

Welcome Home Community Land Trust
Non-Binding Affordable Mortgage Lending Letter of Intent and Related Term Sheet
Between
Clark County, Nevada (County)
And
WaFd Bank (WaFd)

9/30/2025

General Objectives

This Letter of Intent ("LOI"), and related Mortgage Term Sheet (the "Term Sheet", Attachment A incorporated by reference to this LOI) is made and entered into this 30th day of September, 2025 by and between WaFd Bank, a bank chartered under the laws of Washington State ("WaFd") and Clark County, Nevada, a political subdivision of the State of Nevada (the "County"), collectively "the Parties".

This LOI is a statement of intent only. It is not intended to and does not constitute a legally binding commitment or agreement of the Parties hereto, nor is there any separate oral agreement with respect to the subject matter hereof. A legally binding agreement for the proposed transaction can only be entered into following the execution and delivery of definitive documentation. The LOI is not intended to be all-inclusive and may change upon further discussion and agreement of both parties. Any terms and conditions not specifically addressed in this LOI will be subject to further discussion between the County and WaFd.

The County and WaFd are interested in a possible relationship whereby WaFd will be the preferred mortgage lender and provide "Affordable Mortgage" loans, as defined below, to income-eligible individuals in their purchase of affordable homes under the County's program to be known as the "Welcome Home Community Land Trust (CLT)" (the "CLT"). WaFd is interested in potentially participating in the CLT subject to completing its due diligence related to logistics, contracts, and potential liability.

The first subdivision or Phase I under the CLT program is anticipated to be located on Rebecca Road (the "Rebecca Road Project") in the City of Las Vegas and will consist of approximately 30 homes. The Rebecca Road Project will consist of single-family homes located on leased land from the CLT with income, occupancy, and resale restrictions in place. The second CLT project is anticipated to be located on Cactus Avenue, in Clark County and will consist of approximately 210 homes. The County will select developers to build and sell the homes for each planned subdivision. Developers, under a Development Agreement with the County, will be responsible for planning, predevelopment, construction, and sale, with the assistance of the County, and construction and conveyance to the County of Project Infrastructure (e.g., roads, water, power, sewer, other utilities, street lighting, community amenities, landscaping).

Eligibility and Terms

Homebuyers will own their homes, pay mortgages, property taxes, and build equity. The County will continue to own the land. Individual homeowner parcels will be ground-leased to the Homebuyers, with 99-year income, resale and occupancy restrictions. This shared ownership model will allow the County to ensure that the resale of the homes will be restricted only to qualified low to moderate-income buyers, thereby creating a permanent supply of affordable homes for generations to come. Though the homes will be kept affordable, the homeowner will have the opportunity to build equity through the amortized payments on their first mortgage, plus potential price appreciation assisted with increases in the County's Area Median Income (AMI as defined below) over time.

It is anticipated that the average sales price of the homes in the Rebecca Road Project will be approximately \$270,000 - \$370,000 for a family of four at or up to 100% Area Median Income, based on the 2025, Area Median Income for the Las Vegas-Henderson-Paradise MSA ("AMI"), as published annually by the U.S. Department of Housing and Urban Development ("HUD"), or a comparable successor AMI publication. The projected sale price of the homes will be adjusted to reflect changes to the AMI, interest rates, and to reflect the target AMI for the home, which may differ throughout the project. The maximum affordable sales price, (the "Affordable Sales Price") for households at or below 100% AMI will be calculated as follows:

"Monthly Affordable Housing Expense" shall be calculated as one-twelfth of 33% of 100% of AMI in the year of sale, adjusted by household size according to the number of bedrooms in the unit listed below 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;).

This formula will be used to calculate the Affordable Mortgage, based on the then current AMI and the WaFd CLT Mortgage interest rate at time of origination. The Maximum Affordable Sales Price formula is detailed in Attachment B and incorporated by reference to this LOI. The Affordable Sales Price will equal the Affordable Mortgage plus up to a 5% Homebuyer down payment. The Affordable Sales Price will not exceed the Home's Fair Market Value at the time of resale, as determined by appraisal, with resale restrictions in place.

In determining the Homebuyer's Monthly Affordable Housing Expense, the following items will be added to the proposed mortgage payment: Property taxes; Property insurance; Clark County CLT Ground Lease fee, which will include common area and landscape maintenance costs. The County will then determine, utilizing the current market mortgage rate, the Homebuyer's Affordable Monthly Mortgage Payment. (See Attachment B.)

The County, as the CLT, will qualify prospective buyers, connect them with HUD-approved Housing Counseling Agencies to prospective homebuyers through the mortgage finance and home buying process, and provide continuing homeowner support and CLT asset management. The County will also be responsible, in partnership with the developer, for marketing the CLT program to prospective buyers. Before receiving any Mortgage Loan, a borrower must have completed a Homebuyer education course through a HUD-approved Housing Counseling Agency. Approved courses must follow a standardized curriculum. In addition, after the purchase and as a condition of closing, the Borrower must complete an approved in-person post-purchase education program within 12 months of closing, provided by a HUD-approved Housing Counseling Agency. Approved courses must follow a standardized curriculum.

WaFd: A Preferred CLT Program Lender

WaFd intends to be a preferred mortgage lender for the Cactus Avenue project. The Borrower shall not be bound to use WaFd as its lender and may select another lender at the Borrower's sole discretion. If the Borrower selects WaFd as its lender, for a Borrower to qualify for an Affordable Mortgage, the Borrower will meet the County's eligibility requirements for the CLT, as determined by the County, and meet WaFd's minimum mortgage loan requirements.

As the preferred lender, WaFd will fund, subject to the proposed Homebuyers meeting all of WaFd's qualifications for the mortgage, up to a combined original principal balance of up to approximately \$30 million. These mortgages will only be made to qualified, income-eligible Homebuyers, as determined by the County and WaFd, for a home in the Cactus Avenue Project.

In selecting the Homebuyers, the County will look at the following criteria: Eligible Homebuyers must be first-time Homebuyers with a maximum household income, adjusted for household size and occupancy standards of up to 100% AMI current at the time of purchase. The County may specify that a certain number or percentage of Homebuyers must fall at or below 80% of AMI. For the avoidance of doubt, WaFd specifies that at least 25% of the total number of mortgages funded by WaFd to qualified Homebuyers participating in the CLT program must be to individuals whose income falls at or below 80% of AMI.

To qualify for a Mortgage Loan, the loan to value will be a maximum of 97% of the appraised value, with resale restrictions on the Improvements. The Parties may agree on provisions for a higher loan to value ratio in selected cases. WaFd will select appraisers with experience in the valuation of resale restricted and ground leased homes for use in the Welcome Home program. The County may provide training to appraisers at the request of WaFd. The Homebuyer would be required to provide a down payment of up to 3% of the Affordable Sales Price (a minimum 1% must come from the Homebuyer's own funds).

At closing, maximum housing debt and total household debt-to-income ratios are [38/45]. However, all Affordable Mortgages shall meet Federal Housing Finance Agency (FHFA) Ability to Repay/Qualified Mortgage (ATR/QM) standards.

Subject to the foregoing, WaFd will offer to these qualified, income-eligible, first time Homebuyers an Affordable Mortgage as a first position 30 Year fixed rate fully amortizing mortgage purchase loan with no negative amortization for income- and resale-restricted homes ("Improvements") located on parcels ("Parcel") ground-leased by Homebuyer ("Lessee") from the Clark County Community Land Trust (CLT: "Lessor"). Clark County CLT will own the Land, and the Homebuyer will own the Improvements. WaFd will finance, and be secured by, the Improvements only. The Mortgage Loan can be prepaid anytime without penalty to the Homebuyer.

No points will be charged to the Homebuyer. The interest rate charged by WaFd will be rounded to the next lowest 0.125% below an interest rate not to exceed 30 basis points below the 30-year fixed rate reported in the Freddie Mac Weekly Primary Mortgage Market Survey PMMS® for the 30-year fixed rate mortgage (30-yr FRM), or its comparable successor index, on the date of closing for each Affordable Mortgage. Closing costs may be paid by Homebuyer (e.g., title, escrow, appraisal, transfer tax, recording fees), or the homebuyer may receive assistance for the closing costs. WaFd and the County will agree on acceptable, reasonable, and customary closing costs.

Affordable Mortgages will be originated by WaFd using standardized loan documents consistent with current Clark County CLT program guidelines and documents, including the Clark County CLT Homebuyer Ground Lease. These documents will be recorded against each parcel by the County. The documents will include the Ground Lease governing resale of CLT homes, including in the event of foreclosure by WaFd. An escrow will be opened with a title company located in Clark County, Nevada and the escrow company shall issue title insurance on the property and record all documents securing the property, including but not limited to the first deed of trust. The Borrower shall be responsible for all escrow and title insurance costs.

Homebuyer Ground Leases /Foreclosure

Clark County CLT, as the Lessor, will execute a "Homebuyer Ground Lease," (draft of Homebuyer Ground Lease is Attachment C), incorporated by reference in this LOI, with each qualified Homebuyer (Lessee) for each Parcel. The County will record the Homebuyer Ground Lease, which shall include a resale restriction, on each Parcel. The Homebuyer Ground Lease, and other County-recorded documents, if any, on each Parcel will not be subordinated to the interests of WaFd or the Affordable Mortgage. The Homebuyer Ground Lease, including the resale restriction, will survive foreclosure or deed in lieu of foreclosure by the mortgage lender or any servicer of the Affordable Mortgage. However, WaFd, or any subsequent servicer of the Affordable Mortgage, will have the right to foreclose on the Improvements and sell the Improvements. In the event of such foreclosure, resale shall be subject to the requirements of the Homebuyer Ground Lease.

Notice and Cure Rights of the County

Prior to any foreclosure, WaFd will provide Clark County, and/or the Clark County CLT, a notice of default, and Clark County shall have the right but not the obligation to:

- (1) cure any Homebuyer mortgage default;
- (2) purchase the Improvements from WaFd in the event of foreclosure or deed in lieu of foreclosure by paying to WaFd the outstanding principal balance of any foreclosed loan; or
- (3) make payment(s) to keep Homebuyer current on the mortgage principal and interest payments.

Clark County is anticipated to formulate policies in conjunction with WaFd on the terms and conditions of remedying defaulted loans. The County will be notified by WaFd via email whenever a loan becomes delinquent, no later than the same date the Borrower is so notified. The County will then immediately attempt contact with the defaulting Borrower to provide needed counseling, default cure, and loan resolution.

Mortgage Loan Servicing and Reporting

An electronic report containing the property address, mailing address, unpaid principal balance, next payment due date, default status, and payment in full date for each Affordable Mortgage must be submitted by the current loan servicer to the County every month. A master servicer may be added to the program at a later date.

