

COMMUNITY LAND TRUST DEVELOPER AGREEMENT

FOR REBECCA ROAD

BETWEEN

CLARK COUNTY

AND

KAVISON HOMES LLC

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COMMUNITY LAND TRUST DEVELOPER AGREEMENT FOR REBECCA ROAD

This Community Land Trust Developer Agreement (“**Agreement**”) is entered into as of the ____ day of _____, 2024 by and between KAVISON HOMES LLC, a Nevada limited liability company (“**Developer**”), and Clark County, a political subdivision of the State of Nevada (“**County**”). The Developer and County and their successors and assigns are sometimes individually referred to as “**Party**” and collectively as the “**Parties**.”

SECTION 1: RECITALS

A. The County desires to facilitate the creation and ongoing availability of affordable housing within the County, particularly within the Las Vegas area; and

B. The County desires to provide affordable homeownership opportunities, including opportunities on existing County-owned parcels, to households at or below 100% of the Area Median Income (“**AMI**”) or as determined by the United States Department of Housing and Urban Development (“**HUD**”) for the Las Vegas-Henderson-Paradise MSA; and

C. Nevada Revised Statute (“**NRS**”) 244.189 states that a Board of County Commissioners (“**BCC**”) may exercise such powers not in conflict with the provisions of NRS or other laws or regulations of this state as the BCC determines are necessary and proper for the development of affordable housing; and

D. BCC hereby determines that this Agreement is necessary and proper for the development of affordable housing; and

E. The Site consists of approximately +/- 7.72 acres of land described as Assessor Parcel Number 125-26-204-003, located at the northeast corner of Rebecca Road and West Tropical Parkway, Las Vegas, Nevada, as shown on the attached **Exhibit “A”**; and

F. County has secured, from the City of Las Vegas, a general plan amendment to L (Low Density Residential), a rezone to R-1 (Single Family Residential), a variance to allow a 1.00 connectivity ratio where 1.3 is the minimum required, and a tentative map for a proposed 30-lot single-family residential subdivision; the affordable housing project proposed by the Developer

would be based on the approved tentative map with conditions, and subject to a final approval by the City of Las Vegas; and

G. On August 15, 2023, County issued a request for proposals (“RFP”) for the “Development of Affordable For-Sale Housing” on the Site, to solicit proposals by interested companies based on a competitive procurement process and the criteria outlined in the RFP; and

H. On May 7, 2024, the BCC held a public hearing and selected Developer as the successful applicant to develop affordable housing upon the Site; and

I. Upon Effective Date of this Agreement, including approval from BCC, the Site shall be leased by the County to the Developer to construct affordable for-sale single family units as well as to construct all public infrastructure, landscaping, infrastructure and community facilities and amenities (collectively, “**Project Infrastructure**”); and

J. The Developer will obtain financing for and develop the planned affordable for-sale housing on the entire Site; and

K. The Project Infrastructure on the Site will be accepted by the County, to be maintained by the County or its designee, after the expiration of the Developer Ground Lease attached as **Exhibit “B.”** The Affordable Housing Units constructed on the Site will be marketed and sold by the County or its designee to income-qualified households at or below 100% of the Area Median Income (“**AMI**”); and

L. This project will be a part of the County’s Welcome Home Community Land Trust program and the Affordable Housing Units will be sold to qualifying households at the Maximum Affordable Sales Price and with a CLT Deed Restriction, attached as **Exhibit “C”**, and a Homebuyer Ground Lease, attached as **Exhibit “D”**, recorded against and running with the Lot on which the home is located, as well as the home, for a term of not less than 99 years. Each home will be individually located on a Lot which is ground-leased to the homebuyer. The homebuyer will have an exclusive right to use the Lot and a nonexclusive easement appurtenant to the Lot for ingress, egress, access and use and enjoyment of the streets, common areas, and recreational

amenities of the Site.

NOW, THEREFORE, in consideration of the foregoing recitals which are hereby incorporated herein by this reference, and the mutual promises, covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 2: DEFINITIONS

Except as expressly provided or unless the context otherwise requires, all capitalized terms set forth in this Agreement shall have the meanings ascribed as follows:

“Affordability Period” means that period commencing upon the recordation of the CLT Deed Restriction and initial Homebuyer Ground Lease and terminating upon the ninety-ninth (99th) anniversary of such date.

“Affordable Housing Restrictions” means those restrictions imposed upon (i) Developer and the Site with respect to the Initial Sales, and (ii) the Affordable Housing Units through the CLT Deed Restriction and Homebuyer Ground Lease during the Affordable Housing Restriction Period.

“Affordable Housing Unit” or **“Unit”** means each of the homes constructed on a Lot and associated improvements and infrastructure on the Lot by the Developer as a part of this Agreement and that Developer, its agents, County Approved Lender(s), and County or its designee will market pursuant to the Marketing Plan and sell at a Maximum Affordable Sales Price to Qualifying Households.

“Agreement” means this Community Land Trust Developer Agreement (also referred to as **“DA”**) between the County and Developer.

“AMI” means Area Median Income as determined by the United States Department of Housing and Urban Development (**“HUD”**) for the Las Vegas-Henderson-Paradise Metropolitan Statistical Area (**“MSA”**).

“Approvals” means the approvals received by the Developer from Clark County for the design and construction of the Project.

“BCC” means the Clark County Board of County Commissioners.

“Certificate of Completion” means the written certification of County that the construction of the Project has been completed in compliance with the terms and conditions of this Agreement, including the receipt of a Certificate of Occupancy for each Affordable Housing Unit and the completion of all Project Infrastructure.

“Certificates of Insurance” means all insurance requirements for the Developer, including but not limited to the insurance required in Section 6.2(j).

“CLT Deed Restriction” means generally the restrictive covenant/deed restriction recorded against each Lot and Affordable Housing Unit that will include all of the County’s Welcome Home Community Land Trust program restrictions including but not limited to: resale restrictions and calculation of Maximum Affordable Sales Price, owner-occupancy and other restrictions related to use of the property, refinancing and home equity loan restrictions, home improvements, home maintenance, payment of property insurance and property taxes, causes of default, and remedy powers of the County.

“Completion Date” means the date the Certificate of Completion is provided by the County.

“Completion Guaranty” has the meaning described in Section 10.2 of this Agreement.

“Conditions Precedent to Closing” has the meaning described in Section 9.2 of this Agreement.

“Controlling Interest” has the meaning described in Section 14.4 of this Agreement.

“County” means Clark County, Nevada.

“County Approved Lender(s)” means a lender that has agreed to the County’s CLT homebuyer mortgage terms attached as **Exhibit “E”** and the County has approved to lend to the eligible buyer of an Affordable Housing Unit.

“County Loan” means a loan that the County may provide to the eligible buyer of an Affordable Housing Unit to cover the difference between the Maximum Affordable Sale Price of the home and the Developer’s cost to build the home.

“County Loan Note and Deed of Trust” means the documents memorializing and securing a

second mortgage provided by the County to the eligible buyer of an Affordable Housing Unit.

“County Program Guidelines” means the Program Guidelines for the Welcome Home Community Land Trust program, as defined below.

“County Land Deed Restriction” means generally the restrictive covenant/deed restriction recorded against the entire Site and is attached as **Exhibit “F”**.

“Default” means the failure of a Party to perform any action or covenant required by this Agreement within the time periods provided therein following notice and opportunity to cure, as set forth in Section 12 of this Agreement.

“Developer” means KAVISON HOMES LLC, a Nevada limited liability company.

“Developer Ground Lease” means an agreement that permits the Developer to construct Affordable Housing Units and Project Infrastructure on the County owned Site.

“Due Diligence Investigation” means the Developer’s due diligence investigations of the Site to determine the suitability of the Site for development and operation of the Project, including, without limitation, investigations of the environmental and geotechnical suitability of the Site, as deemed appropriate in the reasonable discretion of the Developer, all at the sole cost and expense of the Developer.

“Due Diligence Period” means that 120-day period commencing upon the Effective Date of this Agreement.

“Effective Date” means the date upon which this Agreement has been signed by the authorized representative of the County.

“Financing Plan” has the meaning ascribed to it in Section 7.2 of this Agreement and is attached as **Exhibit “G”**.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees, of the United States, the State of Nevada, the County of Clark and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Developer or the Site.

“Homebuyer Ground Lease” means the instrument describing the terms of the lease of the County-owned individual Lot underneath each Affordable Housing Unit that each homebuyer shall be required to sign. The Homebuyer Ground Lease will act as a restrictive covenant/deed restriction recorded against each Lot and Affordable Housing Unit, and grant the homebuyer an exclusive right to use the Lot and that will include all of the County’s Welcome Home Community Land Trust program restrictions including but not limited to: resale restrictions and calculation of Maximum Affordable Sales Price, owner-occupancy and other restrictions related to use of the property, refinancing and home equity loan restrictions, home improvements, home maintenance, payment of property insurance and property taxes, causes of default, and remedy powers of the County.

“Homebuyer Lessee” means the Qualified Household homebuyers of the Affordable Housing Units in the Project who will also lease the Lot underneath their Unit.

“Housing Construction Cost Schedule” means the schedule of costs provided as **Exhibit “H”** and required to be filled out in its entirety by the Developer. It is permissible that this cost schedule changes over time and as the project approaches closing and is subject to ongoing review by the County. The Construction Cost Schedule shall include projected development costs for the Project, including without limitation construction hard costs, general contractor profit, general conditions, insurance and bonding costs, construction contingency as well as soft costs, including without limitation construction interest, construction loan fees, legal costs, civil, structural and hydraulic engineering fees, architectural fees, site planning and entitlement, development and permit fees to all the required authorities, all as approved by the County.

“Initial Buyer” means persons acquiring Affordable Housing Units pursuant to an Initial Sale.

“Initial Sale” means each first sale of an Affordable Housing Unit on a Lot.

“Lot” means a single, distinct parcel of land owned by the County which will be created upon subdividing the Site, as ultimately depicted on the recorded subdivision map for the Project, that the homebuyer will lease from the County and upon which an Affordable Housing Unit will be

constructed and sold.

“Marketing Plan” means the marketing plan to be produced by the County in partnership with the Developer for the Initial Sales of the Affordable Housing Units.

“Maximum Affordable Sales Price” means the sales price calculated using the formula and calculations contained in **Exhibit “I”**.

“Parties” means the County and the Developer.

“Project Plan” also referred to as **“Scope of Development”** means that certain Scope of Development which is attached hereto as **Exhibit “J”** and incorporated herein by this reference and describes (i) the preparation of the Site for development, and (ii) the scope, amount and quality of construction of the Project Infrastructure to be constructed by the Developer, as the case may be, pursuant to the terms and conditions of this Agreement, and also means proposed site plan, elevations, and landscape plan for the proposal submitted by the Developer to County in March of 2024, including any and all subsequent submittals approved by the County, also attached as **Exhibit “A”**.

