that he or she will occupy the Residence as his or her principal place of residence throughout his or her ownership.
- c. Agree to sign Buyer Disclosure Agreement and Homebuyer Ground Lease and to Cooperate with County. The Proposed Purchaser shall agree to sign a Deed Restriction and Homebuyer Ground Lease restricting future resale of the Residence and shall agree to cooperate fully with the County in promptly providing all information requested by the County to assist the County in monitoring the Proposed Purchaser’s compliance with the Ground Lease and Deed Restriction.
- d. Agree to assume County Second Mortgage Promissory Note and Deed of Trust, if applicable. If there is a County Loan on the Residence being purchased, the Proposed Purchaser shall agree to sign the documents necessary to assume the County Promissory Note and Deed of Trust at the same terms.
- e. Income Eligibility. The combined maximum income for all household members of the Proposed Purchaser shall not exceed the income for a Designated Income Household, adjusted for the Proposed Purchaser’s household size. In the event such income determinations are no longer published by HUD, or are not updated for a period of at least eighteen (18) months, the County shall provide other income determinations which are reasonably similar with respect to method of calculation to those previously published by HUD.

14.3 Maximum Restricted Resale Price. The purchase price for the sale of the Residence by the Owner to the Eligible Purchaser shall not exceed the Maximum Restricted Resale Price calculated by the County pursuant to Section 13, as set forth in the County Response Notice delivered pursuant to Section 10.

14.4 Disclosure and Submittals. The Owner and the Proposed Purchaser shall provide the following information and documents to the County:

- a. The name, address and telephone number in writing of the Proposed Purchaser.

- b. A signed financial statement of the Proposed Purchaser in a form acceptable to the County and any other supporting documentation requested by the County. The financial information shall be used by the County to determine the income eligibility of the Proposed Purchaser and the amount of any second mortgage assistance to be provided by the County.
- c. The proposed sales contract and all other related documents which shall set forth all the terms of the sale of the Residence. Said documents shall include at least the following terms: (a) the sales price; and (b) the price to be paid by the Proposed Purchaser for the Owner's personal property, if any, for the services of the Owner, if any, and any credits, allowances or other consideration, if any.
- d. A written certification, from the Owner and the Proposed Purchaser in a form acceptable to the County, that the sale shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by the County. The certification shall also provide that the Proposed Purchaser or any other party has not paid and will not pay to the Owner, and the Owner has not received and will not receive from the Proposed Purchaser or any other party, money or other consideration, including personal property, in addition to what is set forth in the sales contract and documents submitted to the County. The written certification shall also include a provision that in the event a Transfer is made in violation of the terms of this Deed Restriction or false or misleading statements are made in any documents or certification submitted to the County, the County shall have the right to foreclose on the Residence or file an action at law or in equity as may be appropriate. In any event, any costs, liabilities or obligations incurred by the Owner and the Proposed Purchaser for the return of any moneys paid or received in violation of this Deed Restriction or for any of the Owner's and/or the Proposed Purchaser's costs and legal expenses, shall be borne by the Owner and/or the Proposed Purchaser and they shall hold the County and its designee harmless and reimburse the County's and its designee's expenses, legal fees and costs for any action they reasonably take in good faith in enforcing the terms of this Deed Restriction.
- e. An executed Deed Restriction and Homebuyer Ground Lease, along with a County Note and County Deed of Trust if a County Loan is provided by the County, from the Proposed Purchaser in forms provided by the County. The recordation of the new Deed Restriction, and if applicable, the County Deed of Trust shall be a condition of the County's approval of the proposed sale.
- f. The name of the title company escrow holder for the sale of the Residence, the escrow number, and name, address, and phone number of the escrow officer.
- g. Upon the close of the proposed sale, certified copies of the recorded Deed Restriction and County Deed of Trust (if applicable), a copy of the final sales contract, settlement statement, escrow instructions, and any other documents which the County may reasonably request.