Servicing may be retained by WaFd or, at its discretion, sold or contracted to a third party or affiliated servicer. If servicing rights are sold or contracted, the new mortgage servicing agent will be bound by the same reporting requirements, notice and cure rights to the County, the same resale restrictions, and the same non-subordination requirements of the Homebuyer Ground Lease including resale restriction.

Second Mortgages Funded at Clark County's Discretion

Clark County may provide a second mortgage, deferred payment financing to income-eligible Homebuyers ("Second Mortgage Financing"). Second Mortgage Financing terms will include zero interest, deferred principal payment to the earliest of maturity, sale, transfer, refinance or default on first mortgage financing, ground lease, and/or Second Mortgage Financing. Resale restrictions to income-eligible buyers at an Affordable Sales Price will be imposed as a condition to any Second Mortgage Financing, identical to the Homebuyer Ground Lease. At County's discretion, the Second Mortgage Financing may be assumable by new income-eligible Homebuyers. Each Second Mortgage, when provided by the County, will be subordinate to the corresponding WaFd Affordable Mortgage. The Borrower will make no payments to the County on the Second Mortgage Financing while the Lender's Mortgage is outstanding.

WITNESS WHEREOF, the Parties have executed this LOI, with its Attachments incorporated by reference, on the date first set forth above.

WaFd Bank

By: **Cathy Cooper**
 Digitally signed by Cathy Cooper
 Date: 2025.09.30 16:55:53 -07'00'

 Cathy Cooper, EVP
 WaFd Bank

Clark County

By: _____
 Jim Gibson, Chair
 Welcome Home CLT

Attachment A: Mortgage Term Sheet
 Attachment B: Maximum Affordable Sales Price
 Attachment C: Homebuyer Ground Lease

Attachment A
MORTGAGE TERM SHEET
WELCOME HOME
CLARK COUNTY COMMUNITY LAND TRUST

January 9th, 2025

Product: 30 Year fixed rate mortgage purchase loan ("Mortgage Loan") for income- and resale-restricted homes ("Improvements") located on parcels ("Property") ground-leased by Homebuyer ("Lessee") from the Clark County Community Land Trust (CLT: "Lessor"). Clark County CLT will own the Property. Homebuyer will own the Improvements. Mortgage Loan will finance, and be secured by, the Improvements only.

Mortgage Collateral:

Senior security interest in Improvements only. No mortgage lender security interest, lien or other encumbrance on Property.

Clark County CLT Ground Lease and Property Ownership Interest Not Subordinated to Mortgage Lender or Mortgage Loan:

Clark County CLT (Lessor) will execute a "Ground Lease" with each qualified Homebuyer (Lessee) for each Property (parcel). The Ground Lease, and related documents (including Deed Restrictions) will not be subordinated to the interests of the mortgage lender or the Mortgage Loan. The Ground Lease and all its restrictions and requirements on the Improvements will survive foreclosure or deed in lieu of foreclosure by the mortgage lender.

Clark County CLT Notice and Cure Rights:

Clark County, and/or the Clark County CLT, shall maintain notice and cure rights but have no obligation to: (1) correct any Homebuyer mortgage default; (2) purchase the Improvements from the mortgage lender in the event of foreclosure or deed in lieu of foreclosure by paying to Mortgage Lender the outstanding principal balance of any foreclosed loan; or (3) make payment(s) to keep Homebuyer current of mortgage principal and interest payments. Mortgage lender must notify Clark County and/or Clark County CLT of any default, pending foreclosure, loan modification, foreclosure, or deed in lieu of foreclosure filing by the mortgage lender or its representatives.

Term: 30-year fully amortizing with WaFd Bank Smart Start loan program

No Negative Amortization

No Prepayment Penalty

Maximum Pricing: 1/8 or 0.125% below the max pricing interest rate of 30 basis points below the Freddie Mac U.S. weekly average for 30-year Fixed Rate Mortgages. The 30 year fixed interest rate shall be set at time of a 45 day borrower lock at no more than 30 basis points below the weekly 30 year fixed rate as reported in the Freddie Mac Weekly Primary Mortgage Market Survey (<https://www.freddiemac.com/pmms>)

EXAMPLE: The weekly 30 year fixed rate as reported in the Freddie Mac Weekly Primary Mortgage Market Survey is noted in the screenshot below:



The target 30 year fixed interest rate is 30 basis points below the Freddie Mac rate which is calculated as 6.44% - 0.30% = **6.14%**. The interest rate set by WaFd Bank rate is the nearest 0.125% below the target rate or **6.125%**.

Points: No points may be charged to the borrower.
Discount or premium pricing is not available.
\$995 processing fee (or current processing fee) will be charged to cover the following items included in the borrower's online application:

- Digital verification of assets (includes any refresh or additional verification of assets if application extends beyond sixty day expiration of verification)

- Digital verification of income and employment (includes any refresh or additional verification of assets if application extends beyond sixty day expiration of verification)
- Digital verification of continuing employment prior to closing

Closing Costs: Customary single family mortgage closing costs to be paid by Homebuyer (e.g., title, escrow, appraisal, transfer tax, recording fees). Closing cost assistance may be considered from third parties, including the mortgage lender.

Loan to Value: Up to 97% LTV / CLTV up to 103% to allow for second liens
Maximum loan amount of \$ 766,550 (loan amount will be determined by WaFd Bank – any change of maximum loan amount will require thirty (30) day notification to the CLT prior to change)

Appraisals: The Mortgage Lender will select appraiser with experience in the valuation of price-restricted homes for use in the Welcome Home program. The County may provide additional training to the appraiser at the request of Mortgage Lender.

Property type: Single-family homes located on leased Property from the CLT, with income, occupancy and resale restrictions in place. Owner occupied purchase of improvements only for single family (1 unit) residences or townhouses located in the MSA of Las Vegas - Henderson - Paradise, NV approved by the CLT and WaFd Bank.

Eligible borrowers: First-time Homebuyers, as defined, with maximum household income, adjusted for household size and occupancy standards, of 100 percent of Las Vegas-Henderson-Paradise NV MSA Area Median Income ("AMI") current at time of purchase.

Affordable Purchase Price:

The maximum sales price (the "Affordable Sales Price") shall be calculated as follows:

1. "Monthly Affordable Housing Expense" shall be calculated as one-twelfth of 33% of Area Median Income (AMI) 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 (1 person=0.7, 2 persons=0.8; 3 persons=0.9; 4 persons=1.0; 5 persons=1.08;) multiplied by the AMI of the targeted home.

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

2. The following monthly costs will be deducted from Monthly Affordable Housing Expense as calculated or estimated by the County at the time of sale:
 - a. Property taxes
 - b. Property insurance
 - c. Clark County CLT Ground Lease fee, including homeowner association dues, if any, landscape maintenance fee, if any
3. The result of the calculation in 2. above will be the “Affordable Monthly Mortgage Payment”. The “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. (See “Maximum Pricing” above.)
4. The Affordable Sales Price will equal the Affordable Mortgage plus a 3% Homebuyer down payment.
5. The Affordable Sales Price will not exceed the Fair Market Value of the home at the time of resale. Fair Market Value means the value of the home *not* taking into account resale restrictions. Fair Market Value will be determined by appraisal, if needed
6. Buyers may be required additionally to pay closing costs on the finance and Transfer of the Residence above the Affordable Sales Price.

Credit score: Minimum representative FICO scores of [640]; [alternative credit allowed for borrowers with thin files].

Maximum Housing and Total Debt-to-Income Underwriting Ratios:

At closing, maximum housing and debt to income ratios are [38] with and total debt ratios of up to [45] percent at closing. Mortgages shall meet FHFA Ability to Repay/Qualified Mortgage (ATR/QM) standards. Deferred student loan payments shall be calculated at 0.75% of the outstanding balance

Down Payment Requirement:

3% of Affordable Sales Price, which may come from the following:

- Borrower’s own funds
- Gift from family member

Minimum Borrower Contribution:

Minimum of 1% of the purchase price from seasoned, documented borrower savings. The minimum 1% contribution must be applied towards hard costs such as the following:

- Down payment

Down Payment Assistance:

Permitted

All local DPA or grant programs must be HUD certified or County Approved and are subject to underwriter approval.

Points:

No points may be charged Homebuyer by mortgage lender or any other third party

Subordinate liens:

Clark County may provide second mortgage, deferred payment financing to income-eligible Homebuyers ("Second Mortgage Financing"). Second Mortgage Financing terms will include zero interest, deferred principal payment to the earliest of maturity, sale, refinance or default on first mortgage financing, ground lease and/or Second Mortgage Financing. County may require that, upon default, second mortgage interest shall accrue at 3% simple interest rate. Resale restrictions to income-eligible buyers at Affordable Purchase Price. May be assumable by income-eligible new Homebuyer, at County's discretion. Second Mortgage Financing may be subordinate to Mortgage Loan.

Pre-purchase homebuyer education:

Borrower must have successfully completed a homebuyer education course provided by a HUD-approved Housing Counseling Agency. Approved courses must follow a standardized curriculum.

Post-purchase homebuyer education:

As a condition of closing borrower must complete an approved in-person post-purchase education program within 12 months of closing, provided by a HUD-approved Housing Counseling Agency. Approved courses must follow a standardized curriculum.

Delinquency counseling and intervention:

The County is notified online via online system upon the occurrence of an Event of Default, both monetary and non-monetary, including but not limited when a loan payment becomes delinquent for more than 31 days. The County immediately attempts contact with the delinquent borrower to provide needed counseling and loan resolution.

Loan origination:

Mortgages are originated by participating lenders on standardized documents in accordance with current Clark County CLT program guidelines and documents, including Clark County CLT Ground Lease, , Second Mortgage Finance documents (Ground Lease, and Second Mortgage docs collectively "CLT Documents".)

Loan Servicing:

Servicing is retained by the originating lender. An electronic report containing property address, mailing address, unpaid principal balance, next payment due date, default status, and payment in full date must be submitted to Clark County CLT on a monthly basis. A master servicer may be added to the program at a later date.