“Predevelopment” means the tasks that must be completed before construction can begin. These activities typically include, without limitation: Site inspection, environmental review/assessment, architectural and engineering work, preparing financial applications and meeting with lenders, and obtaining land use, building and other required governmental approvals.

“Project” means generally the Developer’s construction of the Project Infrastructure and Affordable Housing Units on Lots and the Initial Sales of the Affordable Housing Units to Initial Buyers at the Maximum Affordable Sales Price.

“Project Infrastructure” means the improvements to be constructed by Developer upon the Site, including all required common area improvements and on-site and off-site street and utility improvements (such as streets/sidewalks, bridge to the northernmost five acres of the Site, street lighting, water/sanitation/sewer improvements, offsite utilities, common landscaping and irrigation, parks, community facilities and other improvements as specified in the Project Plan),

and all approvals and permits required for completion of the Project Infrastructure all as more particularly described in the Scope of Development.

“Qualifying Household” means a homebuyer who meets the requirements of the County Program Guidelines and this Agreement, including but not limited to, income eligibility of at or below 100% AMI, definition of a first-time homebuyer, and ability to qualify for mortgage financing.

“Release of Developer’s Interest” means that document releasing any and all interest Developer has in the Affordable Housing Unit constructed by Developer on a Lot pursuant to this Agreement.

“Resale Restrictions” means the CLT Deed Restriction and Homebuyer Ground Lease terms that limit future resale of any Affordable Housing Unit to a Maximum Affordable Sale Price calculated based on the target AMI (at or below 100% of AMI) and subject to the guidelines and calculations therein.

“Schedule of Performance” means that certain Schedule of Performance which is attached hereto as **Exhibit “K”** and incorporated herein by this reference, setting forth the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished, including number of Affordable Housing Units to be delivered each year.

“Site” means the entire +/-7.72 acres of land generally located on the northeast corner of Rebecca Road and West Tropical Parkway in the City of Las Vegas, Nevada, Assessor Parcel Number 125-26-204-003, more particularly described in **Exhibit “A”**.

“Welcome Home Community Land Trust” means a program created and administered by Clark County to provide and preserve opportunities for affordable homeownership to Clark County residents at or below 100% AMI. The Welcome Home Community Land Trust (“CLT”) will do this through retaining ownership of the underlying land on CLT Affordable Housing Units; continued management of the sales and resales of the Affordable Housing Units; monitoring of the Homebuyer Ground Leases, CLT mortgages, County Loans, and the Project Infrastructure for each development; and providing ongoing communication, education, and support for CLT homeowners.

SECTION 3: THE PROJECT

3.1 Project Description

As currently planned and assuming the Project Plan is approved by the County after a public hearing, the Project will consist of a new single family for-sale affordable housing development of 30 single-family detached homes located on the Site in the City of Las Vegas, Nevada generally located on the northeast corner of Rebecca Road and west of Tropical Parkway. The proposed Affordable Housing Unit count of 30 units for the Project is based upon the build-out of the Site as a single family for-sale residential development on leased land. All Affordable Housing Units will be sold at the Maximum Affordable Sales Price to Qualifying Households at or below 100% AMI as determined by HUD. Qualifying Households must also meet the County definition for first-time homebuyer as contained in the County Program Guidelines. Each homebuyer will enter into a Homebuyer Ground Lease with the County for their Affordable Housing Unit. The homebuyers will own their Unit and will lease the Lot upon which the Affordable Housing Unit sits from the County. The Project is proposed as a high amenity single family residential community. It will include amenities such as a playground, volleyball court, firepit, dog park, outdoor kitchen and/or other similar facilities; any change in or reduction in these should be approved by the County.

Within the time set forth in the Schedule of Performance **Exhibit “K”**, Developer shall prepare the Site for development and construct the Project Infrastructure and Affordable Housing Units in accordance with the Scope of Development and the plans, drawings and documents submitted by Developer and approved by County.

SECTION 4: PROJECT REQUIREMENTS

4.1 Compliance with Developer Ground Lease and Resale Restrictions

Developer agrees and acknowledges that the Site will be used for the sole purpose of developing an affordable homeownership Project and selling Affordable Housing Units constructed in the Project to Qualifying Households and for no other purpose or purposes

whatsoever. Developer's use of the Site shall be in full compliance with the terms, covenants, and conditions in this Agreement, the County Land Deed Restriction, the Homebuyer Ground Lease and the CLT Deed Restriction.

4.2 Use as Affordable Housing

Developer agrees that the Project is intended exclusively for and shall be sold, used, occupied, improved, and otherwise affected in any manner only in furtherance of the purpose of providing and maintaining affordable for sale housing, as well as with any other applicable restrictions or regulations governing the use of the Site and the Project.

4.3 Covenant Running with the Land

County will record covenants, conditions and restrictions against the Site in the form of the County Land Deed Restriction and each Lot in the form of the CLT Deed Restriction and Homebuyer Ground Lease in form and substance acceptable to the County. All provisions in the CLT Deed Restriction and Homebuyer Ground Lease shall be deemed to be covenants running with the land, and shall constitute benefits to County and burdens to the Developer, Initial Buyers, and their successors and assigns and to all persons hereafter acquiring or owning any interest in the Affordable Housing Units within the Project, however such interest may be acquired, throughout the term of this Agreement, and for the duration of the Affordability Period. The CLT Deed Restriction and Homebuyer Ground Lease shall be recorded first against each Lot and shall be senior in priority to any deeds of trust, mortgages, or other liens securing anticipated sources of financing, and shall not be subordinated to any liens or security interests and shall not be foreclosable following any default.

4.4 Project Plan and Scope of Development

County acknowledges it has received a proposed Project Plan with developer's proposal submitted by the Developer to County in March 2024, in response to the County's RFP for the Site. **Exhibit "J"** depicts and summarizes the Scope of Development and development program for the Project in unit count, bedroom count, parking within home garages and on home parking

pads, and Project Infrastructure. Developer and County acknowledge that the Project Plan and Scope of Development will only be modified as necessary as the Developer goes through the planning and entitlement process needed to secure Approvals. Additional details for the Project Plan will be provided to and approved by the County. The final approved Project Plan shall comply with all applicable laws, all conditions of approval imposed by the County and this Agreement.

In addition, County may request modifications to the Project Plan to effectuate compliance with any applicable laws, and any such modifications including the decision to use all of the Site, or other reasonable alternatives, shall be promptly incorporated by Developer into the Project Plan. Developer agrees that development of the Project shall be in compliance with any updated Project Plan, as approved by County and the appropriate County departments, which shall thereafter be part of the Project, provided, however, that County agrees that Developer may make modifications to the approved Project Plan which do not or would not: (i) materially modify the size, overall layout or exterior elements of the Project; (ii) materially alter the Project Plan; (iii) violate any applicable laws or any conditions of approval; or (iv) cause any statements or representations made by County to be materially untrue or inaccurate.

4.5 Affordability Period and Term

The Project will be subject to the Affordability Period of a minimum of 99 years commencing upon the County Land Deed Restriction having been recorded against the Site.

SECTION 5: DEVELOPER GROUND LEASE

5.1 Developer Ground Lease

Concurrent with the Effective Date of this Agreement, the County and Developer shall enter into a Developer Ground Lease attached as Exhibit "B" memorializing the rights, responsibilities and requirements for the Developer to develop the Project on the Site.

5.2 Ownership and Operation of Infrastructure

Developer shall develop, maintain, and operate the Project Infrastructure during the Term of the Developer Ground Lease. Developer will subdivide the Site into Lots, streets, and common

areas for the Project. Developer shall maintain all Project Infrastructure until the expiration of the term of Developer Ground Lease and acceptance of the Project Infrastructure by the County. County may accept the Project Infrastructure, at no cost to the County and free of all liens and encumbrances, no later than expiration of the term of the Developer Ground Lease.

5.3 Timing of Predevelopment and Construction Activities

Predevelopment activities may not take place prior to the execution of the Developer Ground Lease. Actual construction of the Project Infrastructure and Affordable Housing Units shall not occur until the Developer Ground Lease has been executed and the County Land Deed Restriction has been recorded against the Property.

5.4 Recordation of CLT Deed Restriction and Homebuyer Ground Lease

Clark County shall record the County Land Deed Restriction against the Site before a subdivision map is recorded against any portion of the Site. A CLT Deed Restriction and Homebuyer Ground Lease shall also be recorded against each Lot as a condition of the Initial Sale of the Affordable Housing Unit.

SECTION 6: ROLES AND RESPONSIBILITIES

6.1 County's Responsibilities

To facilitate development of the Site for the purposes described herein, the County will:

- a) Act promptly to review and approve such items, actions, proposals, and the like as may be contemplated under this Agreement (excluding reviews, approvals, or similar oversight under the County's exercise of its general governmental authority to which the Project would be subject even in the absence of this Agreement);
- b) Waive and/or reduce development fees as set forth in the Clark County Code;
- c) Appoint the County Manager or his/her designee to be the staff person to assist Developer in providing any required reports and records to County;
- d) Prepare the County Land Deed Restriction which shall be recorded against the Site and the CLT Deed Restriction and Homebuyer Ground Lease which shall be recorded against each

Lot limiting sale and resale of the Affordable Housing Units to only Qualified Households at or below the Maximum Affordable Sale Price;

e) The County or its designee will act as or secure a marketing agent and broker for the sale of the Affordable Housing Units in compliance with the income and occupancy restrictions, Maximum Affordable Sale Price, and Resale Restriction requirements;

f) The County will create a Marketing Plan for the Affordable Housing Units that will ensure that the Units are marketed to Qualified Households in accordance with HUD's Affirmative Fair Housing Standards. Developer will cooperate with the County on the creation of the Marketing Plan; and

g) The County will own the Site, and the Project Infrastructure following acceptance of the Project Infrastructure by the County and expiration of the Developer Ground Lease. After the acceptance of the Project Infrastructure by the County and after expiration of the Developer Ground Lease, the County or its designee will maintain, repair, and manage the specific elements of the Project Infrastructure.