15. TRANSFER IN VIOLATION OF DEED RESTRICTION; PAYMENT TO COUNTY OF EXCESS SALES PROCEEDS

If the Owner makes a Transfer in violation of this Deed Restriction, the Owner shall pay any Excess Sales Proceeds to the County as set forth in this section. For purposes of this Deed Restriction, (“Excess Sales Proceeds”) shall mean one hundred percent (100%) of the amount by which the gross sales proceeds received by the Owner from the new purchaser exceeds the Maximum Restricted Resale Price for the Residence (in the amount that was stated in the County Response Notice). This amount shall be a debt of the Owner to the County, evidenced by this Deed Restriction and, the County Note, as secured by the County Deed of Trust, if applicable. The Owner acknowledges that the County shall have no obligation to cause reconveyance of the County Deed of Trust until the Excess Sales Proceeds are paid to the County. The County shall utilize the Excess Sales Proceeds for County administrative and operating costs. The Owner and the County acknowledge that the formula for calculation of the amount of Excess Sales Proceeds due from the Owner to the County is intended to cause the Owner to receive the same net sales proceeds (following payment by Owner of a standard broker’s commission) from sale of the Residence at an unrestricted price to a third party as the Owner would receive from sale of the Residence to the County or to an Eligible Purchaser at the Maximum Restricted Resale Price.

16. REPAYMENT OF COUNTY NOTE

If there is a County Loan on the Residence, payments are due as follows:

16.1. Principal and interest on the County Loan will be deferred as long as the Owner occupies the Residence as their principal residence and are in compliance with all terms of this Deed Restriction, the Homebuyer Ground Lease, the County Note and the County Deed of Trust.

16.2 If the County Promissory Note and Deed of Trust are assumed by an Eligible Purchaser, no repayment will be required of Owner, upon sale of the Residence to an Eligible Purchaser in accordance with all of the requirements of the Deed Restriction, Homebuyer Ground Lease and County Loan.

16.2. Principal and interest on the County Loan will be immediately due and payable upon any of the following:

- a. Any default under the Deed Restriction, Homebuyer Ground Lease, or First Lender Loan;
- b. On the Date of Transfer, involuntarily, or by operation of law and whether by deed, contract of sale, gift, devise, bequest or otherwise unless 1) the County exercises its Option to Purchase the Residence or 2) the County approves the assumption of the Note by an Eligible Purchaser in compliance with a sale to the Eligible Purchaser in compliance with the transfer provisions of this Deed Restriction and the Homebuyer Ground Lease so long as the Eligible Purchaser executes a new ground lease, note, and deed of trust in the then-current form of these documents to be provided by the County;
or

- c. At the end of the Term of the Note, unless the County in its sole discretion extends the Term of the Note.

16.3 Repayment of the County Note shall not affect Owner's obligation to comply with this Deed Restriction, which shall remain in full force and effect following any repayment of the County Note.

17. DEFAULTS

17.1 Events of Default. The following events shall constitute a default by the Owner under this Deed Restriction:

- a. The County determines that the Owner has made a misrepresentation to obtain the benefits of purchase of the Residence or in connection with its obligations under this Deed Restriction;
- b. The Owner fails to occupy the Residence as their principal residence, as required pursuant to Section 3, and such failure continues following written notice by the County and thirty (30) days opportunity to cure following the date of such notice.
- c. The Owner leases the residence to a third party in violation of Section 4.
- d. The Owner makes a Transfer in violation of this Deed Restriction;
- e. Owner otherwise fails to comply with the requirements of this Deed Restriction, the Homebuyer Ground Lease, or the County Note and County Deed of Trust (if applicable) and such violation is not corrected to the satisfaction of the County within ten (10) days after the date of written notice by the County to the Owner of such violation;
- f. A notice of default is issued under the First Lender Loan;
- g. A lien is recorded against the Residence other than the lien of a bona fide First Lender Loan or a Junior Loan approved by the County in accordance with Section 7.5 and the lien is not cured within ten (10) days after the date of written notice by the County to the Owner of such violation;
- h. Owner declares bankruptcy or makes an assignment of assets for the benefit of creditors;
- i. Owner makes Prohibited Capital Improvements to the property in violation of Section 6; or
- j. Any other violation which would threaten the County's interest in the Leased Premises.