Attachment B

Maximum Affordable Sales Price 80% AMI to 100% AMI Clark County, Nevada 4.01.25				
Assumptions				
HUD Median Income at Time of Purchase (1)	\$94,900			
Affordable Housing Expense As a % of Income	33%			
Household Size (for calculation of home price)	1 Person Per BR Plus 1			
Monthly Landscape Maintenance District Fee/Lease Fee	\$50			
Monthly Property Insurance (Allowance)	\$100			
Property Tax Rate (Applied to AV/Affordable Sales Price) (2)	1.00%			
Est. Mortgage Interest Rate at Time of Purchase	7.00%			
Term (Years)	30			
Buyer Downpayment (% of Sales Price)	5.00%			
		3 Bedroom	4 Bedroom	
<i>Assumed Household Size</i>		<i>4 Person HH</i>	<i>5 Person HH</i>	
<i>HUD Household Size Adjustment Factor (1)</i>		1.0	1.08	
80% of Median				
Annual Income Limit (1)		\$75,920	\$81,994	
Affordable Monthly Housing Expense		\$2,088	\$2,255	
Less: Landscape Maintenance District Fee/Lease Fee		(\$50)	(\$50)	
Less: Property Insurance		(\$100)	(\$100)	
Less: Property Taxes (2)		(\$226)	(\$245)	
Available for Monthly Mortg. Principal and Interest		\$1,712	\$1,860	
Supportable Mortgage		\$257,364	\$279,534	
Plus: Downpayment @		\$13,545	\$14,715	
Affordable Sales Price (Rounded)		\$270,900	\$294,200	
100% of Median				
Annual Income Limit (1)		\$94,900	\$102,492	
Affordable Monthly Housing Expense		\$2,610	\$2,819	
Less: HOA		(\$50)	(\$50)	
Less: Property Insurance		(\$100)	(\$100)	
Less: Property Taxes (2)		(\$287)	(\$311)	
Available for Mortg. Principal and Interest		\$2,173	\$2,358	
Supportable Mortgage		\$326,681	\$354,438	
Plus: Downpayment @		\$17,195	\$18,655	
Affordable Sales Price (Rounded)		\$343,900	\$373,100	
Summary of Affordable Sales Prices				
80% of Median		\$270,900	\$294,200	
100% of Median		\$343,900	\$373,100	

(1) Annual income limits calculated by multiplying the HUD Area Median Income for Las Vegas-Henderson-Paradise NV MSA for 2024 by the appropriate HUD household size adjustment factor (0.9 for a 3-person household, 1.0 for a 4-person household, 1.08 for a 5-person HH and 1.16 for a 6-person HH) multiplied by the AMI percentage.

(2) Property taxes are calculated by applying the estimated property tax rate by the affordable sales price, assuming the home is assessed at the affordable sales prices.

Source: Clark County Welcome Home Community Land Trust

Updated annually as HUD incomes change

Attachment C

HOMEBUYER GROUND LEASE
Clark County Welcome Home Community Land Trust

**RECORDING REQUESTED PURSUANT
TO GOVERNMENT CODE SECTION _____**

When Recorded Mail To:

Clark County

Attn:

Owner: _____

Residence: _____

This Homebuyer Ground Lease is entered into this _____ day of _____, 202____, between the Clark County, a political subdivision of the State of Nevada, (“County”) and _____ (“Owner”), individually referred to as a (“Party”) and collectively referred to as the (“Parties”).

RECITALS

A. These Recitals refer to and utilize certain capitalized terms which are defined in Section 1 of this Lease. The Parties intend to refer to those definitions in conjunction with the use of capitalized 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, first-time homebuyer 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 Ground Lease. **This Ground Lease and its requirements shall function also as a Deed Restriction which runs with the land, shall remain senior and shall not be subordinated to the First Lender or the First Lender Loan.** The resale restrictions and other County requirements for the Owner’s purchase of one of the Units under the terms of this Ground Lease are also contained in a Deed Restriction (“Deed Restriction”) dated _____ and attached to this Lease as Exhibit B.

D. 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, and leased to the Owner under this Homebuyer Ground Lease.

E. The Affordable Sales Price of this Residence shall be at _____ percent (____%), of the current Las Vegas-Henderson-Paradise MSA Area Median Income (“AMI”), adjusted for household size.

F. The purpose of this Ground Lease is to place resale controls on the Residence, 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) including resale restrictions and other requirements on the Owner, to provide the County an option to purchase the Residence at a restricted price, given in consideration of the economic benefits to the Owner resulting from purchase of the Residence.

G. 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 B.

H. 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”).

I. The County Loan, if applicable, as provided in paragraph H 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 Ground Lease 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.

J. 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 Ground Lease.

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

- (1) “Affordable Monthly Mortgage Payment” shall have the meaning described in Section 13.2.

- (2) “Affordable Mortgage” shall have the meaning described in Section 13.2.
- (3) “Affordable Rent” shall have the meaning described in Section 4.6.
- (4) “Affordable Sales Price” shall have the meaning described in Section 13.2.
- (5) “Combined Loan to Value” shall mean the total Mortgage debt (minus the County Loan) on the Residence as a Percentage of the then-current Affordable Sales Price.
- (6) “County” shall mean Clark County, Nevada, as described in the first sentence of this document, Page 1.
- (7) “CLT Approved Lender” shall mean a mortgage lender that has been approved by the County to provide mortgages on CLT homes.
- (8) “County Deed of Trust” shall have the meaning described in Recital I.
- (9) “County Loan” shall have the meaning described in Recital H.
- (10) “County Note” shall have the meaning described in Recital I.
- (11) “County Purchase Option” shall have the meaning described in Section 12.
- (12) “County Response Notice” shall have the meaning described in Section 10.1.
- (13) “Designated Income Household ” shall mean a household with an annual gross income within the range determined by the County to meet the AMI specified for the Residence in Recital E, adjusted for the Owner’s household size.
- (14) “Eligible Purchaser” shall have the meaning described in Section 14.2.
- (15) “Environmental Law” shall have the meaning described in Section 4.13.
- (16) “Excess Rental Proceeds” shall have the meaning described in Section 4.6.
- (17) “Excess Sales Proceeds” shall have the meaning described in Section 15.
- (18) “Fair Market Value” shall have the meaning described in Section 13.3.
- (19) “First Lender” shall have the meaning described in Section 7.3 and Recital G..
- (20) “First Lender Deed of Trust” shall have the meaning described in Recital G.
- (21) “First-Time Homebuyer” shall have the meaning described in Section 14.2.
- (22) “Ground Lease Fee” shall have the meaning described in Section 6.1.

- (23) “Hazardous Substance” shall have the meaning described in Section 4.13.
- (24) “HUD” shall have the meaning described in Section 13.2.
- (25) “Inheriting Owner” shall have the meaning described in Section 8.2.
- (26) “Junior Loan” shall have the meaning described in Section 7.6.
- (27) “Lease” shall have the meaning described in the first sentence of this document, Page 1.
- (28) “Leased Premises” shall have the meaning described in Recital D.
- (29) “Maximum Restricted Resale Price” shall have the meaning described in Section 13.1.
- (30) “Occupancy Standard” shall have the meaning described in Section 13.2.
- (31) “Original First Lender Loan” shall have the meaning described in Section 7.3 and, as the “First Lender Loan” in Recital G.
- (32) “Owner” shall have the meaning described in the first sentence of this document, Page 1.
- (33) “Owner’s Notice of Intent to Transfer” shall have the meaning described in Section 9.1, and attached as Exhibit D.
- (34) “Party” shall have the meaning described in the first sentence of this document, Page 1.
- (35) “Parties” shall have the meaning described in the first sentence of this document, Page 1.
- (36) “Permitted Mortgage” shall have the meaning described in Section 7.1.
- (37) “Permitted Mortgagee” shall have the meaning described in Section 7.1.
- (38) “Prohibited Capital Improvements” shall have the meaning described in Section 5.1.
- (39) “Prohibited Mortgage” shall have the meaning described in Section 7.7.
- (40) “Proposed Purchaser” shall have the meaning described in Section 14.1.
- (41) “Required Property Insurance” shall have the meaning described in Section 4.10.

- (42) “Residence” shall have the meaning described in Recital D.
- (43) “Transaction Fee” shall have the meaning described in Section 12.
- (44) “Transfer” shall have the meaning described in Section 8.1.
- (45) “Units” shall have the meaning described in Recital B.

1.2 List of Exhibits

- Exhibit A: Legal Description of the Leased Premises
- Exhibit B: First Lender Loan Agreement
- Exhibit C: Buyer Disclosure Statement
- Exhibit D: Form of Owner’s Notice of Intent to Transfer
- Exhibit E: Form of Owner Acknowledgement of County Response Notice
- Exhibit F: Form of Annual Owner Occupancy Certification
- Exhibit G: Letter of Agreement and Attorney’s Acknowledgement

2. LEASED PROPERTY

2.1 DESCRIPTION OF PROPERTY: This Lease 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 Lease (the “Leased Premises”).

2.2 OWNER OWNS RESIDENCE: Owner is the Eligible Purchaser and Owner of the Residence only, located on the Leased Premises. Owner does not own the Leased Premises.

2.3 COUNTY LEASES THE LAND TO OWNER: The County owns the Leased Premises and hereby leases to the Owner, and Owner hereby accepts, the right to possess, occupy and use the Leased Premises (described in the attached Exhibit A: Legal Description of the Leased Premises) in accordance with the terms of this Lease. County has furnished to Owner a copy of the most current title report, if any, obtained by County for the Leased Premises, and Owner accepts title to the Residence in its condition “as is” as of the signing of this Lease.

2.4 MINERAL and WATER RIGHTS NOT LEASED TO OWNER: County does not lease to Owner the right to remove from the Leased Premises any minerals or water lying beneath the surface of the Leased Premises. Ownership of such minerals or water rights remains with the County, but the County shall not remove any such minerals from the Leased Premises without the Owner's written permission. Water underlying the Leased Premises may be removed by the County, as long as this action does not damage the Residence.

3. TERM OF LEASE

3.1 TERM OF LEASE IS 99 YEARS: This Lease shall remain in effect for 99 years, beginning on the ____ day of _____, 20__, and ending on the _____ day of _____, 21____, unless ended sooner.

4. USE OF THE LEASED PREMISES

4.1 OWNER MAY USE THE RESIDENCE ONLY FOR RESIDENTIAL AND RELATED PURPOSES: Owner shall use, and allow others to use, the Residence and Leased Premises only for residential purposes and any activities related to residential use that were permitted by local zoning law when the Lease was signed.

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 Leased Premises. The Owner further covenants that no more than the total allotted number of automobiles, based upon garage size, shall be maintained in the parking area, garage, driveway, or any other portion of the Leased Premises. The allowable automobile allotment is as follows: 1 car garage, 2 vehicles permitted; 2 car garage, 3 vehicles permitted.. Vehicles or heavy machinery shall be immediately removed from the Leased Premises if they become inoperable for more than five (5) calendar days. For purposes of this document, the terms 'automobile,' 'car,' and '(motor) vehicle' are synonymous and are ascribed the definition of "vehicle," as provided for in NRS 482.135. Further, the term 'heavy machinery' is synonymous with "special mobile equipment," as provided from in NRS 482.123.