6.2 Developer's Responsibilities

Pursuant to the terms of this Agreement, the Developer will be responsible for planning, financing, coordinating, and otherwise completing construction of the Project. All applications and related submittal requirements shall be made by the Developer to the appropriate Clark County agency on or before the dates listed in the Schedule of Performance attached as **Exhibit "K"** and incorporated herein by reference. Any changes to the Schedule of Performance shall be approved by the County. All improvements must comply with applicable building, electrical, plumbing, mechanical, energy efficiency, and similar codes in force at the time of construction, and must conform to all applicable laws, including, without limitation, those relating to persons with disabilities. Construction must be in a good and workmanlike manner, in accordance with good construction practices and using new building materials unless otherwise approved. Upon completion, as documented by a certificate of occupancy or comparable permit issued by the

County to the Developer for each Affordable Housing Unit and comparable Certificate of Completion and dedication to and acceptance by the County for the completion of common areas, streets, community amenities, Project landscaping, and all Project Infrastructure, Units will be sold subject to the Resale Restrictions in conformance with the Marketing Plan and County Program Guidelines. Developer's sales agents will be on-site to meet with prospective homebuyers. Developer shall release all interest, including any liens or encumbrances of any kind against the Affordable Housing Unit through escrow. Specifically, the Developer shall be responsible for:

- a) Planning and scoping the Project, including its physical design, amenities, and programming;
- b) Selecting and overseeing a development team of professionals to provide advice and assistance in planning, scoping, financing, legal structuring, tax planning, and other such matters necessary for the successful development of the Project;
- c) Developing detailed budgets for the construction and sales of the Affordable Housing Units and Project Infrastructure and submitting those with the County in the form of the Housing Construction Cost Schedule and Developer's performance as detailed in **Exhibit "H"**;
- d) Paying all predevelopment and development costs, including without limitation all design, development and construction costs, the cost of all, studies, architectural and engineering plans and construction documents, permits, impact and processing fees, and the cost of all on-site and off-site Project Infrastructure required in connection with the Project (except for those costs and fees referenced in herein);
- e) Tentative and final map approval from the City of Las Vegas, subdividing the Site into individual Lots;
- f) Evaluating, applying for, selecting specific lenders and/or equity investors, and closing on all financing necessary for the development of the Project, as detailed in **Exhibit "G"** and reviewed by the County;
- g) Applying for all necessary permits, licenses, and approvals necessary to construct

and sell the Units within the Project;

h) Providing ongoing and monthly reporting to the County Designee, as required by this Agreement through completion of the Project, sales of the Units, and conveyance to the County of the Project Infrastructure;

i) Assuring that all contractors and subcontractors shall seek to avoid injury, loss or damage to persons or property by taking reasonable steps to protect: (i) employees and other persons at the Site; (ii) materials and equipment stored on-site or off-site locations for use in the performance of the work; and (iii) the property and all property located on the Site and adjacent to work areas, whether or not said property or structures are part of the Project or involved with the work. Developer will obtain and shall assure that all contractors and subcontractors will obtain, workers compensation insurance as required by Nevada law and all other insurance required under this Agreement;

j) Maintaining the insurance coverage in **Exhibit "L"** which is incorporated herein by this reference during the initial and any extended terms of the Developer Ground Lease and will, upon signing the Developer Ground Lease, furnish to the County Certificates of Insurance, showing that the insurance is in force and listing the County as additional insured;

k) Selling the Affordable Housing Units through the County to Qualified Households at the Maximum Affordable Sale Price pursuant to the Marketing Plan;

l) Assisting the County to create a Marketing Plan for the Affordable Housing Units that will ensure that the Units are marketed to Qualified Households in accordance with HUD's Affirmative Fair Housing Standards;

m) Recordation of Release of Developer's Interest. Developer shall execute and provide to the escrow agent a Release of Developer's Interest in the Affordable Housing Unit and concurrently with the closing of Initial Sale of each Affordable Housing Unit, Developer shall be compensated which includes the cost of Project Infrastructure prorated for the total number of Units;

n) Payment of all property taxes if assessed to the Site, in accordance with Nevada law, for the duration of the Ground Lease;

o) Payment of all property taxes if assessed to the Affordable Housing Units, in accordance with Nevada law, for the duration of the Developer Ground Lease.

6.3 Compliance with All Applicable Government Requirements

The Developer acknowledges that all plans and specifications and any changes to the plans and specifications shall be subject to the County requirements and review as well as approval of any and all applicable government agencies. Nothing herein is intended to exempt the Developer or the Project from review, approval, and oversight by any required government agency that would otherwise be required of a similar development project undertaken by a private property owner outside of the provisions of this Agreement. All aspects of the development of the Project shall always be subject to inspection or review and possible action by any County department or agency as further described below. Any such inspection shall occur during the department's or agency's normal business hours. No action by the County with reference to this Agreement or any related documents shall be deemed to constitute a waiver of any County requirement regarding the Property, the Project, the Developer, any successor-in-interest of the Developer or any successor-in-interest to the Property. Notwithstanding any provision to the contrary in this Agreement, the Developer agrees to accept and comply fully with any and all conditions of approval applicable to all approvals, permits and other governmental actions regarding the development of the Project on the Property.

6.4 Developer to Pay All Development Related Costs and Expenses

The Parties agree that the County shall not provide any financial assistance to the Developer in connection with the Project except as may be expressly set forth in this Agreement. The Developer shall be solely responsible for paying for the costs of all design work, construction, labor, materials, fees, and permit expenses associated with the Project. The Developer shall pay any and all fees pertaining to the review and approval of the Project including, but not limited to,

specifications, drawings, plans, maps, permit applications, land use applications, zoning applications, environmental review and disclosure documents and design review documents and for securing of permits for sewer or utility improvements and connections, that may be required in development of the Project, whether located on or off of the Site.

6.5 Schedule of Performance

To ensure that the Project moves forward in a timely fashion in furtherance of the pressing needs for affordable housing in the County, Developer shall complete construction of all Affordable Housing Units and Project Infrastructure no later than 4.5 years thereafter, unless otherwise agreed to in writing by the County. Developer shall be responsible for achieving the deadlines outlined in the Schedule of Performance in **Exhibit “K”** and in Section 6.6. Upon request, Developer shall provide County with an updated list documenting the current expiration dates of all Approvals. Should any Approval require an extension of time, Developer shall timely submit an application for extension of time at least 30 days prior to the scheduled expiration of the applicable Approval, and Developer shall inform County in writing of all extensions of time requested. If Developer fails to timely submit an extension request for any Approval, County or its designee may take all actions to submit such request and pursue the approval of the extension at the expense of the Developer.

6.6 Construction

Developer shall diligently pursue and obtain approval of all necessary land use approvals within 1 year of the Effective Date of this Agreement. Developer shall obtain all building or other such permits and commence construction of the Project within 12 months of the execution of the Developer Ground Lease. Additionally, within 30 months of the effective date of the Developer Ground Lease, Developer shall construct 30 Affordable Housing Units as evidenced by the necessary certificates of occupancy (and such other construction completion permits, certificates, and approvals that may be required to allow occupancy and use of an Affordable Housing Unit for its intended purpose) and allow the Affordable Housing Units to be made available for sale;

provided that, Developer may request an extension of the Construction deadline pursuant to Section 6.7 below. Developer shall provide copies of all such certificates to the County. Developer must meet all requirements to receive a Certificate of Completion from the County within 54 months of the recordation of the Developer Ground Lease, unless otherwise agreed to in writing by the County. At expiration of the term of the Developer Ground Lease, County may accept all Project Infrastructure.

6.7 Extensions

Subject to Developer obtaining any necessary extensions of time or approvals required from any necessary County department or agency and provided that (i) the Developer is not otherwise in default under this Agreement and (ii) in the County's determination, the extension of time will not jeopardize any other activity or funding source for the Project, Developer may request an extension of the Completion Date for up to an additional four months, if additional time is necessary to complete the Project, but in no event shall the Completion Date for the Project be extended more than 60 months after the execution of the Developer Ground Lease. Such an extension shall not be unreasonably withheld and shall be submitted to the County in writing and authorized by County in writing.

6.8 Force Majeure Acts of God

Commencement of construction will be extended by such additional time as corresponds to the extent of any delay that is caused by unforeseeable causes beyond the control and without the fault or negligence of Developer or County and materially interferes with the work or the timing of the work. Examples of such causes include fire, civil riots, unforeseen acts of government, acts of God, state of emergency, epidemics as declared by the CDC or similar governmental entity, and acts of terrorism. Notwithstanding the foregoing, in no event shall commencement of construction be extended more than 2 years after execution of this Agreement. Failure to commence construction within such timeframe shall constitute a default by Developer of its obligations under this Agreement.

6.9 Developer Investigation

During Developer's Due Diligence Period, Developer and its respective employees, agents, representatives, architects, engineers, consultants, and contractors, may access the Site for the purpose of obtaining data and conducting surveys and tests necessary to reasonably assess the feasibility and suitability of the Site for the Project, including the right to conduct a physical and environmental assessment of the Site. Any surveys and tests conducted on the Site by Developer's representatives shall be done at the sole expense of Developer and only after Developer has secured any necessary grants or permits from any applicable government department or agency to enter the Site and to conduct such surveys and tests. Developer hereby agrees and acknowledges that: (i) neither County nor anyone acting for or on behalf of County, has made any representation, statement, warranty, or promise to Developer concerning the development potential or condition of the Site; (ii) in entering into this Agreement, Developer has not relied on any representation, statement, or warranty of County, or anyone acting for or on behalf of County, other than as may expressly be contained in writing in this Agreement; (iii) all matters concerning the Site and the Project have been or shall be independently verified by Developer and that Developer shall construct the Project on the Site on Developer's own prior examination thereof; and (iv) that Developer is constructing the Project on the Site in an "as-is" physical condition. The Developer shall have until the expiration of the Due Diligence Period to complete all of its Due Diligence Investigations with respect to the entirety of the Site.

6.10 Notice to Proceed or Terminate

Developer may elect, at any time prior to the expiration of the Due Diligence Period, to terminate this Agreement for any reason, or no reason, in Developer's sole discretion. The Developer shall notify the County in writing in the event the Developer accepts or does not accept the condition of the Site prior to the end of the Due Diligence Period by delivering to the County either (i) a Notice of Developer's intention to proceed with the construction of the Project ("Developer's Notice to Proceed"), or (ii) a Notice of Developer's intention to terminate this

Agreement (“Developer’s Notice to Terminate”). If the Developer does not timely notify County prior to the end of the Due Diligence Period, the Developer shall be deemed to have accepted the condition of the Site in its current condition. The Developer shall accept all conditions of the Site, without any liability of County whatsoever, upon the Developer’s acceptance or deemed acceptance of the condition of the Site.

6.11 Construction Defect Builder’s Warranty

Developer shall provide at no cost to each Initial Buyer purchasing an Affordable Housing Unit in the Project a two-year warranty against defects in workmanship and materials and a ten-year warranty against structural defects, providing for payment of labor and materials to correct such defects in construction or failure of installed fixtures, appliances, or systems. The warranty shall be dated from the initial close of escrow date for the Initial Sale of each Affordable Housing Unit.