17.2 Remedies. Upon a declaration of default by the County under this Deed Restriction, the County may:

- a. Declare the County Loan and all Excess Sales Proceeds and/or Excess Rental Proceeds immediately due and payable without further demand, declare a default under the County Note, and may invoke the power of sale under the County Deed of Trust;
- b. Apply to a court of competent jurisdiction for such relief at law or in equity as may be appropriate;
- c. Declare a default under the County Note and County Deed of Trust and pursue all County remedies under the County Deed of Trust; and
- d. Exercise the County Purchase Option upon default as described in Section 20.

18. NOTICE OF DEFAULT AND FORECLOSURE

County shall have the right but not the obligation to submit a request for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Residence shall be recorded by the County in the Official Records for the benefit of the County. The County may declare a default under this Deed Restriction upon receipt of any notice given to the County, and may exercise its rights as provided in Sections 15 and 17.

In the event of default and foreclosure, the County shall have the same right as the Owner to cure defaults and redeem the Residence prior to the foreclosure sale. Nothing herein shall be construed as creating any obligation of the County to cure any such default, nor shall this right to cure and redeem operate to extend any time limitations in the default provisions of the underlying deed of trust or mortgage.

County's election to submit or not submit a request for notice of default does not eliminate Owner's requirement to notify County of a default. If the County does not submit the request for notice of default, the County's right to purchase the Residence shall commence from the date a notice of default is given to the County by the Owner.

19. NOTICE AND CURE

Upon default or a violation of any of the provisions of this Deed Restriction, the County may give written notice to the Owner specifying the nature of the violation except for default under Section 17.1(a), (c), (f), (h) or (i) in which case no notice to the Owner is required. If the violation is not corrected to the satisfaction of County within a reasonable period of time, not longer than thirty (30) days after the date the notice is mailed, or such shorter time as provided specifically in this Deed Restriction, the County Note or County Deed of Trust, or within such further time as the County determines is necessary to correct the violation, the County may declare a default under this Deed Restriction. If the Owner is in default under any other mortgage loan on the Residence, the County may declare a default under this Deed Restriction.

The County shall notify the First Lender at the address provided by the First Lender to the County in the manner set forth in Section 30 of this Deed Restriction, if the County has declared a default under this Deed Restriction or under the County Note or the County Deed of Trust.

20. PURCHASE OPTION UPON DEFAULT

Notwithstanding, and in addition to, the remedies provided to the County in Section 17.2, and the County Purchase Option provided to the County in Section 12, the Owner hereby grants to the County (or its assignee) the option to purchase the Residence following written notice by the County to the Owner of the declaration of a default by the County under this Deed Restriction. This option to purchase is given in consideration of the economic benefits received by the Owner resulting from purchase and ownership of the Residence.

The County (or its assignee) shall have thirty (30) days after a default is declared to notify the Owner and the First Lender of its decision to exercise its option to purchase under this Section 20. Not later than ninety (90) days after the notice is given by the County to the Owner of the County's intent to exercise its option under this Section 20, the County shall purchase the Residence for the Maximum Restricted Resale Price calculated in the manner set forth in Section 13.

21. NON-LIABILITY OF THE COUNTY

21.1 No Obligation to Exercise Option. The County shall have no obligation to exercise any option granted to it under this Deed Restriction. In no event shall the County become in any way liable or obligated to the Owner or any successor-in-interest to the Owner by reason of County's option to purchase under Sections 12 and 20 nor shall the County be in any way obligated or liable to the Owner or any successor-in-interest to the Owner for any failure to exercise an option to purchase.