4.2 OWNER MUST USE THE RESIDENCE AND LEASED LAND RESPONSIBLY AND IN COMPLIANCE WITH THE LAW: Owner shall use the Residence and Leased Premises in a way that will not cause harm to others or create any public nuisance. Owner shall dispose of all waste in a safe and sanitary manner. Owner shall maintain all parts of the Residence and Leased Premises in safe, sound and habitable condition, in full compliance with all laws and regulations, and in the condition that is required to maintain the insurance coverage required by Section 4.8 of this Lease. Failure by the Owner to maintain the Residence shall constitute a default under this Lease.

4.3 THE OWNER SHALL MAINTAIN THE RESIDENCE, INCLUDING LANDSCAPING ON THE LEASED PREMISES, 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. Homeowner hereby assumes responsibility for furnishing all services or facilities on the Leased Premises, including but not limited to heat, electricity, air conditioning and water. CLT shall not be required to furnish any services or facilities or to make any repairs to the Residence. Failure by the Owner to maintain the Residence shall constitute a default under this Lease.

4.4 OWNER IS RESPONSIBLE FOR USE BY OTHERS: Owner shall be responsible for the use of the Residence and Leased Premises by all residents and visitors and anyone else using the Leased Premises with Owner's permission and shall make all such people aware of the restrictions on use set forth in this Lease.

4.5 OWNER MUST OCCUPY THE RESIDENCE FOR AT LEAST TEN (10) MONTHS EACH YEAR: Owner shall occupy the Residence for at least ten (10) months of each year of this Lease, unless otherwise agreed by County. Occupancy by Owner's child, spouse, domestic partner or other persons approved by County shall be considered occupancy by Owner. Neither compliance with the occupancy requirement nor County's permission for an extended period of non-occupancy constitutes permission to sublease the Leased Premises and Residence, which is addressed in Section 4.6. On or before the anniversary of the date of execution of this Lease, the Owner shall provide an annual written certification to the County, in the form shown in the attached Exhibit F, that the Owner is occupying the Residence as his or her principal place of residence.

4.6 RESIDENCE MAY NOT BE SUBLEASED WITHOUT COUNTY'S PERMISSION. 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:

- a. 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);
- b. The term of the lease is not greater than twelve (12) months and cannot be extended without County written approval;
- c. The lease requires the tenant to maintain the Residence and home in good condition and prohibits [assignment and](#) subleasing;
- d. The tenant is a low- or moderate- income household as determined by the County; and

e 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 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 Lease is prohibited and shall be a default under this Lease and the County Deed of Trust (if applicable). 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.

4.7 OWNER'S GENERAL PATIO USE: Patios are intended for the private, exclusive enjoyment of residents and may be used for typical residential outdoor activities. Owners may use patio areas for placing non-permanent outdoor items. Permanent or semi-permanent alterations must abide by section 5 of this Ground Lease.

(Cactus Trails Only) 4.8 PATIO EASEMENT AREAS ON COMMON AREA: Applies solely to Leased Premises that do not include an on-footprint patio, and which have been granted a private, fenced patio easement located within the adjacent common area. The easement shall be adjunct to the Leased Premises and shall be depicted on the recorded plan or described in the County's records.

Owners of such Leased Premises shall have exclusive use of the easement area for residential patio purposes, with the same rights and responsibilities as Owners of on-footprint patios, subject only to the following specific restrictions:

- a. No structures may be affixed to the ground in a way that interferes with underground utilities, drainage systems, or County access.
- b. Fencing shall be uniform and installed or approved by the County.
- d. The Owner may not alter the grade or plant invasive species within the easement area.
- e. All improvements, modifications, or landscaping changes within the patio easement area must be approved by the County in accordance with Section 5 of this Ground Lease.

The County retains the right to access the easement for emergency maintenance of common area systems with reasonable notice.

The exclusive-use patio easement shall run with the Leased Premises and shall automatically transfer to subsequent Owners. Use rights may not be severed or assigned separately from the Lot.

Cactus Trails

4.8 GARAGE AND DRIVEWAYS ARE PRIMARY LOCATION FOR VEHICLE PARKING: Residents are required to use garage space for parking. Residents with a one car garage are required to park one of their cars in the garage, opposed to the street. Residents with two car garage are required to park two of their cars in the garage as opposed to the street.

Street parking within the community is limited and is only permitted where signage allows. Owners may not use designated guest spaces for daily or long-term parking. Guest parking will be clearly marked and is for short-term use only. Owners are responsible for informing their guests of these rules and regulations.

RVs, boats, trailers, commercial vehicles, and oversized vehicles may not be parked in driveways, streets, or guest parking areas except temporarily for loading or unloading (maximum 24 hours).

Vehicles parked within the community must be in working condition, free of fluid leaks, and have up to date registration. Vehicles that are abandoned or inoperable are prohibited, and may be towed, at the vehicle owner's expense.

Vehicles in violation of these rules may be subject to warning, fines, or towing.

Rebecca Place

4.8 GARAGE AND DRIVEWAYS ARE PRIMARY LOCATION FOR VEHICLE PARKING: Residents are required to prioritize garage and/or driveway space, over the street, for parking. Residents with a one-car garage are required to park their car in the garage or on the driveway, as opposed to the street. If the residents are utilizing their full two-car allotment, one car **MUST** be parked in the garage and one car in the driveway; not the street. A similar configuration applies to residents with a two-car garage. One or both cars shall be parked in the garage or driveway. A two-car garage residence, with three cars, **MUST** park two cars in either the garage or driveway: not on the street.

Street parking within the community is limited and is only permitted where signage allows. Owners may not use designated guest spaces for daily or long-term parking. Guest parking will be clearly marked and is for short-term use only. Owners are responsible for informing their guests of these rules and regulations.

RVs, boats, trailers, commercial vehicles, and oversized vehicles may not be parked in driveways, streets, or guest parking areas except temporarily for loading or unloading (maximum 24 hours).

Vehicles parked within the community must be in working condition, free of fluid leaks, and have up to date registration. Vehicles that are abandoned or inoperable are prohibited, and may be towed, at the vehicle owner's expense.

Vehicles in violation of these rules may be subject to warning, fines, or towing.

4.9 COUNTY HAS A RIGHT TO INSPECT THE LEASED LAND AND RESIDENCE: The County may inspect any part of the Leased Premises including the interior of the Residence or, if applicable, the garage, at any reasonable time, after notifying the Owner at least 48 hours before the planned inspection. No more than two regular inspections may be carried out in a single year. In an emergency, the County may inspect any part of the Leased Premises, after making reasonable efforts to inform the Owner before the inspection

If the County has received an Owner's Notice of Intent to Transfer, then the County has the right to inspect the interiors of the Residence and, if applicable, garage to determine their condition prior to the sale. The County must notify the Owner at least 24 hours before carrying out such inspection.

4.10 OWNER MUST MAINTAIN OWNER'S INSURANCE: 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 Residence is located in a flood plain, Owner shall also obtain flood insurance. Owner must keep the improvements now existing or subsequently erected on the Leased Premises 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.

4.11 OWNER'S RIGHT TO QUIET ENJOYMENT: Owner has the right to quiet enjoyment of the Leased Premises. The County has no desire or intention to interfere with the personal lives, associations, expressions, or actions of the Owner in any way not permitted by this Lease.

4.12 COUNTY RIGHTS UNDER DEFAULT: In the event that the Owner breaches any of the covenants contained in this section 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/or Residence 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/or Residence 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 fifteen percent (10%) of the cost of such work upon demand.

4.13 HAZARDOUS SUBSTANCES: The Owner will not bring hazardous materials on site, except for those used during 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 Substance ("Hazardous Substance") 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 ("Environmental Law") shall mean all federal and state of Nevada laws that relate to health, safety or environmental protection.

Owner shall promptly give County written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency 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.

4.14 Failure to meet any of the above requirements constitutes a default under this Ground Lease, and County may declare a default under this Lease, and after a notice and cure period may terminate the Lease.

5. RESTRICTIONS ON IMPROVEMENTS TO THE RESIDENCE

5.1 PROHIBITED CAPITAL IMPROVEMENTS: The Owner may not perform the following improvements, construction, or additions to the Residence:

- a. Room addition;

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.

- 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”).

5.2 OTHER IMPROVEMENTS & MAINTENANCE TO THE RESIDENCE: 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 or 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.

5.3 ANTENNAS: To the 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.

5.4 SIGNS: 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.

5.5 NUISANCES: 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.

5.6 TEMPORARY STRUCTURES: 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.

5.7 LANDSCAPE LIGHTING: 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 up-lights are acceptable provided they point towards the building and do not provide nuisance light levels in adjacent residences.

5.8 SOLAR PANELS: Prior approval from the County is required for the installation of solar panels. The installation must comply with all applicable local laws and regulations. The Owner must also comply with the requirements specified in Section 7 of this document.

5.9 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.

6.0 GROUND LEASE FEE

6.1 AMOUNT OF GROUND LEASE FEE: The Owner shall pay a monthly Ground Lease Fee ("Ground Lease Fee") in an amount equal to \$50 per month for the initial year of the Lease, to be paid in return for the continuing right to possess, occupy and use the Leased Premises and to defray certain expenses of the County.

6.2 WHEN THE GROUND LEASE FEE IS TO BE PAID: The Ground Lease Fee shall be payable to County on the first day of each month for as long as this Lease remains in effect, unless

the Ground Lease Fee is to be escrowed and paid by a Permitted Mortgagee, in which case payment shall be made as directed by that Mortgagee.

6.3 FEES MAY BE INCREASED FROM TIME TO TIME: The County may increase the amount of the Ground Lease Fee from time to time, but not more often than once per year.

6.4 GROUND LEASE FEE WILL BE INCREASED IF RESTRICTIONS ARE REMOVED: If, for any reason, the provisions of Section 8.1 regarding transfers of the Residence or Sections 4.4 and 4.5 regarding occupancy and subleasing are suspended or invalidated for any period of time, then during that time the Ground Lease Fee shall be increased to an amount calculated by County to equal the fair rental value of the Leased Premises for use not restricted by the suspended provisions. Such increase shall become effective upon County's written notice to Owner. Thereafter, for so long as these restrictions are not reinstated in the Lease, the County may, from time to time, further increase the amount of such Ground Lease Fee, provided that the amount of the Ground Lease Fee does not exceed the fair rental value of the property, and provided that such increases do not occur more often than once per year.

6.5 IF PAYMENT IS LATE, INTEREST CAN BE CHARGED: If the County has not received any monthly installment of the Ground Lease Fee on or before the date on which the such installment first becomes payable under this Lease (the "Due Date"), the County may require Owner to pay interest on the unpaid amount from the Due Date through and including the date such payment or installment is received County, at a rate not to exceed 10%. Such interest shall be deemed additional Ground Lease Fee and shall be paid by Owner to County upon demand; provided, however, that County shall waive any such interest that would otherwise be payable to County if such payment of the Ground Lease Fee is received by County on or before the thirtieth (30th) day after the Due Date.