6.12 Right to Enter Site

Upon execution of the Developer Ground Lease, Developer shall have the right to enter the Site for all purposes related to this Agreement.

SECTION 7: FINANCING OF PROJECT INFRASTRUCTURE

7.1 This Section 7 in its entirety is contingent upon the Developer’s acceptance or deemed acceptance of the condition of the Site per Section 6.9.

7.2 Financing of Developer Construction Costs

Developer and County acknowledge that construction and development cost may change over time; provided, however, Developer and County follow the procedures as outlined in this section. Developer shall pay all Predevelopment costs, Project Infrastructure costs and Affordable Housing Unit construction costs required to complete construction of the Project under this Agreement. Developer shall complete a Housing Construction Cost Schedule in a manner substantially to the form provided by the County and completed and attached as **Exhibit “H”**. Following execution of this Agreement, AIA forms G702 and G703 shall be submitted to the

County quarterly at minimum, and within 30 days of any individual or aggregate change orders greater than \$100,000.00. Both prior to and following execution of this Agreement, the Housing Construction Cost Schedule and the AIA forms shall be subject to County review. The Housing Construction Cost Schedule and AIA forms shall include a pro forma financial statement that includes reasonably anticipated Predevelopment costs, Project Infrastructure costs and Affordable Housing Unit construction costs required to fully complete construction of the Project, including a breakdown of the number of Affordable Housing Units, Project Infrastructure and amenities to be constructed, as well as bids from subcontractors and vendors. Developer also shall submit to County for review, which shall constitute the Financing Plan and be attached as **Exhibit "G"** documentation that Developer has obtained a commitment from a lender sufficient to finance construction of the Project considering the cost estimates outlined in the completed Housing Construction Cost Schedule. The Financing Plan shall include the following and shall be provided on a regular basis and whenever substantive changes occur, up to the close of construction financing of the Project: (a) a commitment letter from a construction lender to the Developer accepted and signed by the Developer which specifies all material terms, pricing, fees and conditions for construction financing sufficient to pay for the development of the Project in accordance with this Agreement; and (b) other documentation as evidence of other sources of capital sufficient to demonstrate that Developer has adequate funds to cover the difference between the total costs stated in the Housing Construction Cost Schedule estimated for the construction and completion of the Project, less financing specified in the commitment letter required in subsection (a) above. County shall notify Developer within 15 days of receipt of the Housing Construction Cost Schedule, Financing Plan, and AIA Forms if the submitted documentation is not complete, does not comport with the terms of this Agreement, or is not consistent with accepted financial industry standards and practices. Upon County request, the Developer shall update the Financing Plan, Housing Construction Cost Schedule, and projected budgeted costs as shown in the AIA

Forms which updated submittal shall be subject to the same timeframe for the County's review above.

7.3 Permitted Mortgages

Lessees, whether a lessee is the Developer or Homebuyer Lessee, shall have the right to encumber the lessee's leasehold interest with leasehold mortgages or other security interest reasonably approved by County. Any leasehold mortgage shall remain subordinate and inferior to County's right, title, and interest in the leased property. The Homebuyer Lessee shall have the right to encumber the Affordable Housing Unit improvement subject to the terms and conditions of the Homebuyer Ground Lease and the CLT Deed Restriction and Resale Restrictions. Upon an event of a default by a Homebuyer Lessee, the County shall not be required to pay any accrued or defaulted monetary obligation. Under no circumstance shall the County's interest in the property be foreclosed on or subordinated to any leasehold mortgage, deed of trust, lien, security interest, or other encumbrance or restriction.

Prior to any acquisition of an Affordable Housing Unit built, in construction, or to be built or constructed by any foreclosing mortgagee, the County shall have the option but not the obligation to purchase the Affordable Housing Unit. Upon acquisition of an Affordable Housing Unit by any foreclosing mortgagee, the foreclosing mortgagee or its successor's rights to the Affordable Housing Unit shall be subject to the terms and provisions of this Agreement, the Developer Ground Lease, the Homebuyer Ground Lease, the CLT Deed Restriction recorded against the Site and Lot, and the Resale Restrictions.

7.4 Leasehold Mortgagee Rights

Any leasehold mortgagee providing financing to the Developer, as applicable, may acquire Developer's interest in the applicable Developer Ground Lease.

Such leasehold mortgagee shall take lessee's interest in the Affordable Housing Unit and improvements subject to all of the provisions of the Developer Ground Lease, and for so long as it is the owner of the leasehold estate, shall assume the obligations of lessee under the Developer

Ground Lease and shall be subject to all the agreements, conditions, covenants and terms of the Developer Ground Lease, this Agreement, the County Land Deed Restriction recorded against the Site and the CLT Deed Restriction and Homebuyer Ground Lease recorded against each Lot, containing the Resale Restrictions.

An assignment, sale, assumption of obligation, subleasing or subletting of the Affordable Housing Unit or the acceptance of rent by County from any such assignee, sublessee, subtenant, or any other person, shall not in any manner affect the liability of a lessee under the Developer Ground Lease or release the lessee from fulfilling the lessee's obligations to comply with the terms of the Developer Ground Lease, the County Land Deed Restriction recorded against the Site, the CLT Deed Restriction and Ground Lease recorded against each Lot including the Resale Restrictions.

7.5 No Subordination of Developer Ground Lease, Homebuyer Ground Leases and Resale Restrictions

County will not approve financing which requires subordination of the County Land Deed Restriction, the Developer Ground Lease, the Homebuyer Ground Leases, and the Resale Restrictions to the interests of any lender or investor, including that of the Developer itself, providing financing for any part of the Project's development and the financing of mortgage purchase of the Affordable Housing Units by Qualified Households. No lender or investor will hold as collateral, fee interest, ownership claim, or any interest, in the event of foreclosure on their financing, to the land underlying the Project, including the Site in total or the Lots underlying each individual Affordable Housing Unit sold to Qualifying Households. All financing documents for all sources of approved financing for the Project and the Affordable Housing Unit sales shall contain a non-subordination clause stating such financing, whether for the development and construction of the Project, or the mortgage financing for purchase of any individual Unit in the Project shall be subordinated to the individual Homebuyer Ground Leases, County Land Deed

Restriction, and Resale Restrictions governing the use of the Site, the Project and the sale of the individual Affordable Housing Units within the Project.

SECTION 8: MARKETING AND SALE OF AFFORDABLE HOUSING UNITS

8.1 The Developer and the County or its designee will market the Affordable Housing Units for sale to Qualifying Households pursuant to the terms of the Marketing Plan, and work with County Approved Lender(s) to qualify eligible buyers for the program, assist those households in obtaining mortgage financing, assist them in understanding the terms of the County's Program Guidelines, the Homebuyer Ground Lease and the CLT Deed Restriction, and their rights and responsibilities thereunder, including the restriction on resale to income-eligible buyers, and counsel them through the homebuying process. Maximum Affordable Sales Price and household income and occupancy standards are defined in **Exhibit "I"**.

8.2 The County will contract with a service provider to qualify and counsel Qualifying Households to purchase and own Affordable Housing Units on the Site, market those Units for sale, assist in securing mortgage financing for each Unit, execute Homebuyer Ground Leases for each Unit, and assure long-term compliance with Resale Restrictions, Program Guidelines, the Homebuyer Ground Lease provisions and the terms and conditions of the CLT Deed Restriction. The service provider will also manage either the Homeowners Association ("HOA"), if any, or directly maintain and administer common areas and amenities of the Project.

8.3 Income and Sale Restrictions

All Affordable Housing Units developed on the Site must be sold to Qualifying Households at the Maximum Sales Price for an Affordability Period of 99 years. Specifically, all Affordable Housing Units in the Project will be sold exclusively to Qualified Households with incomes at or below 100% of the then current AMI for the Las Vegas-Henderson-Paradise MSA (as adjusted for household size) as published by HUD and updated annually. Nothing herein is intended to limit, modify, or otherwise affect such periods imposed by other programs. County or its designee must determine at initial occupancy that each household is income eligible by determining the

household's annual income as defined at 24 CFR 5.609. Annual income shall be determined by examining the source documents evidencing annual income (i.e., wage statement, interest statement, social security statements, etc.) for the household. Those restrictions may operate differently than those imposed by this Agreement. In the event of a conflict between the restrictions imposed by this Agreement and those imposed any public funding program, the requirements providing for the lowest income targeting will govern.

8.4 County Assistance to Homebuyer Lessee

It is the intent of the Parties that County provide financial assistance to the Homebuyer Lessee in the form of a County Loan to the extent funding exists and to the extent that such assistance is necessary to ensure that prospective Homebuyer Lessees who otherwise qualify to purchase an Affordable Housing Unit on the Site can do so at up to the Maximum Affordable Sale Price. A County Gap Note and Deed of Trust attached as Exhibit "M" and Exhibit "N" respectively, will be recorded against the Lot. The County Loan shall be repaid by the Homebuyer Lessee to the County upon resale of the Affordable Housing Unit or may be offered to a subsequent Qualified Homebuyer Lessee by the County. Other terms and conditions will be memorialized in a County Loan Note and Deed of Trust, and Homebuyer Ground Lease recorded against each Lot.

8.5 Developer Recoupment of Costs and Margin of Profit

Upon sale of each Affordable Housing Unit to a qualified Initial Buyer, Developer shall be entitled to recoup its: (a) costs incurred in constructing the Affordable Housing Unit; and (b) the cost incurred in constructing the Project Infrastructure for the Project prorated for each Affordable Housing Unit. The costs of construction shall substantially conform to the costs Developer outlined in the Housing Construction Cost Schedule submitted to and reviewed by County as set forth in Section 7 above. In addition, and as a part of the Housing Construction Cost Schedule, Developer should provide proposed reasonable general contractor fee, both in dollar amount and percent of construction contract excluding the fee; costs for contractor general conditions; liability insurance in dollar amount; and proposed developer costs, including but not limited to overhead, salaries and

benefits, mark-ups, or administrative fees for third party contracts. In consideration of and compensation for the above, Developer shall also be entitled to receive a fee of \$1,500,000.00 in profit for the Project to be included as a portion of the development cost for each Affordable Housing Unit. For each Affordable Housing Unit, Developer shall be entitled to a developer fee/profit of no more and no less than \$50,000. Prior to construction, Developer shall deposit into escrow \$100,000.00 to remain in escrow for the duration of the Project that Developer will receive on the Completion Date.