21.2 Indemnity. Owner agrees to defend, indemnify, and hold the County, its officers, employees, consultants and agents harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees that the County may incur as a direct or indirect consequence of: (1) Owner's default, performance, or failure to perform any obligations as and when required by this Deed Restriction or the County Deed of Trust; or (2) the failure at any time of any of Owner's representations to the County to be true and correct.

22. RESTRICTIONS ON FORECLOSURE PROCEEDS

If a creditor acquires title to the Residence through a deed in lieu of foreclosure, a trustee's deed upon sale, or otherwise, the Owner shall not be entitled to the proceeds of sale to the extent that such proceeds otherwise payable to the Owner when added to the proceeds paid or credited to the creditor exceed the Maximum Restricted Resale Price. The Owner shall instruct the holder of such excess proceeds to pay such proceeds to the County (in addition to any other amounts due the County from the Owner pursuant to the County Note, County Deed of Trust or this Deed

Restriction), in consideration of the benefits received by the Owner through purchase of the Residence.

23. RESTRICTION ON INSURANCE PROCEEDS

If the Residence is damaged or destroyed and the Owner elects not to rebuild or repair the Residence, the Owner shall pay the County the portion of any insurance proceeds received by the Owner for such destruction or damage which is in excess of the Maximum Restricted Resale calculated pursuant to Section 13 after payment to the First Lender of the outstanding principal balance on the First Lender Loan plus any fees and expenses. County reserves the right to negotiate the amount of such fees and expenses with the First Mortgage Lender.

24. TERM OF DEED RESTRICTION

All the provisions of this Deed Restriction, including the benefits and burdens, run with the Residence and this Deed Restriction shall bind, and the benefit hereof shall inure to, the Owner, his or her heirs, legal representatives, executors, successors in interest and assigns, and to the County and its successors, until the earlier of (i) ninety-nine (99) years from the date of this Deed Restriction, or (ii) the date of Transfer of the Residence to the County or another purchaser in compliance with this Deed Restriction (including execution by the purchaser of a new copy of this Deed Restriction).

25. SUPERIORITY OF DEED RESTRICTION

The Owner covenants that he or she has not, and will not, execute any other Deed Restriction with provisions contradictory to or in opposition to the provisions hereof, and that, in any event, this Deed Restriction is controlling as to the rights and obligations between and among the Owner, the County and their respective successors.

26. NONDISCRIMINATION

The Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, transfer, use, occupancy, tenure or enjoyment of the Residence, nor shall the Owner or any person claiming under or through the Owner establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Residence. The foregoing covenant shall run with the land.

27. INVALID PROVISIONS AND SEVERABILITY

If any one or more of the provisions contained in this Deed Restriction shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Deed Restriction, and this Deed Restriction shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

28. CONTROLLING LAW

The terms of this Deed Restriction shall be interpreted under the laws of the State of Nevada. The venue for any legal action pertaining to this Deed Restriction shall be Clark County, Nevada.

29. NO WAIVER

No delay or omission in the exercise of any right or remedy of County upon any default by Owner shall impair such right or remedy or be construed as a waiver. The County's failure to insist in any one or more instance upon the strict observance of the terms of this Deed Restriction shall not be considered a waiver of the County's right thereafter to enforce the provisions of the Deed Restriction. The County shall not waive its rights to enforce any provision of this Deed Restriction unless it does so in writing, signed by an authorized agent of the County.

30. NOTICES

All notices required herein shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt and shall be deemed to be effective as of the date received or the date delivery was refused as indicated on the return receipt as follows:

To the Owner:

At the address of the Residence.

To the County:

Community Housing Office
Clark County
500 S. Grand Central Parkway
Las Vegas, NV 89155

To the First Lender:

(name and address)

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section.

31. INTERPRETATION OF DEED RESTRICTION

The terms of this Deed Restriction shall be interpreted so as to avoid speculation on the Residence and to insure to the extent possible that its sales price and mortgage payment remain affordable to Designated Income Households.