6.6 COUNTY CAN COLLECT UNPAID FEES WHEN RESIDENCE IS SOLD: In the event that any amount of payable Ground Lease Fee remains unpaid when the Residence is sold, the outstanding amount of payable Ground Lease Fee, including any interest as provided in Section 6.5, shall be paid to County out of any proceeds from the sale that would otherwise be due to Owner. The County shall have, and the Owner hereby consents to, a lien upon the Residence for any unpaid Ground Lease Fee. Such lien shall be prior to all other liens and encumbrances on the Residence except (a) liens and encumbrances recorded before the recording of this Lease, (b) Permitted Mortgages as defined in Section 7.1; and (c) liens for real property taxes and other governmental assessments or charges against the Residence.

7. FINANCING

7.1 OWNER CANNOT MORTGAGE THE HOME WITHOUT COUNTY'S PERMISSION: 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 all of the terms and provisions of this Lease..

7.3 ALL FIRST LENDER LOANS SHALL BE FULLY-AMORTIZING, FIXED-INTEREST RATE MORTGAGES: Any First Lender ("First Lender") loan must be a fully-amortizing fixed-interest rate mortgage. The "Original First Lender Loan" ("First Lender Loan") must have a term and amortization period of at least 30 years. Loans to refinance the Original First Lender Loan may have a shorter term and amortization period as long as they meet all the other conditions of Section 7.6.

7.4 BY SIGNING LEASE, COUNTY GIVES PERMISSION FOR ORIGINAL FIRST LENDER LOAN: By signing this Lease, the County gives written permission for the Original First Lender Loan 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 BY SIGNING LEASE, OWNER GIVERS PERMISSION FOR FIRST LENDER TO NOTIFY COUNTY UPON OCCURRENCE OF AN EVENT OF DEFAULT: By signing this Lease, the Owner gives written permission for the First Lender to notify the County upon an occurrence of an event of default and provide County with all copies of notices sent to Owner. The County shall have the right, but not the obligation to cure an Event of Default on the Owner's behalf.

7.6 OWNER MUST GET SPECIFIC PERMISSION FOR REFINANCING OR OTHER SUBSEQUENT MORTGAGES: Not earlier than twelve (12) months after purchase, Owners may submit a request to the County to refinance their Original First Lender Loan for the following purposes:

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

When requesting approval to refinance, Owners must:

- a. Use a CLT Approved Lender;
- b. Be in compliance with the Homebuyer Ground Lease; and, if applicable, the County Loan;
- c. Pay an administrative fee posted on the County's website;
- d. Have no delinquent mortgage payments, property taxes, Ground Lease Fee payments, , unauthorized loans, or liens; and

- e. Ensure that the new loan is subordinate to the Ground Lease.
- f. 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;
 - 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 First Lender Loan amount, and the Combined Loan to Value cannot exceed 95% of the Affordable Sales Price.

If, no earlier than twelve (12) months after purchase, the 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 (known as a “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 and request the County’s approval. 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 (excluding County Deed of Trust), if any;
- d. Expected closing costs;
- e. The rate of interest;
- d. The repayment schedule; and
- f. A copy of the appraisal commissioned in connection with the loan request.

The County may also require Owner to submit additional information.

The County will not permit a refinancing or a mortgage loan if the new loan amount exceeds the Original First Lender Loan, and the Loan to Value cannot exceed 95% of the Affordable Sales Price calculated in accordance with Section 13.2, 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.

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

7.8 IN THE EVENT OF FORECLOSURE: In the event of foreclosure, the Residence will be sold to another Designated Income Household.

7.9 IN THE EVENT OF FORECLOSURE, ANY PROCEEDS IN EXCESS OF THE AFFORDABLE PRICE WILL GO TO THE COUNTY: Owner and County recognize that it would be contrary to the purposes of this Lease 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 that Owner would have received if the Residence had been sold for the Affordable Price, calculated as described in Section 13.2. 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.

7.10 REFINANCE FEE: 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 ANY TRANSFER OF THE RESIDENCE IS SUBJECT TO TERMS OF LEASE: Any Transfer of the Residence will be subject to the provisions of this Lease including, without limitation, the County Purchase Option described in Section 12. Transfer ("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 a Permitted Mortgage pursuant to Section 7.1) or an interest evidenced by a land contract by which possession of the Residence is transferred and Owner retains title. The Owner and/or Inheriting Owner shall give at least ten (10) days prior written notice to the First Lender prior to any Transfer or upon the death of the Owner. Any Transfer without satisfaction of the provisions of this Lease is prohibited and shall constitute a default under this Lease and the County may then exercise any of the remedies set forth in Section 12, including, without limitation, exercise of the County Purchase Option upon default. 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 Original First Lender Loan or a Junior Loan meeting the requirements of Section 7.6 of the Lease; 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 Sections 8.2.b or 8.2.c of this Lease in which event the transferee shall owner-occupy the Residence and affirmatively assume Owner's obligations under this Lease, the County Note, and the County Deed of Trust).

All other Transfers shall require written notice to the County pursuant to the provisions of this Lease and shall be to Eligible Purchasers. Financial payment, or proceeds, 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 to the County of an affidavit or other evidence by Owner acceptable to the County.

8.2 INHERITANCE OF THE RESIDENCE IS SUBJECT TO TERMS OF THE LEASE: 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 Premises 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 a first-degree consanguinity.

Any other heirs, legatees or devisees of Owner, in addition to submitting Letter of Agreement and Attorney's Acknowledgment as provided in Exhibit G, must demonstrate to County's satisfaction that they are a Designated Income Household. 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 Lease or the

County may exercise its Option To Purchase the Residence and the County may exercise the County Purchase Option 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 Lease and the County Deed of Trust.

In the event the Inheriting Owner rents the Residence in accordance to this Section, the lease shall also be approved in writing by the County in advance of such rental.

Failure of an Inheriting Owner to follow the procedures and file the notices described in this Section 8.2 shall constitute a default under this Lease and the County may then exercise any of the remedies set forth in Section 12, including, without limitation, exercise of the County Purchase Option upon default.

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

9.1 NOTICE: 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 D attached to this Lease. The Owner shall give the County the Owner's Notice of Intent to Transfer prior to notifying any real estate brokers or lenders of Owner's Notice of Intent to Transfer the Residence and prior to or in lieu of 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 23 of this Lease. 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 name and phone number of the person to contact to schedule inspections of the Residence by the County.

9.2 PREPARATION OF RESIDENCE FOR SALE: 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 hire at Owner's sole expense 1) a building inspector with a current Home Inspector

license from the Real Estate Division of the Nevada Department of Business and Industry, to assess the condition of the Residence, including the interiors, and prepare a written report of the condition (“Building Inspection Report”) and 2) a licensed structural pest control operator to inspect the Residence and prepare a current written report of the condition (“Pest Control Inspection Report”) and Owner shall deliver such reports to the County. The Owner shall cooperate fully with the inspection.

- 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 bear the full cost to repair all damage and make any necessary replacements noted in the Building Inspection Report and Pest Control Inspection 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.
- c. Owner shall bear the full cost of all necessary repairs and replacements. However, upon Owner’s written request, the CLT may allow the Owner to pay all or a portion of the repair costs after transfer, from Owner’s proceeds of sale, if Owner cannot afford to pay such costs prior to the transfer. In such event, either (i) 150% of the unpaid estimated cost of repairs or (ii) 100% of the unpaid cost of completed repairs shall be withheld from Homeowner’s proceeds of sale in a CLT-approved escrow account. Any funds withheld in escrow based on estimated repair costs that exceed the actual cost of completed repairs and replacements shall be returned to the Owner after the work is completed.
- d. If the Residence is vacant, the Owner shall maintain utility connections until the close of escrow on the Transfer.

9.3 COUNTY PREPARATION TO SELL THE RESIDENCE: Upon receipt by County of the Owner’s Notice of Intent to Transfer, the County may begin to market the home pursuant to Section 14, 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 Ground Lease. The Owner does not need to retain the services of a broker; however, if they do it will be at Owner’s expense.

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

10.1 COUNTY RESPONSE: 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:

10.2 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.

10.3 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 and minimum qualifying income for an Eligible Purchaser; (2) the qualifying 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. 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 Lease.

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 E attached to this Lease, 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 Lease. 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 Lease.

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 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

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 advance of transfer 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

13.1 RESIDENCE MAY NOT BE SOLD FOR A PRICE IN EXCESS OF THE MAXIMUM RESTRICTED SALES PRICE: 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.

13.2 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 33% 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 home (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 2025 Area Median Income in the Las Vegas-Henderson-Paradise MSA is \$94,900. Monthly Affordable Housing Expense for a two-bedroom home at 80% AMI is calculated as follows: \$75,920 multiplied by 33% multiplied by 1/12 multiplied by 0.9 multiplied by 80% equals \$1,712.

- 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 this Lease.
- c. The result of the calculations in this section 13.2 (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.

13.3 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 Lease (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 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 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 reselling 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 their 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, as determined by the County or their designee:

- a. First-Time Homebuyer. The Proposed Purchaser shall certify that he or she qualifies as a First-Time Homebuyer (“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 Statement and Homebuyer Ground Lease and to Cooperate with the County. The Proposed Purchaser shall agree to sign a Buyer Disclosure Statement (Exhibit C) 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.
- 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.
- f. The Owner does not need to retain the services of a broker; however, if they do it will be at Owner’s expense.

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 Lease, 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 Lease 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 Lease.
- e. An executed 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 Ground Lease, 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 Homebuyer Ground Lease 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 LEASE; PAYMENT TO COUNTY OF EXCESS SALES PROCEEDS

If the Owner makes a Transfer in violation of this Lease, the Owner shall pay the Excess Sales Proceeds to the County as set forth in this section. For purposes of this Lease, ("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 Lease and the County Note, and secured by the County Deed of Trust. The Owner acknowledges that the County shall have no obligation to cause termination of this Lease or 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 the Welcome Home Community Land Trust program. 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 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 requirements of the Lease and County Loan.

16.3. Principal and interest on the County Loan will be immediately due and payable subject to the priority provisions established in Recital I upon any of the following:

- a. Any default under the Homebuyer Ground Lease or First Lender Loan, subject to the provisions of Sections 17 through 19;
- b. Upon the date of any Transfer (as defined in Section 8.1) unless said Transfer is to (1) the County, by exercise of the County Purchase Option (Section 12); or (2) an Eligible Purchaser (as provided for in Sections 8, 9, and 14).
- c. At the end of the Term of the Note, unless the County in its sole discretion extends the Term of the Note.