SECTION 9: ESCROW AND CLOSING PER AFFORDABLE HOUSING UNIT

9.1 Establishment of Escrow

Within 3 business days of each Initial Buyer executing a purchase agreement for its Affordable Housing Unit, Initial Buyer shall make a deposit and open escrow with an Escrow Agent in Las Vegas, Nevada (“**Escrow Agent**”). Upon Closing for each Affordable Housing Unit, Developer and Initial Buyer shall equally share in half of the customary and usual escrow fees, charges, and costs. Developer and Initial Buyer shall provide the escrow agent with joint escrow instructions in writing and signed by an authorized representative of both Developer and Initial Buyer. Any deposit or payments made toward the purchase of an Affordable Housing Unit by each Initial Buyer shall flow through escrow. Developer and Initial Buyer shall provide from time to time such additional escrow instructions as shall be necessary or required by Escrow Agent.

9.2 Conditions Precedent to Closing of Each Affordable Housing Unit

The closing of each Affordable Housing Unit is conditioned upon the satisfaction or written waiver by County or Developer (as applicable) of each of the following conditions precedent (the “Conditions Precedent to Closing”):

a) Recordation of the CLT Deed Restriction and Homebuyer Ground Lease against the Affordable Housing Unit;

b) Developer having completed construction of all required Project Infrastructure and amenities on the Site as evidenced by a certificate of occupancy, Certificate of Completion or other written acknowledgment by County;

c) Developer having completed construction of the Affordable Housing Unit to be sold to each Initial Buyer as evidenced by a permanent certificate of occupancy or completion issued by the County for the Affordable Housing Unit;

d) All mechanic's liens or other liens for construction, material or labor recorded against the Affordable Housing Unit have been released, or will be released upon the sale of the Affordable Housing Unit to the Initial Buyer;

e) The County or its designee has provided a written acknowledgment that the purchase agreement for the sale of the Affordable Housing Unit specifies an Affordable Housing Price and provided by an Approved County Lender(s);

f) The County or its designee has provided written acknowledgment that the prospective Initial Buyer is a Qualifying Household at the time of purchase;

g) The prospective qualifying Initial Buyer shall have sufficient funds to purchase the home including financing to pay the Maximum Affordable Sales Price of the Affordable Housing Unit plus a County Loan, if provided by County to the Initial Buyer; and

h) A title policy issued by a title company licensed to do business in the State of Nevada satisfactory to the County Approved Lender(s) and the County.

9.3 Termination of Escrow

Escrow may be cancelled if the Conditions Precedent to Closing are not satisfied. If the escrow is not in condition to close, then Developer or County may, in writing and with notice to the other Party and Initial Buyer, demand the termination of escrow and the return of money and documents provided to the Escrow Agent. Upon receipt of a demand to terminate escrow, the Escrow Agent shall not terminate escrow for a period of 10 business days, or longer by agreement of the Developer and County, to allow time for the defect in the conditions precedent to closing to

be cured (“Cure Period”). If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible.

9.4 Role of Escrow Agent and Liability

The liability of the Escrow Agent under this Agreement is limited to performance of the obligations imposed upon it under this Agreement. The Escrow Agent is authorized and instructed to:

a) Charge the Parties obligated hereunder, and to pay to the persons entitled thereto, any fees, charges and costs payable under this Section and related solely to the acquisition and transfer of the Affordable Housing Unit to the Initial Buyer. Before such payments are made, the Escrow Agent shall notify Developer, the County, and Initial Buyer of the fees, charges, and costs necessary to clear title and close the escrow;

b) Disburse funds and deliver the deed and the other documents to the parties entitled thereto when the conditions of this escrow have been fulfilled by Developer and Initial Buyer;

c) Obtain and charge Developer all the premiums and costs for the title insurance policies and endorsements thereto; and

d) Record any instruments delivered through this escrow, if necessary or proper, which shall be delivered to the parties, to vest title in Initial Buyer in accordance with the terms and provisions of this Agreement.

All funds received in this escrow shall be deposited by the Escrow Agent with other escrow funds of the Escrow Agent in an escrow account or accounts with any state or national bank doing business in the State of Nevada. All disbursements shall be made by check of the Escrow Agent. All adjustments shall be made on the basis of a 30-day month. Any interest that is earned on funds deposited under this paragraph shall be for the benefit of the Party responsible for depositing those funds with the Escrow Agent.

9.5 Closing of Escrow

Provided that the Conditions Precedent to Closing have been satisfied or waived in writing by Developer or County, the conveyance of the Affordable Housing Unit to the Initial Buyer shall close on the closing date agreed to by the Developer and the County, no later than 3 days after issuance of a permanent certificate of occupancy or as determined by the purchase agreement for the applicable Affordable Housing Unit. The closing shall occur at the escrow. The Escrow Agent shall close the escrow as follows:

a) Record the CLT Deed Restriction and Homebuyer Ground Lease in first position and not subordinated or foreclosable to any other document recorded against the Affordable Housing Unit;

b) Record the Homebuyer Ground Lease in second position and not subordinated or foreclosable to any other document with instruction to the Clark County Recorder's Office to deliver the Homebuyer Ground Lease to the County and a conforming copy to the Initial Buyer;

c) Record a grant deed that conveys title to the Affordable Housing Unit to the Initial Buyer with instruction to the Clark County Recorder's Office to deliver the grant deed to the Initial Buyer and a conforming copy to Developer and County;

d) Record the Release of Developer's Interest in the Affordable Housing Unit and Lot with instruction to the Clark County Recorder's Office to deliver the Release of Developer's Interest to Developer and a conforming copy to the County, Initial Buyer and the Developer's construction lender;

e) Record any first mortgage from an Approved County Lender(s) and Deed of Trust, if any, with instruction to the Clark County Recorder's Office to deliver to the Approved County Lender(s) and a conforming copy to the Initial Buyer and the County;

f) Record the County Loan Note and Deed of Trust, if any, with instruction to the Clark County Recorder's Office to deliver the County Loan Note and Deed of Trust to the County and a conforming copy to the Initial Buyer;

g) Deliver the Construction Defect Builder's Warranty to the Initial Buyer at final walkthrough, with a conforming copy to the County and Developer;

h) Deliver the Lender's Title Policy issued by the Title Company to Initial Buyer with a conforming copy to the County; and

i) If requested by the Escrow Agent, Developer, County, and Initial Buyer shall execute further escrow instructions that are consistent with the terms of this Agreement and that incorporate the Escrow Agent's general provisions. In the event of any conflict between such escrow instructions and the terms of the County Land Deed Restriction, CLT Deed Restriction, the Homebuyer Ground Lease, or the Developer Ground Lease, then the terms of the County Land Deed Restriction, CLT Deed Restriction the Homebuyer Ground Lease, and/or the Developer Ground Lease are controlling.

SECTION 10: INDEMNITIES AND PERFORMANCE GUARANTEES

10.1 General

In addition to the County's interest in facilitating the production of affordable housing, County and Developer acknowledge County's interest in reducing its exposure to financial risks associated with the Project to recoup the purchase price discount from the County in the event of nonperformance by the Developer during the period of construction of the Project. Consequently, as an inducement to the County and to ensure that the public purposes of the Project will be realized, the County will require various security, guarantees, and indemnities from the Developer, and any other parties described in this Section.

10.2 Completion Guaranty

The "**Guarantor**" outlined herein shall provide a Completion Guaranty as **Exhibit "O"** in form and substance acceptable to the County. These are in addition to any standard environmental or general indemnifications that may be required by this Agreement. All guarantees shall be joint and several.

The Completion Guaranty, to be executed by Guarantor, shall secure and guarantee

Developer's obligations hereunder, including but not limited to completing construction of the Project, free of any and all liens for subcontractors, labor, suppliers, taxes or other obligations, making payments for all labor and materials and removal of any improvements deemed by the County not to be in compliance with the provisions of this Agreement. In addition, the Completion Guaranty shall ensure that the Project is sold to Qualifying Households, as described herein.

The Completion Guaranty will remain valid and enforceable until the lien-free completion of construction and issuance of final certificate(s) of occupancy for the last home within the Project, and construction completion of the Project Infrastructure. Upon satisfying the conditions for release, the Completion Guaranty will terminate and have no further force or effect.

10.3 Intentionally Omitted

10.4 Indemnification

Regardless of whether any costs for damages and/or injuries are covered by insurance, Developer ("Indemnitor") shall indemnify, hold harmless and defend County and any of its officers, employees, representatives, agents and contractors, invitees, board members, successors, and assigns with counsel acceptable to County, against and from any and all liability, loss, cost, damage, or expense (including but not limited to reasonable attorneys' fees) of whatsoever nature arising from or in connection with personal injury to or death of any person (including, without limitation, exposure to hazardous or toxic substances), or loss of or destruction or damage to any property whatsoever (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Site or Project by, or the presence thereon of, Developer or a related party, and occurs from any cause whatsoever, excluding the grossly negligent or intentional acts of County. If Developer should discover any hazardous materials, or any other materials subject to a legal reporting requirement or corrective action, Developer will immediately notify the Nevada Department of Environmental Protection and County of the same.

Developer shall also indemnify, hold harmless and defend County against any proceeding related to any mechanic's lien, stop notice or other claim brought by a subcontractor, laborer or material supplier who alleges having supplied labor or materials in the course of the construction or development of the Project.

The indemnity obligations of Developer under this Section will survive any termination of this Agreement. In the event that the County incurs any expenses for claims or losses described in this Section, the County shall have a right to charge said expenses made in good faith to the Developer. An itemized statement of expenses shall be prima face evidence of the fact and extent of the indemnity obligation of the Developer.

SECTION 11: REPORTING, RECORDKEEPING, AND INSPECTIONS

11.1 General Requirements

Developer agrees to provide reports to the County and to maintain records documenting compliance with this Agreement, the County Land Deed Restriction, and all other applicable federal, State, and local laws and regulations. Upon reasonable notice (generally 48 hours except in circumstances related to emergency conditions or in response to concerns regarding fraudulent activity), Developer also agrees to provide the County, or their representatives access to the Project and its records, wherever located, for the purposes of assessing the accuracy of reports submitted by the Developer and monitoring Developer's compliance with applicable requirements. As requested, Developer will provide physical or electronic copies or excerpts of such records at no cost to the party requesting such records. Further such parties may, upon occasion, interview any occupants, employees, or agents of the Project who consent to such interviews.