32. MONITORING AND INSPECTION BY COUNTY

32.1 The County (or its designee) may enter the Leased Premises including the interior of the Residence and, if applicable, the garage for inspection following 48 hours advance notice. No more than two regular inspection may be carried out in a single year, except in the case of an emergency. In an emergency, the County may inspect any part of the Leased Premises, after making reasonable efforts to inform the Owner before the inspection.

32.2 The Owner shall retain all records related to compliance with obligations under this Deed Restriction for a period of not less than five (5) years, and shall make such records available to the County or its designee for inspection and copying upon five (5) business days advance written notice.

32.3 The County shall monitor Owner's compliance with the requirements of this Deed Restriction on an annual basis. Owner shall cooperate with County monitoring and provide required certifications and other information required by the County to determine compliance within ten (10) days of receipt of a written request by the County.

33. COVENANTS RUNNING WITH THE LAND

33.1 Owner hereby subjects the Residence to the covenants and restrictions set forth in this Deed Restriction. Owner hereby declares its express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land in perpetuity and shall pass to and be binding upon all parties having any interest in the Residence throughout the term of this Deed Restriction. Each and every contract, deed, lease or other instrument covering, conveying or otherwise transferring the Residence or any interest therein, as the case may be, shall conclusively be held to have been executed, delivered and accepted subject to this Deed Restriction regardless of whether the other party or parties to such contract have actual knowledge of this Deed Restriction.

33.2 The Owner and the County hereby declare their understanding and intent that: (i) the covenants and restrictions contained in this Deed Restriction shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title by Owner; (ii) the burden of the covenants and restrictions set forth in this Deed Restriction touch and concern the Residence in that the Owner's legal interest in the Residence may be rendered less valuable thereby; and (iii) the benefit of the covenants and restrictions set forth in this Deed Restriction touch and concern the land by enhancing and increasing the enjoyment and use of the Residence by Eligible Purchasers, the intended beneficiaries of such covenants and restrictions.

33.3 All covenants and restrictions contained herein without regard to technical classification or designation shall be binding upon Owner and Eligible Purchasers for the benefit of the County and such covenants and restrictions shall run in favor of such parties for the entire period during which such covenants and restrictions shall be in force and effect, without regard to whether the County is an owner of any land or interest therein to which such covenants and restrictions relate.

34. EXHIBITS

Any exhibits referred to in this Deed Restriction are incorporated in this Deed Restriction by such reference.

35. OWNER'S ACKNOWLEDGEMENT OF RESALE RESTRICTION

Owner hereby acknowledges and agrees that:

35.1 Owner hereby subjects the Residence to certain restrictions and limits the price for which Owner may sell the Residence and the persons to whom Owner may sell the Residence. The resale price limitation, and other provisions contained in this Deed Restriction, restrict the full benefits of owning the Residence. Owner may not enjoy the same economic or other benefits from owning the Residence that Owner would enjoy if this Deed Restriction did not exist.

35.2 Absent the provisions of this Deed Restriction, and the Residence loan, the Residence could not be made available to Eligible Purchasers at an affordable price, including Owner.

35.3 Owner understands all of the provisions of this Deed Restriction. In recognition of the acknowledgments and agreements stated in this Section 35, Owner accepts and agrees to the provisions of this Deed Restriction with the understanding that this Deed Restriction will remain in full force and effect as to the Residence following any Transfer of the Residence throughout the term of this Deed Restriction.