16.4 Repayment of the County Note shall not affect Owner's obligation to comply with this Lease, 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 Lease:

- 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 Lease;
- b. The Owner fails to occupy the Residence as their principal residence, as required pursuant to Section 4, 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 or Sale in violation of this Lease;
- e. The Owner otherwise fails to comply with the requirements of this Lease, 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 Original First Lender Loan;
- g. A lien is recorded against the Residence other than the lien of a Permitted Mortgage (Original First Lender Loan or a Junior Loan) approved by the County in accordance with Section 7.3 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 5.1;
or
- j. Any other violation which would threaten the County's interest in the Leased Premises.
- k. Any default under this Lease shall also constitute a default under the Lender First Deed of Trust.

17.2 REMEDIES: Upon a declaration of default by the County under this Lease, the County may:

- a. Declare the County Loan, if applicable, 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 subject to any provisions of the First Lender 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 12.
- e. Notwithstanding any provision in this Ground Lease to the contrary, the County shall have the sole discretion but not the obligation to provide additional time beyond the stated cure period for the Owner to remedy any default. The County may also, at its discretion, choose to pursue alternative corrective actions or resolutions prior to exercising any of the default remedies described in this Section 17.2. Such alternative actions may include, but are not limited to: allowing applications for a one-time waiver of a specific requirement, establishing alternative/temporary payment plans, or one-on-one consultations with authorized County personnel. Any such extension or alternative remedy shall not constitute a waiver of the County's rights under this Ground Lease or set a precedent for future violations or default.

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 Office of the Recorder of Clark County for the benefit of the County. The County may declare a default under this Lease upon receipt of any notice of default of any deed of trust or mortgage with power of sale encumbering the Residence given to the County and may exercise its rights as provided in Sections 12 and 15.

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 subject to any provisions of the First Lender Deed of Trust. In addition, prior to any foreclosure the County shall give at least 10 business days' notice to the First Lender. 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 option to purchase the Residence shall commence from the date a notice of default is given to the County by the First Lender or the Owner.

19. NOTICE AND CURE

Upon default or a violation of any of the provisions of this Lease, the County may give written notice to the Owner specifying the nature of the violation except for default under Sections 16.1(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 Lease, 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 Lease. If the Owner is in default under any other mortgage loan on the Residence, the County may declare a default under this Lease.

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 26, if the County has declared a default under this Lease 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 16, 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 Lease. 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 19. 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 19, the County shall purchase the Residence for the Maximum Restricted Resale Price calculated in the manner set forth in Section 13.

21. RIGHTS UNDER FORECLOSURE

21.1 Any First Lender providing an Original First Lender Loan may acquire Owner's interest in the Lease and the Residence by foreclosure, deed in lieu of foreclosure or other appropriate proceedings.

21.2 Such First Lender shall take Owner's interest in the Residence subject to the provisions of this Lease other than provisions which relate to the Owner as (i) an Eligible Purchaser, (ii) requires Owner to be of a certain Designated Income Household, (iii) First-Time Homebuyer or (iv) similar provisions (the "Exclusions"), and for so long as it is the owner of the leasehold estate, shall assume the obligations, agreements, conditions and terms of this Lease other than with respect to the Exclusions. Further, ~~of Owner~~ Article 9 and 10 shall not apply to First Lender other than the requirement to sell to an Eligible Purchaser. Restriction.

21.3 No foreclosure, deed in lieu of foreclosure, assignment, sale, assumption of obligation, subleasing or subletting of the Residence or the acceptance of rent by County from any such Assignee, sublessee, subtenant, or any other person, shall in any manner affect the liability of Owner under the Lease.

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

21.5 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.

22. NON-LIABILITY FOR NEGLIGENCE, LOSS OR DAMAGE

22.1 NO OBLIGATION TO EXERCISE OPTIONS: The County shall have no obligation to exercise any option granted to it under this Lease. 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 14 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.

22.2 COUNTY ASSUMES NO RESPONSIBILITY: for Owner to select, review, inspect, supervise, pass judgment on, or inform Owner of the quality, adequacy or suitability of the Residence or any other matter.

22.3 COUNTY OWES NO DUTY OF CARE TO PROTECT OWNER AGAINST: negligent, faulty, inadequate or defective building or construction or any condition of the Residence and Owner agrees that neither Owner, or Owner's heirs, successors or assigns shall ever claim, have or assert any right or action against County for any loss, damage or other matter arising out of or resulting from any condition of the Residence and will hold County harmless from any liability, loss or damage for these things.

22.4 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 Lease 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.

23. MONITORING AND INSPECTION BY COUNTY

23.1 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 inspections 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.

23.2 The Owner shall retain all records related to compliance with obligations under this Lease 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.

23.3 County shall monitor Owner's compliance with the requirements of this Lease annually. Owner shall cooperate with County monitoring and provide the 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.

24. SUPERIORITY OF GROUND LEASE

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

25. 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.

26. 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:

Attention: Clark County Community Housing Office
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.

27. 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 Lease and Deed Restriction shall not be considered a waiver of the County's right thereafter to enforce the provisions of the Lease. The County shall not waive its rights to enforce any provision of this Lease unless it does so in writing, signed by an authorized agent of the County.

28. CONTROLLING LAW: STATE OF NEVADA

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

29. INVALID PROVISIONS AND SEVERABILITY

30. If any one or more of the provisions contained in this Lease 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 Lease, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. INTERPRETATION OF THIS LEASE

The terms of this Lease 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.

31. COVENANTS RUNNING WITH THE LAND

31.1 Owner hereby subjects the Residence to the covenants and restrictions set forth in this Lease. 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 Lease. 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 Lease regardless of whether the other party or parties to such contract have actual knowledge of this Lease.

31.2 The Owner and the County hereby declare their understanding and intent that: (i) the covenants and restrictions contained in this Lease 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 Lease 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 Lease 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.

31.3 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.

32. AMENDMENTS

The Parties hereby acknowledge and agree that:

- a. No modifications and/or amendments to this Lease shall be accepted, valid, or enforceable unless in writing and executed by Owner and the County.
- b. No modifications and/or amendments to this Lease, that affect the priority, rights or obligations of the First Lender, shall be accepted, valid, or enforceable unless in writing and executed by Owner, the County, and said First Lender.

The Parties further acknowledge and agree that any such fully executed modification and/or amendment, pursuant to the above, shall immediately be recorded in the Official Records of Clark County, Nevada as an Amendment to the Lease (ex: "First Amendment to Homebuyer Ground Lease" or "First Amended and Restated Homebuyer Ground Lease").

33. EXHIBITS

Any exhibits referred to in this Homebuyer Ground Lease are incorporated in this Lease by such reference.

34..OWNER’S ACKNOWLEDGEMENT OF RESALE RESTRICTION

Owner hereby acknowledges and agrees that:

- a. Owner hereby subjects the Residence to certain restrictions, and limits the price for which Owner may sell or lease the Residence and the persons to whom Owner may sell or lease the Residence. The resale price limitation, and other provisions contained in this Lease, 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 Lease did not exist.
- b. Absent the provisions of this Lease, the Deed of Trust, and County Loan (if applicable) the Residence could not be made available to Eligible Purchasers at an affordable price, including Owner.

Owner understands all of the provisions of this Lease. In recognition of the acknowledgments and agreements stated in this Section 34, Owner accepts and agrees to the provisions of this Lease with the understanding that this Lease will remain in full force and effect as to the Residence following any Transfer of the Residence throughout the term of this Lease.

- c. 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 LEASE. OWNER FURTHER ACKNOWLEDGES THAT AT ALL TIMES IN SETTING THE SALES PRICE OF THE RESIDENCE THE PRIMARY OBJECTIVE OF THE COUNTY AND THIS LEASE 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 Lease on or as of the date first written above.

COUNTY:

By: _____

Title: _____
(Type Name and Title)

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by _____, County Manager of Clark County, Nevada, on behalf of the County.

Notary Public

OWNER:

(Type Name)

(Type Name)

[if married, both spouses must sign]

STATE OF NEVADA)
) ss
COUNTY OF CLARK)

On this _____ day of _____, 202__, _____ personally appeared before me a Notary Public in and for said County and State, and is known to me to be the person described in and who executed the within and foregoing instrument and who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

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

Notary Public

My commission expires

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PREMISES

EXHIBIT B

FIRST LENDER LOAN AGREEMENT

EXHIBIT C

BUYER DISCLOSURE STATEMENT

DECLARATION

Homebuyers must be willing to sign the Buyer Disclosure and the Homebuyer Ground Lease prior to closing; these documents contain, but are not limited to, the following requirements, to which Homebuyer must agree:

- Intent to occupy the Residence as principal place of residence throughout ownership term.
- Understanding and acceptance of all provisions of the Homebuyer Ground Lease particularly of the resale restriction and restrictions on occupancy, leasing, and financing for the Residence.
- The Community Land Trust (CLT) home sale shall be closed in accordance with the terms of the sales agreement and other documents submitted to and approved by the County.
- Intent to comply with all requests by County for information needed to monitor compliance.

A. INTRODUCTION

The Clark County Welcome Home Community Land Trust (CLT) offers you a chance to buy a home at a lower than market price, making it affordable for you. You will own the house but lease the land from the County at a reduced rate, for 99 years. This helps people with low-to-moderate income buy their own home. The Ground Lease ensures that the home is resold at an affordable price as well, so that future buyers with similar incomes can afford it too.

Owning a CLT home has perks like a low purchase price and a fixed mortgage payment that will not increase. Every year, as you pay off more of your mortgage, you will build more equity in your home. Plus, as the average income level in Clark County rises, you may be able to sell your home for a higher price than what you paid. In return, you are responsible for taking care of your home. As your income grows, your fixed mortgage payment lets you save more for home repairs over time. This ensures that if you ever sell your home the next buyer will get a well-maintained house.

To get an affordable home through the Clark County CLT, you are required to sign a handful of documents. These documents are legally enforceable by the County. The County may also offer you a loan to help buy the house, secured by your property. Together, these documents, which will be recorded against your house, are: **the Homebuyer Ground Lease and if you have a County Second Mortgage a Promissory Note and County Deed of Trust.** These agreements are legally binding. In addition, there will also be a Sales Agreement and other documents that you will execute as a part of the sales process for the home.

These legal documents state that you must live in your home and cannot rent it out without permission, except in special cases. When you sell your home, there is a maximum price you can sell it for. If you sell for more, you must give the extra money to the County. The County also has the option to buy your home when you sell it. These legal documents also have rules about getting other loans on your home, like refinancing. If you fail to follow these rules, you may be subject to various penalties, as outlined in the Ground Lease; inclusive of having to repay the County's loan.