11.2 Reports

Developer shall submit monthly reports to the County on the progress and performance of the Project. The County reserves the right to alter, supplement, or otherwise modify the frequency or content of required reports as needed to maintain adequate oversight of the Project, address changes to applicable laws or regulations, or to address findings related to noncompliance by the

Project, provided that the County provides Developer 30-day notice prior to altering, supplementing, or modifying the frequency or content of required reports. Initially, the County may require reports as follows:

a) At all times prior to completion of the Project and sale of Affordable Housing Units, Developer must report to the County any circumstances that preclude timely completion of, or warrant an extension of time to complete, any of the Schedule of Performance outlined in Section 6.2 and incorporated as **Exhibit “K”**. Such a report must be provided within 10 days of Developer’s discovery, receipt, or knowledge of such information.

b) Prior to the commencement of construction, Developer shall report quarterly on progress toward closing on all Project financing and the commencement of construction. Quarterly reports will be due on the 15th of the month following the end of the prior quarter (e.g., by April 15th reports on the first quarter are due);

c) During the construction period, Developer shall report monthly on progress;

d) Upon completion of construction and prior to reaching stabilized occupancy, Developer shall report monthly on progress toward selling Affordable Housing Units and provide monthly income and expense reports until the Project is completed.

11.3 Record Retention

Developer shall retain all applicable administrative and Project records as follows:

a) General project records pertaining to the development and construction of the Project must be retained for not less than 5 years beyond the issuance of a Certificate of Occupancies for the Project. These include, but are not limited to, construction contracts and associated documents, invoices and payment records, records documenting compliance with any applicable labor standards, and the like.

b) This Agreement and any amendments, attachments, or supplements thereto must be retained for not less than 5 years.

c) Notwithstanding the above, if there are litigation, claims, audits, negotiations, or

other actions that involve any of the records cited and that have commenced before the expiration of the retention periods outlined, such records must be retained until completion of the actions and resolution of all issues, or the expiration of the retention period, whichever occurs later.

SECTION 12: DEFAULT AND ENFORCEMENT

12.1 Developer's Event of Default

The actions noted below shall constitute an event of default by Developer hereunder. The County may give written notice of default to the Developer, by registered or certified mail, addressed pursuant to the Notice provisions of this Agreement.

- a) Failure to comply with the terms and conditions hereof;
- b) Failure to comply with the County Land Deed Restriction, fair housing laws, and other federal requirements related to the Project, or any applicable State or local law, regulation, ordinance, or requirement;
- c) Any event of fraud, misrepresentation, gross negligence, or willful misconduct by Developer in the execution or performance of this Agreement;
- d) The Developer's dissolution or other termination of existence; merger or consolidation with any other entity; change in control of the Project or the Developer, or any of its partners, shareholders, members, or owners without the County's prior written consent as required herein; insolvency; forfeiture of right to do business in the State of Nevada or business failure; abandonment of the Project for more than 30 days (unless caused by Force Majeure); appointment of a receiver of any part of the Project; the calling of any meetings of, or the assignment for the benefit of, creditors of the Developer; or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Developer which are not dismissed within 60 days;
- e) Except any judgment or lien resulting from liability that is fully payable from the proceeds of an insurance policy maintained by Developer, Developer allows any judgement or lien against the Site to remain for more than 60 days after the entry of such judgment or lien without

being paid, stayed on appeal, discharged, bonded, or dismissed within 60 days; and

f) A sale, transfer, or further encumbrance of all or part of the Project without the County's prior written consent.

12.2 County's Remedies and Enforcement

In the event of default by Developer hereunder, which is not cured within 30 days of the mailing of written notice by the County (unless such cure is not practicable within 30 days and the Developer has, to the County's satisfaction, commenced and is diligently pursuing a cure within the 30 days in which case the County may extend in its sole and absolute discretion the cure period by up to 120 days), the County may seek any combination of the following remedies:

- a) Terminate this Agreement;
- b) Retain a new developer and/or general contractor to commence or finish construction of the Project according to the Approvals at the Developer's expense;
- c) Recover from the Developer the amounts of all damages suffered by County due to Developer's breach;
- d) Seek an injunction or other equitable relief in any court of competent jurisdiction to enforce the Developer's obligations hereunder; and/or
- e) Enforce the Completion Guaranty.

Except as otherwise provided for by law or this Agreement, the rights and remedies of County shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including but not limited to actual damages.

Any delay by the County in exercising any right or remedy provided herein or otherwise afforded by law or equity shall not be a waiver of or preclude the exercise of such right or remedy. All such rights and remedies shall be distinct and cumulative and may be exercised singly, serially (in any order), or concurrently, and as often as the occasion therefore arises.

Upon termination by County or Developer, Developer shall furnish to the County certified copies of all field notes, reports, data, and electronic or magnetic media, and original tracings of

all drawings, plans, maps, photographs, and other materials (including, if requested by the County, surveying computations, surveying sketches, and review drawings) (hereinafter “Documents”) prepared for the Project. The originals of such documents shall be and remain the property of the County.

All such Documents shall be deemed to be “works made for hire” prepared for the County. The ownership of all copyrights and all rights embodied in the copyrights in or to such Documents shall rest in the County when any such is subject to copyright. Developer agrees that it, nor any of its employees, shall have any right to copyright any of such Documents. Developer further agrees that neither it nor any of its employees shall exercise any of the rights embodied in the copyrights in or to such Documents, unless authorized to do so by the Clark County Board of Commissioners. Developer shall place a conspicuous notation upon each such Document, which indicates that the copyright thereto is owned by the County.

Should it finally be determined, by a court or other tribunal of competent jurisdiction, that any of such Documents is not a “works made for hire,” it is agreed that the provisions of this section shall be termed an assignment, sale, and transfer of the copyright in or to such Documents to the County for the longest term allowed by law. Notwithstanding the foregoing, Developer may retain copies of such Documents and such copies shall remain the property of the Developer. The County shall have the right to use such copies as it may desire, but the County may not sell, license, or otherwise market such documents.

12.3 County’s Event of Default

The failure to comply with the terms and conditions of this Agreement shall constitute an event of default by County hereunder. Developer may give written notice of default to County, by registered or certified mail, addressed pursuant to the Notice provisions of this Agreement.

12.4 Developer’s Remedies and Enforcement

In the event of default by County hereunder, which is not cured within 45 days of the mailing of written notice by Developer (unless such cure is not practicable within 45 days and the

County has, to the Developer's satisfaction, commenced and is diligently pursuing a cure within 45 days in which case the Developer may extend the cure period by up to 120 days) the Developer may seek any combination of the following remedies:

a) Waive such default; or

b) Terminate this Agreement and upon such termination County shall have no further obligation to the Developer, but Developer may demand a separation fee up to \$125,000 if Developer can show invoices/receipts for engineering, planning, technical studies, and/or construction expenses incurred related to this Agreement totaling a minimum of \$125,000. If Developer is unable to show a minimum of \$125,000 in engineering, planning, technical studies, and/or construction expenses, the County may reduce the amount of the separation fee to an amount equal to the amount of invoices/receipts for engineering, planning, technical studies, that shall not exceed \$125,000.

SECTION 13: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

13.1 General

Developer represents and warrants to Clark County that as of the date hereof:

a) Developer is a Nevada limited liability company in good standing with the Secretary of State of Nevada, and is duly qualified, and holds all permits necessary, to operate its business under the requisite approvals required by the State of Nevada.

b) Each sponsor (if applicable) is in good standing in the respective jurisdictions in which it is organized and is duly qualified and holds all permits and authorization necessary to operate its business as required by the State of Nevada and is qualified and authorized to act on behalf of the Developer with respect to the Project and Developer's obligations under this Agreement.

c) Developer has all requisite power and authority to carry out its business as now and whenever conducted and to enter into and perform its obligations under this Agreement.

d) By proper action of Developer and any applicable sponsor(s), the signatories hereto have been duly authorized to execute and deliver this Agreement.

e) The execution of this Agreement does not violate any provision of any other agreement to which Developer, or any sponsor is a party.

f) Except as may be specifically set forth in this Agreement, Developer has acquired, has timely applied for, or is committed to obtaining, all necessary approvals from the relevant Clark County agencies and any other consents or approvals that are necessary in connection with the execution of this Agreement or with the Developer's performance of its obligations hereunder.

g) Neither Developer, sponsor(s), nor any of their principals are currently a debtor in a case under the federal or state bankruptcy codes, are not the subject of an involuntary petition under any bankruptcy code, have not made an assignment for the benefit of creditors nor is insolvent and unable to pay its debts as they become due.

h) There are no legal actions, suits or proceedings pending or threatened before any judicial body or any governmental or quasi-governmental authority against Developer or sponsor(s) which would inhibit their ability to perform their obligations under this Agreement.

13.2 Affirmative Covenants

a) Developer represents, warrants, and covenants to County that the Project property will only be used for affordable housing purposes from the recordation of the County Land Deed Restriction, through the duration of this Agreement, and until the expiration of the the Affordability Period.

b) Developer shall promptly pay all taxes, judgments and claims against Developer, its contractors, and subcontractors, which become involuntary liens against the Site or the Project.

c) Developer shall execute and provide to County the Ownership Disclosure Form attached as **Exhibit "P"** (or such subsequent form as County may require) and shall notify County of any changes to the information on such form during the term of this Agreement.

d) Developer shall conduct all activities in the development and management of the

Project in compliance with the provisions of all applicable laws, the Developer Ground Lease, and this Agreement.

e) Developer agrees to provide, keep current, pay all the premiums for, and comply with all terms of the insurance policies in accordance with the requirements of the County, which may be updated from time to time by the County, in its sole discretion, upon notice to the Developer. In addition, at all times prior to the issuance of final certificates of occupancy for the Project, Developer shall maintain and keep in full force and effect and shall cause all of its contractors and subcontractors to maintain and keep in full force and effect, such policies of insurance as described. Each such policy shall name County as an additional insured, shall not be subject to cancellation without 30 days' prior written notice to County, and shall be primary and non-contributory to any insurance carried by County. No later than 5 business days prior to the Closing Date, Developer shall provide County with Certificates of Insurance and policy endorsements evidencing the required limits and coverages.

13.3 Negative Covenants

a) Developer shall not knowingly permit the Site or the Project or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence of Hazardous Materials in, on or under the Site or the Project in violation of any applicable laws.

b) Except as expressly permitted in this Agreement, Developer represents and warrants that it has not made or created, and will not make or create or suffer to be made or created, any transfer of the Site or the Project including but not limited to sale, ground lease, lease (other than in the normal course of business to eligible low income households as anticipated by this Agreement), either voluntarily or by operation of law without the prior written approval of County.

c) Except as anticipated by the Financing Plan and approved financing, Developer will not further encumber the Project with liens, mortgages, deeds of trust, or other similar security instruments without the prior written consent of the County.

d) Developer will not sell or otherwise transfer the general or limited partnership interests, member interests, managing member interest, or other controlling interests in the Developer without the prior written consent of the County. This will include but is not limited to:

i) The voluntary or involuntary re-assignment of the role of general partner, managing member, or other controlling entity or individual (collectively the “Controlling Entities”) to another entity or individual, except for estate planning purposes;

ii) Sale or transfer of the interest of any owner of a Controlling Entity, except for estate-planning purposes; or

iii) Sale or transfer of any other interests in Developer, including but not limited to a limited partner interest, special limited partner interest, or member interest, except for estate-planning purposes.