35.4 OWNER UNDERSTANDS THAT THE DETERMINATION OF THE MAXIMUM RESTRICTED RESALE PRICE OF THE RESIDENCE TO AN ELIGIBLE PURCHASER CAN BE MADE ONLY AT THE TIME OF THE PROPOSED TRANSFER, TAKING INTO CONSIDERATION CHANGES IN MEDIAN INCOME, MORTGAGE INTEREST RATES, PROPERTY TAXES AND OTHER FACTORS THAT CANNOT BE ACCURATELY PREDICTED, AND THAT THE SALES PRICE PERMITTED HEREUNDER MAY NOT INCREASE OR DECREASE IN THE SAME MANNER AS OTHER SIMILAR REAL PROPERTY WHICH IS NOT ENCUMBERED BY THIS DEED RESTRICTION. OWNER FURTHER ACKNOWLEDGES THAT AT ALL TIMES IN SETTING THE SALES PRICE OF THE RESIDENCE THE PRIMARY OBJECTIVE OF THE COUNTY AND THIS DEED RESTRICTION IS TO PROVIDE HOUSING TO ELIGIBLE PURCHASERS AT AFFORDABLE HOUSING COST. THE MAXIMUM RESTRICTED RESALE PRICE WILL ALMOST CERTAINLY BE LESS THAN OTHER SIMILAR PROPERTIES THAT HAVE NO RESTRICTIONS.

[initialed by Owner(s)]

IN WITNESS WHEREOF, the parties have executed this Deed Restriction on or as of the date first written above.

COUNTY:

By: _____

Title: _____
(Type Name and Title)

STATE OF NEVADA)
) ss.
CLARK COUNTY)

On _____, 20____, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

OWNER:

(Type Name)

(Type Name)

[if married, both spouses must sign]

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On _____, 20____, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

On _____, 20____, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

EXHIBIT A

Legal Description of the Property

EXHIBIT B

Form of Annual Owner Occupancy Certification

To: Clark County ("County")

From: _____ [name of owner(s)] ("Owner(s)")

Address of Residence: _____ ("Residence")

Date: _____

By signature below, I _____ [insert name or names of Owner] hereby certify to Clark County under penalty of perjury that I/we occupy the residence located at _____ [insert address] (the "Residence") as my/our principal place of residence and that I/we have occupied the Residence for _____ () [insert number] months of the calendar year _____ [insert previous calendar year]. Attached to this letter is a copy of _____ [insert utility bill or driver's license] showing my place of residence.

This Owner Occupancy Certification is signed on _____, 20__, under penalty of perjury.

By: _____
Owner [type name]

By: _____
Owner [type name]

Due Date: _____ of each calendar year.

Attach copy of utility bill or driver's license showing address of Residence.

EXHIBIT C

Form of Owner's Notice of Intent to Transfer

To: Clark County ("County")

From: _____ [name of owner(s)] ("Owner(s)")

Address of Residence: _____ ("Residence")

Date: _____

Please be notified pursuant to Section 9 of the Deed Restriction between Owner and County dated _____, that the Owner intends to transfer the Residence listed above.

A. The following information is provided to the County pursuant to Section 9 of the Deed Restrictions:

1. Address of Residence: _____
2. Date Owner purchased Residence: _____
3. Purchase Price paid by Owner when Residence was purchased: _____
4. Date Owner intends to vacate Residence: _____
5. Date Residence will be ready to be placed on market: _____
6. Name and phone number of person for County to contact to schedule inspection:
_____ and _____
(name) (phone number)

B. As required by Section 9 of the Deed Restriction, the following documents are attached to this Notice:

1. Copy of HUD-1 Settlement Statement from Owner's purchase of the property.

C. I have not listed the Residence for sale with a multiple listing service, or contacted a real estate broker or financial institution. I agree to prepare the Residence for sale by:

1. obtaining a pest control report within thirty (30) days of the date of this notice,

2. repairing all damage noted in the pest report within the sooner of: (i) sixty (60) days from the date of this notice, or (ii) two (2) weeks prior to close of escrow or the transfer of the Residence,
3. Clearing the Residence and Property of any hazardous materials, and cleaning the Residence and Property of any contamination caused by the presence of hazardous materials during my ownership of the Residence;
4. allowing the County or its designee to inspect the Residence within thirty (30) days of this notice,
5. if requested by the County following the County's inspection, I will obtain a home inspection report from a licensed home inspector,
6. maintaining utility connections until the Residence is transferred,
7. permitting a walk through by the County prior to close of escrow or the transfer.