These rules are in place to keep homes affordable for people with low-to-moderate incomes, even if you decide to sell or move. The Clark County CLT wants to help more people buy homes in the future, just like they helped you.

The document you are reading is a summary and explains the main rules of the legal documents. **You should, of course, read the entire Homebuyer Ground Lease, County Note and County Deed of Trust and become familiar with them.** (These documents will be referred to as “agreements” for the duration of this document).

B. WHAT DOES IT MEAN TO OWN A CLT HOME

One of the main differences in owning a CLT home is that you own the house but not the land it sits on. The land is leased from the County. While there are similarities to owning a

traditional home, CLT homes come with specific requirements and restrictions, such as those related to reselling and occupancy.

Resale restrictions require you to sell your home to another qualified buyer, ensuring continued affordability. Although there is a cap on the sale price, you can still profit from your home.

These requirements and restrictions are outlined here and detailed in the agreement documents.

C. FOR HOW LONG?

The rules in the agreements last for either 99 years or until you sell or transfer your home according to those rules, whichever happens first.

D. GROUND LEASE FEE

Your Ground Lease of the land underneath your home includes a monthly fee. This fee covers the costs of maintenance of the common areas of the subdivision, much like an HOA fee, as well as other costs associated with the CLT. This fee will be set when you buy your home and can increase.

E. SALES PRICE OF HOME IS RESTRICTED

The County has helped make the cost of buying your home affordable to you, and they want to help others too. That is why, if you sell your home while the Homebuyer Ground Lease is still in effect, there is a limit on how much you can sell it for. The most you can sell it for is either the affordable price you originally paid or what it is worth on the market at the time of the sale, whichever is lower.

1. AFFORDABLE SALES PRICE

The Affordable Sales Price is figured out like this:

- a. First, we calculate the “Monthly Affordable Housing Expense”. We do this by determining your home’s Area Median Income (AMI), located on the first page of your Ground Lease, adjusted according to HUD’s household size standards. We then take 33% of that number, 33% represents the amount of your income you should be spending on housing and divide that by 12, to get a monthly amount of income you could spend on housing.
- b. Next, we subtract certain monthly costs from the Monthly Affordable Housing Expense, like property taxes, insurance, homeowner association fees, and any fees for leasing the land.
- c. We account for the interest rate as well, and from that determine the “Affordable Monthly Mortgage Payment”. This helps us figure out how much you can afford to pay for your mortgage each month.

d. The Affordable Sales Price is the amount of mortgage you can afford plus a 5% down payment from you.

Example 1 shows how the Affordable Sales Price formula works.

2. FAIR MARKET VALUE

In certain circumstances, we need to find out if the fair market value of your home is less than the Affordable Sales Price. We do this by getting the Fair Market Value assessed by a real estate appraiser approved by the County or agreed upon by both you and the County. The cost of the appraisal will be shared between you and the County.

Example 1 AFFORDABLE SALES PRICE ILLUSTRATION

Annual Gross Income for set AMI	\$75,920
Affordable Monthly Housing Expense (At 33% of gross income)	\$2,088
Less: Non-Mortgage Housing Expenses (Includes property taxes, property insurance and County Ground Lease Fee)	\$376
Affordable Monthly Mortgage Payment (First Mortgage)	\$1,712
Supportable Mortgage (Rounded)	\$257,500
Plus: 5% Homebuyer Downpayment (Rounded)	\$13,500
Affordable Sales Price	\$271,000

²For 30-year fixed mortgage at estimated 7% mortgage rate

Note: This is an illustration only. Actual amounts will vary.

² Numerical examples are included in this Disclosure Statement to help you better understand the concepts, terms, and provisions of the Deed Restriction, Homebuyer Ground Lease and, if you received a County Loan, the County Note. Please be aware that these examples are simply to show how things work. They are not intended to represent your specific situation. If you follow along with a calculator, you may not get exactly the same answers. Any differences are probably due to how your calculator “rounds-off” numbers.

F. PROPERTY TAXES

Property taxes will be calculated based on the market value of the land plus the replacement cost of the home, minus depreciation.

The assessed value of the home cannot be higher than its full cash value. All transferable rights and deed restrictions will be considered when determining the full cash value of the home.

G. PRIMARY RESIDENCE AND LEASING YOUR HOME

Your house must be your main place of residence. That means you need to live there for at least 10 months each year. Every year during the 99-year term, you must send a written notice to the County saying you're following this rule. You cannot rent out your house to anyone unless you have written permission from the County, which might be granted in certain situations like a divorce or being deployed in the military. If you get permission to rent it out (up to a year), you have to rent it to someone with a low-to- moderate income, and you can only charge them a limited amount based on their income or what it costs you to pay your mortgage, taxes, and insurance.

If you break these rules, the County may enforce them, and you'll have to pay back any extra rent you collected. You will also be in default under the Homebuyer Ground Lease and the County may require you to sell the home. If you are provided a County Loan, you will also be in default under the County Note, and the County may require you to immediately repay the County Loan. The Homebuyer Ground Lease will remain in effect even if you are required to repay the County Loan or sell the home.

H. CLOSING ON YOUR HOME

Once the County approves your application, you will sign a Sales Agreement to begin the purchase of the home. Within three (3) business days of signing, you will need to make a deposit, and escrow will be opened. However, this Sales Agreement is contingent upon you obtaining official loan approval from your chosen lender. In the case of a resale, it's crucial to meet all the requirements outlined in the Homeowner Ground Lease, as well as address any necessary repairs.

Before the sale can be finalized, the County must approve the Sales Agreement and ensure this Buyer Disclosure is signed. Notably, during the closing process, the Homeowner Ground Lease takes precedence and is recorded first, preceding any other Notes or Deeds of Trust, including those for the First Mortgage.

In the event of a resale, all terms of the sale, such as the sales price and any additional payments for personal property or services, will be clearly outlined in the Sales Agreement. Both you and the Proposed Purchaser are required to provide written certification, in a format acceptable to the County, assuring that the sale will adhere to the approved documents. Furthermore, you must affirm that no additional money or property will be exchanged outside of

what is stipulated in the Sales Agreement. Any deviation from these terms or provision of false information may lead to legal action by the County, with any associated costs or legal fees falling upon you and/or the Proposed Purchaser.

I. MAINTAINING YOUR HOME/ PROPERTY INSURANCE

When you sign the agreements, you promise to take care of your home and yard. That means keeping everything clean and in good shape. You are required to perform and pay for all of the maintenance or repairs, big or small, that the home requires. Since your mortgage payments are fixed and do not increase you should be able to save for any large maintenance or repairs that may be needed over the years. If you decide to sell the home and there are maintenance or repairs that have not been performed, those must be made during the sale process and paid for out of the equity in the home or by you, prior to finalization of the sale of the home.

You also agree to have a standard homeowner's insurance policy, with the County added as an extra person covered. The insurance needs to be enough to replace your home if something bad happens. Every five years (or every year if your policy says so), the amount needed to replace your home will be checked and changed if necessary. It is up to you to make sure the insurance gets renewed and updated.

You may NOT perform any of the following improvements, construction, or additions:

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

The following are not prohibited but has additional restrictions under the Homebuyer Ground Lease:

- a. Satellite dishes and antenna's;
- b. Signs, banners, posters, etc;
- c. Accumulated rubbish/debris;
- d. Sheds/tents;
- e. Solar panels'
- f. Party Walls.

J. PATIOS

1. You can use your patio for normal outdoor activities, like relaxing or having a meal. You're allowed to place outdoor furniture and other items that aren't permanent. If you want to make permanent or semi-permanent changes, you must follow the rules in the Homebuyer Ground Lease.

Cactus Trails Only

2. Patios in Common Areas

This only applies to homes that don't have a patio built directly on their lot, but instead have a private, fenced patio space in the designated common area. These fenced patios are connected to the home, and you will be informed if your house includes one of these patios.

If your home has one of these patios, you can use it just like a regular patio, but you must follow these extra rules:

- a. You can't build anything that might block underground pipes, drains, or County access.
- b. Fences must all look the same and be approved or installed by the County.
- c. You can't change the slope of the ground or plant invasive plants.

The County can enter the patio area for emergency maintenance, but they will give you notice first if possible.

This private patio space stays with the home and will transfer to the next owner if the home is sold. You can't sell or give away just the patio space on its own.

Cactus Trails

K. PARKING

1. You must use your garage as the main place to park your vehicles. If you have a one-car garage, it must be the primary parking spot for one of your cars. If you have a two-car garage, it must be the primary parking spot for two of your cars.
 2. There is limited street parking in the community, and you can only park on the street where signs say it's allowed.
 3. All vehicles parked in the community must work properly, not leak fluids, and have current registration.
 4. You cannot use guest parking spaces for daily or long-term parking. Guest parking is clearly marked and should only be used for short visits for guests of homeowners.
- You are responsible for making sure your guests follow these parking rules.

Rebecca Place

K. PARKING

1. You must prioritize your garage and driveway as the main place to park your vehicles. Your car(s) must be parked in your garage and/or your driveway. If you have three (3) cars, two of them must be parked in your garage and/or driveway.
2. There is limited street parking in the community, and you can only park on the street where signs say it's allowed.
3. All vehicles parked in the community must work properly, not leak fluids, and have current registration.

L. MONITORING

The County will check that everything is in order with your home at least once a year, or more often if there is a complaint or problem reported. The County will:

- a. Do a yearly check of the outside of your home and, if needed, check inside too, after giving 48 hours' notice (or sooner in an emergency),
- b. Make sure property taxes are up to date;
- c. Confirm that property insurance is paid for and covers enough to replace the home;
- d. Review the title report to make sure there are no loans or claims on the property that should not be there;
- e. Get monthly updates about any loans on the property from the lender; and
- f. Keep an eye out for notices from the lender about any defaults on loans.

If any problems are found during these checks, the County will send you a written notice, explaining what is wrong and giving you up to 30 days to fix it or start working on fixing it.

M. NOTICE TO COUNTY UPON SALE, ASSIGNMENT, TRANSFER, OR MORTGAGE

If you plan to leave your home, sell it, or do anything important with it like getting a loan or putting a lien on it, you need to tell the County right away in writing. You must send a notice using one of the delivery methods explained in the Homebuyer Ground Lease.

N. COUNTY HAS OPTION TO PURCHASE

In return for being able to purchase your home at an affordable price, you agree that the County can choose to buy your house first if you decide to sell it while the Homebuyer Ground Lease are still in effect. This means the County gets the first chance to buy your house before anyone else. But the County does not have to buy your house if the County does not want to. The County might also let someone else, like a nonprofit organization or another person who meets income requirements, buy your house instead. There are some situations, like transferring the house to a spouse or domestic partner, where the County cannot buy it.