SECTION 14: GENERAL PROVISIONS

14.1 Duration of Agreement

The term of this Agreement shall commence upon the Effective Date and shall expire upon either (1) the Developer elects to terminate the Agreement after inspecting the Site per Section 6.10 and 6.12; (2) the Agreement is terminated in the event of a default under Section 12; or (3) the Project is completed, including construction and sale of all of the Affordable Housing Units. Notwithstanding the termination of this Agreement, the indemnity and defend and hold harmless provision set forth in Section 10 shall survive the termination of this Agreement.

14.2 Entire Agreement

The Agreement including its Exhibits attached hereto and incorporated herein by reference, all of which constitute the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes and replaces all prior agreements both written and oral with respect to the subject matter hereof. The recitals set forth above are incorporated herein by reference and are explicitly made a part of this Agreement.

This Agreement integrates all of the terms and conditions mentioned herein or incidental

hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

14.3 Amendment

Any deviation from, modification, or amendment to any of the provisions of this Agreement must be pursuant to a written amendment signed by both Parties.

14.4 Assignments and Transfers

Developer's interest in the Developer's Ground Lease, Affordable Housing Unit and Project Infrastructure may not be sold, assigned, conveyed, leased, mortgaged, pledged, encumbered, or otherwise transferred in whole or in part, without the prior written consent of County and leasehold mortgagees. In addition, County's prior written consent shall be required for any transfer of:

- (i) any interest of a managing member, general partner, or controlling affiliate or stockholder (any such interest being referred to as a "Controlling Interest") in the Developer, or
- (ii) a Controlling Interest in any entity which has a Controlling Interest in the Developer.

County will not withhold consent to the following transfers:

- (i) the sale of residential units in accordance with the affordability, income and resale restrictions set forth in this Agreement, the Homebuyer Ground Lease, and **Exhibits "C," "D," "I."**

Additionally, Developer shall not transfer or assign any interest in or delegate any obligation under this Agreement, without the express prior written consent of County, approval of which shall be at its sole discretion. Developer will notify the County not less than 60 days in advance of any requested transfer or assignment. In the event of the County's approval of an assignment, this Agreement will inure to the benefit of and bind the permitted successors and assigns of the Developer.

In any request for an assignment, Developer shall state in its notice, endorsed by the Developer and the potential assignee, that (i) the designated assignee is ready, willing and able to fulfill all obligations of this Agreement, and to diligently pursue the development and operation of

the Project in accordance with the terms and conditions of this Agreement, and (ii) the designated assignee holds all permits, licenses and approvals required by Nevada law that are necessary to fulfill the Developer's obligations under this Agreement. County shall be under no obligation to approve any assignment and any assignment made without the approval of County is void.

The County, upon notice to the Developer (or following a County-approved assignment the Developer's successor), may assign its rights and privileges under this Agreement to any other federal, state, or local governmental body or instrumentality.

14.5 Notices

Except in the case of notice of default under this Agreement, which shall be by certified mail/return receipt requested, overnight mail or parcel delivery, or personal service, notices due to Developer hereunder will be deemed delivered 2 days after being placed in the United States mail, postage pre-paid, addressed to the Developer as follows:

Todd Stratton
Kavison Homes
8975 S. Pecos Road, Suite 6C
Henderson, NV 89074

With a copy to:

Kaempfer Crowell
Attn: Bob Gronauer
1980 Festival Plaza Drive, Suite 650
Las Vegas, NV 89135

Notices due the County shall be in writing and must be personally delivered, delivered via overnight parcel delivery, or placed in the United States mail. Notices to the County delivered via the mail must be delivered via certified mail with return receipt requested and will be deemed delivered upon signature of a County representative. Notices to the County should be addressed as follows:

Clark County Community Housing
Clark County Government Center
500 South Grand Central Parkway, 6th Floor
Las Vegas, Nevada 89155

With a copy to:

Office of the District Attorney-Civil Division
Clark County Government Center
500 South Grand Central Parkway, 5th Floor
Las Vegas, Nevada 89155-2215

14.6 Non-Liability of County Officials

No officers, employees, contractors, agents, officials or board members of County, its subsidiaries or affiliates, shall be personally liable to Developer for any default or breach by County, for any amount which may become due to Developer, or for any obligation of County under the terms of this Agreement.

14.7 No Third-Party Beneficiaries

Except as expressly provided herein, and subject to the limitations herein, no term or provision of this Agreement is intended to be, or will be, for the benefit of any person, firm, entity, organization, or corporation not a party hereto, and no such other person, firm, organization or corporation will have any right or cause of action hereunder.

14.8 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision shall be declared by a court of competent jurisdiction to be invalid, it shall be deemed to be severed from this Agreement and the remaining provisions shall remain in full force and effect.

14.9 Governing Law and Jurisdiction

The interpretation and enforcement of this Agreement shall be governed and interpreted by the laws of the State of Nevada. All actions or proceedings arising out of or related to this Agreement shall be litigated in any local, state, or federal court located in Las Vegas, Nevada. The parties hereto consent to personal jurisdiction in any local, state, or federal court located in Las Vegas, Nevada and hereby waive any objection to process based on personal jurisdiction.

14.10 Headings and Pronouns

The headings of the paragraphs in this Agreement are for convenience only and do not

affect the meanings or interpretation of the contents. Where appropriate, all personal pronouns used herein, whether used in the masculine, feminine or neutral gender, shall include all other genders and singular nouns used herein shall include the plural and vice versa.

14.11 No Joint Venture

It is not intended by this Agreement to, and nothing contained in this Agreement will, create any partnership, joint venture or other agreement between County and Developer or any other party. Developer is an independent contractor: Developer, its agents and employees shall act in an independent capacity and not as officers or employees of County.

14.12 Further Assurances

Each party shall execute such other and further documents as may be reasonably necessary or proper for the consummation of the transaction contemplated by this Agreement.

14.13 Counterparts

This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same Agreement. Each party may execute this Agreement by signatures obtained electronically (including pdf, facsimile, or any electronic signature complying with the United States federal ESIGN Act of 2000, e.g., www.docusign.com, or NRS 719 Uniform Electronic Transactions Act), and any such electronic signature shall be deemed to be valid and effective for all purposes.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year written on the first page of this Agreement.

COUNTY:

BOARD OF COUNTY COMMISSIONERS,
COUNTY OF CLARK, STATE OF NEVADA

ATTEST:

Tick Segerblom
Chair

Lynn Marie Goya
County Clerk

DEVELOPER:

KAVISON HOMES LLC,
a Nevada limited liability company

By: _____
Raymond Todd Stratton, _____

STATE OF NEVADA)
)
COUNTY OF CLARK)

This instrument was acknowledged before me on the ____ day of _____, 2024, by Raymond Todd Stratton as _____ of Kavison Homes LLC, a Nevada limited liability company.

NOTARY PUBLIC

APPROVED AS TO FORM:



Nichole R. Kazimirovich
Deputy District Attorney

APPROVED AS TO FORM:

Brittney Lehtinen
Attorney for Kavison Homes LLC

SECTION 15: EXHIBITS

List of Exhibits

- Exhibit A: Site Legal Description
- Exhibit B: Developer Ground Lease
- Exhibit C: CLT Deed Restriction
- Exhibit D: Homebuyer Ground Lease
- Exhibit E: Homebuyer Mortgage Term Sheet
- Exhibit F: County Land Deed Restriction
- Exhibit G: Financial Plan
- Exhibit H: Housing Construction Cost Schedule
- Exhibit I: Income Limits, Maximum Affordable Sales Price Definition and Calculations
- Exhibit J: Scope of Development
- Exhibit K: Schedule of Performance
- Exhibit L: Insurance Requirements and Forms
- Exhibit M: County Loan - Note
- Exhibit N: County Loan – Deed of Trust
- Exhibit O: Completion Guaranty
- Exhibit P: Ownership Disclosure Form

EXHIBIT A

SITE LEGAL DESCRIPTION

That portion of the Southeast Quarter (SE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 26, Township 19 South, Range 60 East, M.D.M. described as follows:

Parcel 2 of Parcel Maps on File in file 27 of Parcel Maps, Page 29, in the Office of the County Recorder, Clark County, Nevada

EXHIBIT B

CLARK COUNTY DEVELOPER GROUND LEASE

REBECCA ROAD

This **CLARK COUNTY DEVELOPER GROUND LEASE AGREEMENT** (hereinafter referred to as “Developer Ground Lease” or “Agreement”) entered into this _____ day of _____ 20___, by and between the COUNTY OF CLARK, a political subdivision of the State of Nevada (hereinafter referred to as “County” or “Lessor”) and KAVISON HOMES LLC, a Nevada limited liability company, authorized to do business in the State of Nevada (hereinafter referred to as “Company” or “Lessee”) (individually, a “Party” and collectively, the “Parties”).

RECITALS

WHEREAS, County is the owner of +/- 7.72 acres of land known as assessor’s parcel number 125-26-204-003, located at the northeast corner of Rebecca Road and West Tropical Parkway, in the City of Las Vegas, Nevada (hereinafter referred to as “Site”) and wishes to cause the development and construction of affordable housing on the Site to ensure that the development of affordable housing on the Site is compatible with County policy; and

WHEREAS, Nevada Revised Statute 244.189(1)(a) authorizes the Board of County Commissioners (“BCC”) to exercise the necessary and proper powers for the development of affordable housing; and

WHEREAS, on August 15, 2023, County issued a request for proposals (“RFP”) for the “Development of Affordable For-Sale Housing,” on the Site, to solicit proposals by interested companies based on a competitive procurement process and the criteria outlined in the RFP; and

WHEREAS, on May 7, 2024, the Board of County Commissioners held a public hearing and selected Company as the successful applicant to develop affordable housing upon the Site; and

NOW, THEREFORE, in consideration of the above recitals (which are incorporated into this Developer Ground Lease by this reference), and the agreements, covenants and conditions contained herein, Lessor and Lessee agree as follows:

AGREEMENT

1.0 Definitions

1.1 “Affordable Housing Unit” or “Unit” means each of the homes constructed on a Lot and associated improvements and infrastructure on the Lot by the Company as a part of this Agreement and that Company, its agents, County Approved Lender(s) (as defined in the DA), and County or its designee will market pursuant to the Marketing Plan (as defined in the DA), and sell at a Maximum Affordable Sales Price (as defined in the DA), to Qualifying Households(as defined in the DA).

1.2 “**DA**” means the Community Land Trust Developer Agreement between Company and County outlining the development and affordability requirements of the Project, executed in conjunction with this Developer Ground Lease.