This Owner's Notice of Intent to Transfer is certified by Owner to be true and correct and is signed on _____ **[insert date]** under penalty of perjury.

By: _____
Owner

By: _____
Owner

EXHIBIT D

Form of Owner Acknowledgement of County Response Notice

Name: _____

Address of Residence: _____

Date: _____

I, _____ (insert name) hereby acknowledge that I received the County Response Notice (as described in Section 10 of the Deed Restriction on _____ (insert date)).

By: _____

EXHIBIT E
First Lender Loan Agreement

EXHIBIT F

Letter of Agreement and Attorney's Acknowledgment

[Homebuyer may choose to have an attorney review these documents, if the homebuyer so chooses, include and complete the letters below in this Exhibit]

Letter of Homebuyer Acknowledgement

To: Clark County, a political subdivision of the State of Nevada

Re: Welcome Home Community Land Trust (CLT) Home Purchase

Date: _____

This letter is given to the County to become an exhibit to a Deed Restriction on the residence located at _____. I will be leasing a parcel of land from the County and will be buying the Residence that sits on that parcel of land. I will therefore become what is described in the Deed Restriction as "the Owner."

I acknowledge that I have the opportunity, at my own expense to have an attorney review the terms and conditions of the Deed Restriction and Homebuyer Ground Lease and other legal documents that are part of this transaction, if I so choose. I have either declined to exercise this opportunity, or my legal counsel, _____, has explained to me the terms and conditions of the Deed Restriction and Homebuyer Ground Lease and other legal documents that are part of this transaction. I understand the way these terms and conditions will affect my rights as a homeowner, now and in the future.

In particular I understand and agree with the following points.

One of the goals of the CLT is to keep CLT homes affordable for lower income households from one CLT homeowner to the next. I support this goal as a CLT homeowner and as a homebuyer in the CLT.

The terms and conditions of this Deed Restriction and my Ground Lease will keep my home affordable for future Designated Income Households (as defined in the Deed Restriction and Homebuyer Ground Lease). If and when I want to sell my home, I am required to sell it either to the County or to another income-qualified person. The terms and conditions of the Deed Restriction and Ground Lease also limit the price for which I can sell the home, in order to keep it affordable for the next Designated Income Household.

It is also a goal of the CLT to promote resident ownership of CLT homes. For this reason, the Deed Restriction and Ground Lease require that, if I and my family move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.

I understand that I can leave my home to my child or children or other members of my household and that, after my death, they can own the home for as long as they want to live in it and abide by

the terms of the Deed Restriction and Homebuyer Ground Lease, or they can sell it on the terms permitted by the Deed Restriction and Homebuyer Ground Lease.

As a CLT homeowner, it is my desire to see the terms of the Deed Restriction and Homebuyer Ground Lease and related documents honored. I consider these terms fair to me and others.

Sincerely

Letter of Attorney's Acknowledgment

I, _____, have been independently retained by _____ (hereinafter "the Client") who intends to purchase a house and other improvements (the "Residence") on land to be leased from Clark County as a part of the Welcome Home Community Land Trust. The house and land are located at _____.

In connection with the contemplated purchase of the Residence and the leasing of the land, I reviewed and discussed with the Client the following documents:

- a) this Letter of Attorney's Acknowledgment and a Letter of Acknowledgement from the Client;
- b) the Deed Restriction on the home;
- c) the Homebuyer Ground Lease, leasing the property underneath the Residence that the Client is will purchase to the Client;
- d) a proposed Deed conveying the Residence to the Client;
- e) other written materials provided by the CLT.

The Client has received full and complete information and advice regarding this conveyance and the foregoing documents. In my review of these documents, my purpose has been to reasonably inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction.

The Client is entering the aforesaid transaction in reliance on his or her own judgment and upon his or her investigation of the facts. The advice and information provided by me was an integral element of such investigation.

Name Date Title
Firm/Address