If the County decides to use its option to buy your house, or lets someone else buy it, the County has to tell you within 60 days after you notify them that you want to sell or move. They have to buy your house within 90 days after they tell you they are going to use their option to buy it.

O. SELLING YOUR HOME

When you sell your home during the 99-year term, there are two ways it can happen according to the Homebuyer Ground Lease:

- a. First, you can sell it at the Maximum Restricted Sales Price to someone who meets specific income requirements, just like you did. This buyer is called an “Eligible

Purchaser.” The CLT will help find and sell the home to a buyer who has been approved through the CLT program, similar to how you bought it. An Eligible Purchaser is defined as:

- i. First-Time Homebuyer: Must reside in Clark County, have not own a home in the last five years and have no foreclosures in the last five years.
 - ii. Intent to Live in the Home: Must confirm they will live in the home as their main residence for the entire time they own it.
 - iii. Sign agreements and Work with the County: Must agree to sign a Homebuyer Ground Lease, which will restrict future sales of the home. They must also agree to provide any information the County needs to monitor compliance with these agreements.
 - iv. Take Over the County Second Loan, if Necessary: If the home has a County Loan, the potential buyer must agree to take over the loan and sign the necessary documents under the same terms.
- b. Income Eligibility: Your household’s total income must be below the maximum limit set by HUD for your household size. Second, the County can choose to buy your house at the Maximum Restricted Sales Price, or they can let someone else buy it at that price.

Below, is a summary of what happens in these two cases, along with what happens if you sell your home against the rules.

1. SALE TO AN “ELIGIBLE PURCHASER” AT THE RESTRICTED SALES PRICE

When you want to sell your home, you need to tell the County in writing so they can start finding a buyer. This notice is called the “Owner’s Notice of Intent to Transfer.” It must include certain details listed in the Homebuyer Ground Lease, like an inspection report and a pest report, and it must be sent according to the rules in the Homebuyer Ground Lease. If you do not send this notice, you will be non-compliant, and the sale of your home might be delayed, canceled, or not counted.

The County will then send you a notice called the “County Response Notice” to say whether or not they want to buy your home. You have to follow the instructions in the Homebuyer Ground Lease once you get this notice.

If the County decides not to buy your home, the County will find an Eligible Purchaser who meets the requirements to buy it at the Affordable Sales Price. An “Eligible Purchaser” is someone who meets the County’s first time homebuyer requirements and is at the same income level, or percentage of the area median income, that you were when you bought the home, based on family size. The County will tell you the income limits of allowed homebuyers and the resale price, based on the formula.

You’re responsible for getting your home ready to sell. After you send the Owner’s Notice of Intent to Transfer, you have to do what is needed to prepare the home for sale as described in the Homebuyer Ground Lease, and you have to let the County conduct a walk-through of your home.

The County will check if potential buyers meet the CLT Eligible Purchaser requirements. Once your home is sold to an Eligible Purchaser, you have to give the County the information and documents listed in the Homebuyer Ground Lease. You must finish any required repairs to your home before selling. If you don't, the County will use money from your escrow to complete them.

2. COUNTY EXERCISES ITS OPTION TO PURCHASE YOUR HOME

Another way your house can be sold is if the County decides to buy it. If the County wants to buy your home, the County will let you know in writing and tell you the prices in a notice called the County Response Notice. The County has to buy your home within 90 days after sending you this notice. Just as explained above, you're in charge of getting your home ready to sell including completing all home repairs.

When the County or someone they assign buys your home, you will have to pay a transaction fee not to exceed 3% of the Maximum Restricted Resale Price. This fee is instead of paying a realtor for their services, since the County will handle everything when they buy your home.

You do not need to hire a realtor to sell your home, but if you would like to hire one, you should wait until the County tells you in writing that the County is not buying your home. If you talk to a realtor and the County decides to buy your home, you will still have to pay the County the transaction fee, and you will be responsible for any extra realtor fees.

3. SALE IN VIOLATION OF THE RESALE AGREEMENT; PAYMENT OF "EXCESS SALES PROCEEDS" TO COUNTY

If you sell your home for more than the Maximum Restricted Resale Price set by the Homebuyer Ground Lease, you will have to give the County the extra money you make. For example, if you sell your home to someone other than the County or an Eligible Purchaser through the CLT program, and you get more money than the Maximum Restricted Resale Price, you will owe the County the extra money you make from the sale.

This extra money you must pay is called "Excess Sales Proceeds." It's calculated as the full amount of money you get from selling your home above the Maximum Restricted Resale Price, as stated in the County Response Notice.

This rule is in place to make sure you don't make more money by violating the Homebuyer Ground Lease than you would have if the County had bought your home at the Maximum Restricted Resale Price. The money you pay as Excess Sales Proceeds goes to the County's other affordable housing programs. You got the chance to buy your home at a price you could afford, and when you pay the Excess Sales Proceeds, it helps other families like yours to also purchase an affordable home with the help of the CLT.

P. REPAYMENT OF COUNTY LOAN

If the County gives you a County Loan when you buy your home, it's called a "deferred" loan. This means you don't have to make any payments on it, or pay it back as long as you own the home and follow all the rules in the agreements. But if you break any of these rules, you may

have to pay back the loan right away, with interest. If your loan includes Down Payment Assistance, this too has the same requirements and process.

1. DEFAULT PROVISIONS

When you agree to take the County Loan, you're agreeing to follow all the rules in the County agreements. If you break any of these rules, it's considered a default under these agreements. Also, if you don't keep up with payments on any other loans you have for your home, like your first mortgage, it's also considered a default under the County agreements. The Homebuyer Ground Lease gives your mortgage lender permission to notify the County of any occurrence of event of default, including but not limited to late payments or non-payments.

If you don't fix the problem, including catching up on your payments, the County could end your Homebuyer Ground Lease and decide to buy your home. They could also take legal action, like going to court, to make sure the rules in the County agreements are followed. This might lead the County to take your home through foreclosure. Though you must be aware of the possibility of losing your home if you do not make your payments or comply with the Ground Lease, the County will also closely track your payments and monitor the homes, and it is our intent to stay in communication with you and support you in becoming and staying current on payments and complying with the Ground Lease.

Q. REFINANCE OF YOUR FIRST MORTGAGE

If you want to refinance your first mortgage loan, you need to get written approval from the County first. There are limits on how much money you can get from the refinancing. The County will only approve your refinance if the total amount you owe on your home (including the new refinanced loan, any other loans, and the County Loan) is not more than 95% of the Affordable Sales Price at that time. If you refinance for more than this amount, you will break the rules in the agreements.

Before you talk to your bank about refinancing, you should contact the County to give them the information the County needs, as explained in the Ground Lease. The County will tell you the maximum amount you can refinance for and will put you in touch with County preferred lenders, who have already agreed to the terms of the CLT program. The County will not approve any mortgage loan that includes negative amortization, interest-only payments, balloon payments, or that does not subordinate to the Ground Lease.

Example 3 shows how the County refinance requirements work. The County will also charge a refinance fee to the Homeowner; the amount of that fee will be posted on the CLT website.

If you refinance your first mortgage without approval from the County or if you break any terms in Section 7 of the Ground Lease, you will be in default, and the County might decide to buy your home or take other actions listed in the agreements.

R. JUNIOR LOAN AND EQUITY LINES OF CREDIT

The Ground Lease lets you get a junior mortgage or a home equity loan on your home, but there are limits: removing home equity from your home is only allowed for the following

reasons: 1) to pay for approved capital improvements and maintenance on the home and 2) to use to dissolve a marriage if you are getting a divorce. Also, all the debt you owe on your house cannot be more than the Affordable Sales Price set by the County at that time. If you are thinking about getting a home equity loan, you should talk to the County first and provide the info the County needs, as detailed in the Ground Lease. The County will tell you the maximum amount you can borrow before you talk to your bank. Also, the County will not approve any mortgage loan that includes negative amortization, interest-only payments, balloon payments, or Home Equity Lines of Credit (HELOCs) or anything that does not comply with other terms of the Ground Lease.

If you get an extra mortgage on your home without the County's written approval beforehand, you'll be breaking the rules in the Homebuyer Ground Lease. In that case, the County might decide to buy your home, or take other legal actions listed in agreements, or any other legal actions available to them.

Example 3 FIRST MORTGAGE REFINANCING ILLUSTRATION

	Scenario 1	Scenario 2
Affordable Sales Price at Time of Refinance	\$240,000	\$200,000
Maximum Permitted Debt ¹	\$228,000	\$190,000
Less: County Loan	\$20,000	\$20,000
Maximum Permitted First Mortgage at Time of Refinance ²	\$208,000	\$170,000

At 95% of the Affordable Sales Price.

Any other existing mortgage debt is also subtracted from the maximum permitted debt to determine the maximum first mortgage permitted.

S. THINGS YOU CANNOT DO WITH OR AT YOUR HOME

There are a handful of things that you cannot do with or at your home:

1. Fail to comply with all local, state and federal laws pertaining to your property;
2. You must occupy your home, you may not lease it;
3. Additions to the homes are not allowed, to the home or garage, nor are additional or accessory units, pools, spas, or any other structures;
4. Any modifications to the exterior of the homes, including things like painting a different color, landscaping, changes to fencing and walls, and installation of solar panels are not allowed unless approved by the County.;
5. Sell your home without notifying the County;
6. Sell your home at market price and to a non-eligible homebuyer.

7. You may not park RVs, boats, trailers, commercial vehicles, or large vehicles in driveways, streets, or guest parking. The only exception is for short-term (24hr) loading or unloading.

8. Abandoned, broken-down, or unlicensed vehicles are not allowed on the street.

Please sign this Buyer's Disclosure Statement in the space provided below, and keep a signed copy for your records, and return the original to the County at the following address:

(Address)

I have read and understand the above Buyer's Disclosure Statement.

By: _____
Homebuyer

Dated: _____

By: _____
Homebuyer

Dated: _____

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.

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 D

FORM OF OWNER'S NOTICE OF INTENT TO TRANSFER

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 Homebuyer Ground Lease and Option to 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 Homebuyer Ground Lease:

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 Homebuyer Ground Lease, 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 E:

FORM OF OWNER ACKNOWLEDGEMENT OF COUNTY RESPONSE NOTICE

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 Homebuyer Ground Lease on _____ (insert date).

By: _____

EXHIBIT F

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 G

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 Lease 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 Lease 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 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 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 Lease will keep my home affordable for future Designated Income Households (as defined in the this 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 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 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 Homebuyer Ground Lease, or they can sell it on the terms permitted by the Homebuyer Ground Lease.

As a CLT homeowner, it is my desire to see the terms of the 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 Homebuyer Ground Lease, leasing the property underneath the Residence that the Client is will purchase to the Client;
- c) a proposed Deed conveying the Residence to the Client;
- d) 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