1.3 “**Certificate of Completion**” means the written certification of County that the construction of the Project has been completed in compliance with the terms and conditions of this Agreement, including the receipt of a certificate of occupancy for each Affordable Housing Unit and the completion of all Project Infrastructure.

1.4 “**Completion Date**” means the date the Certificate of Completion is provided by the County.

1.5 “**Environmental Laws**” whenever used herein, means any one or all of the laws and/or regulations of the Environmental Protection Agency or any other federal, state or local agencies, including, but not limited to the following as the same are amended from time to time:

- (a) COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (42 U.S.C. Section 9601 et seq.),
- (b) RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. Section 6901 et seq.),
- (c) TOXIC SUBSTANCES CONTROL ACT (15 U.S.C. Section 2601 et seq.),
- (d) SAFE DRINKING WATER ACT (42 U.S.C. Section 300h et seq.),
- (e) CLEAN WATER ACT (33 U.S.C. Section 1251 et seq.),
- (f) CLEAN AIR ACT (42 U.S.C. Section 7401 et seq.),
- (g) NEVADA SANITATION LAWS (Nevada Revised Statutes, Chapter 444),
- (h) NEVADA WATER CONTROL LAWS (Nevada Revised Statutes Chapter 445A),
- (i) NEVADA AIR POLLUTION LAWS (Nevada Revised Statutes Chapter 445B),
- (j) HAZARDOUS MATERIALS, INCLUDING UNDERGROUND STORAGE TANK REGULATIONS (Nevada Revised Statutes, Chapter 459),
- (k) NEVADA OCCUPATIONAL SAFETY AND HEALTH ACT (Nevada Revised Statutes, Chapter 618), and
- (l) the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the Federal, State or local government) now in effect or hereinafter enacted that deal with the regulation or protection of the environment (including, but not limited to, the ambient air procedures and records detailing chlorofluorocarbons [CFC]), ambient air, ground water, surface water and land use, including sub-strata land.

1.6 “**Hazardous Material**” whenever used herein, means the definitions of hazardous substance, hazardous material, toxic substance, regulated substance or solid waste as defined

within the following:

- (a) COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (42 U.S.C. Section 9601 et seq.),
- (b) RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. Section 6901 et seq.),
- (c) HAZARDOUS MATERIALS TRANSPORTATION ACT (49 U.S.C. Section 5101 et seq.) and all present or future regulations promulgated thereto,
- (d) DEPARTMENT OF TRANSPORTATION HAZARDOUS MATERIALS TABLE (49 C.F.R. Part 172) and amendments thereto,
- (e) ENVIRONMENTAL PROTECTION AGENCY (40 C.F.R. Part 300 and amendments thereto—including Appendices thereto),
- (f) HANDLING OF HAZARDOUS MATERIALS (including transportation of Hazardous Materials by Motor Carriers) (Nevada Revised Statutes 459.700 through 459.780), and
- (g) all substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any environmental law, whether such laws are Federal, State or local.

1.7 “Homebuyer Ground Lease” means the instrument describing the terms of the lease of the Lot underneath each Affordable Housing Unit, that each homebuyer shall be required to sign. The Homebuyer Ground Lease will grant the homebuyer an exclusive right to use the Lot and include various restrictions on the use of the Unit and Lot that will include but not be limited to: resale restrictions and calculation of Maximum Affordable Sales Price, owner-occupancy and other restrictions related to use of the property, refinancing and home equity loan restrictions, home improvements, home maintenance, payment of property insurance and property taxes, causes of default, and remedy powers of the County.

1.8 “Homebuyer Lessee” means the Qualified Household homebuyers of the Affordable Housing Units in the Project who will also lease the Lot underneath their Unit.

1.9 “Lot” means a single, distinct parcel of land owned by the County which will be created upon subdividing the Site, as ultimately depicted on the recorded subdivision map for the Project, that the homebuyer will lease from the County and upon which an Affordable Housing Unit will be constructed and sold.

1.10 “Project” means generally the Company’s construction of the Project Infrastructure and Affordable Housing Units on Lots and the Initial Sales (as defined in the DA), of the Affordable Housing Units to Initial Buyers (as defined in the DA), at the Maximum Affordable Sales Price.

1.11 “Project Infrastructure” means the improvements to be constructed by Company upon the Site, including all required common area improvements and on-site and off-site street

and utility improvements (such as streets/sidewalks, bridge to the northernmost five acres of the Site, street lighting, water/sanitation/sewer improvements, offsite utilities, common landscaping and irrigation, parks, community facilities and other improvements as specified in the Plan), and all approvals and permits required for completion of the Project Infrastructure all as more particularly described in the Scope of Development (as defined in the DA).

1.12 “Site” refers to the property described in Exhibit A.

1.13 “Rent” means \$1 per year through the Term of the Agreement paid by Company to County beginning at the first January following the Approval Date of this Agreement.

1.14 Any other terms not separately defined but referred to and capitalized herein shall adopt the same meaning of that term in the DA.

2.0 Term

2.1 All provisions of this Developer Ground Lease will be in force and effect on the latter of 1) approval of the DA and this Developer Ground Lease by the BCC, 2) execution of the DA, or 3) execution of this Developer Ground Lease (“Approval Date”) and will remain in effect until Expiration as defined in 2.4 below or upon termination as provided in this Agreement.

2.2 As soon as practicable following the Approval Date, Company will be entitled to receive an ALTA leasehold policy of title insurance, together with those endorsements reasonably deemed necessary by Company, all issued by a title company selected by Company, with liability in an amount reasonably determined by Company and insuring Company’s interests hereunder. Such leasehold policy will be subject only to exceptions permitted by Company.

2.3 Prior to construction and after the BCC has approved the DA, County and Company agree to execute and acknowledge a memorandum of lease (1) evidencing the existence of this Agreement, and (2) containing a legal description of the Site. Such Memorandum of Lease shall be recorded with the official real estate records of Clark County, Nevada. Upon the sale of an Affordable Housing Unit, County and eligible homebuyer will execute and acknowledge a memorandum of lease (1) evidencing the existence of a Homebuyer Ground Lease which outline the rights of an eligible homebuyer in the Affordable Housing Unit, and (2) containing a legal description of the Lot. Such memorandum of lease shall be recorded with the official real estate records of Clark County, Nevada. After recordation of the memorandum of lease for the Homebuyer Ground Lease, County and Company will record a partial release of the memorandum of lease of the Developer Ground Lease excluding the sold Lot therefrom.

2.4 Unless otherwise terminated by County or Company, this Agreement will only expire when (1) the Company sells each and every Lot and Affordable Housing Unit, (2) each and every income eligible buyer of an Affordable Housing Unit enters into a Homebuyer Ground Lease, (3) County has issued a Certificate of Completion, and (4) County has accepted all Project Infrastructure (“Expiration”).

2.5 Notwithstanding the above, the terms and conditions of this Developer Ground Lease are tied to Company's faithful adherence to the DA. Should the DA be terminated, this Developer Ground Lease shall terminate contemporaneously.

3.0 Site

3.1 County does hereby demise and let unto Company and Company does hereby take from County the Site. Company shall develop, own and operate the Project during the Term of the Developer Ground Lease. Company will subdivide the Site and secure all entitlements pursuant to the DA. Company shall be responsible to provide County with a final legal description of the entire Site with each Lot under this Agreement, which includes the depiction of all current and proposed easements and/or rights-of-way that County has or may wish to retain. Company will submit a draft description, both narrative and graphic formats, to County for its review and County has the right to modify the documents to retain County's interests in any easements and/or rights-of-way necessary for roads, utilities, and flood control. Once a final legal description is agreed upon by the Parties, such legal description will be included in the memorandum of lease referenced in Section 2.3, as provided in this Agreement.

3.2 All Affordable Housing Units constructed on the Site by Company at any time and from time to time will be owned by Company unless sold by Company to an eligible homebuyer during the term of this Agreement until Expiration of this Agreement.

3.3. After execution of the Homebuyer Ground Lease, this Developer Ground Lease shall automatically be amended to exclude the sold Lot from the Site covered under this Agreement.

3.4 County makes no representations or warranties concerning the Site or any matters with respect thereto, except as expressly stated herein. Company agrees that it is entering into this Developer Ground Lease based on its own investigation and analysis of the Site and Company's experience in this type of development project. Company agrees and understands that the property is leased in an "as-is", "where is" condition without any representation of warranty by the County and County has not made any promises, covenants or agreements to alter, improve, adapt or repair the Site.

4.0 Use of Site

4.1 Upon performance of the agreements, provisions and conditions contained in this Agreement, Company will have the use of the Site for the development and construction of the Project and for other activities directly related thereto and for no other purposes, unless approved in writing by the County. The County, however, retains the sole right to determine if a use is compatible with County policy.

4.2 Neither Company nor County shall have the right to erect (or cause or permit any third party to erect) billboards (whether for commercial or non-commercial purposes) on the Site.

4.3 Company will not erect, install, operate, nor cause or permit to be erected, installed, or operated upon Site, any signs or other similar advertising devices without written approval of the County.

4.4 Any signs erected, installed, operated or attached to the Site must comply with all applicable laws, rules and regulations (including, those promulgated by County and administered by an applicable County department).

4.5 Company will not commission, install or display any work of art without the prior written approval of the County and without a full written waiver by the artist of all rights under the Visual Arts Rights Act of 1990, 17 U.S.C. Sections 106A and 113.

4.6 County and Company acknowledge that Company intends to construct the Project upon the Site. County agrees to execute or join with Company as necessary in the execution of (i) any reciprocal non-exclusive easement agreements and in applications to obtain such subdivisions, parcel maps, use permits or use or zoning changes or variances or other federal, state or local permits or licenses, and (ii) any grant applications, applications for tax credits or abatements, or applications for state, federal or local government assistance or approvals as may be reasonably necessary for Company's development and use of the Site, all at Company's sole expense and without cost or expense to County. Subject to the conditions set forth in the preceding sentence, County shall cooperate with Company's efforts to obtain entitlements, permits, licenses, variances, grant approvals, tax credits and other federal, state or local government assistance or approvals for the development of Company's Improvements, provided that such cooperation is without additional cost or expense to County. County shall have no liability to Company, despite County's cooperation under this Section 4.6, if Company is unable to obtain a permit, approval, agreement, grant, tax credit, variance, or other entitlement or permission contemplated by this Section 4.6. County is under no obligation to grant any permits, licenses, variances or other approvals but only to assist as needed as the owner of the Site.

4.7 The development of the Site for Company's intended and stated purpose may require the excavation and removal of certain materials from the Site. Removal of said materials from the Site shall be in accordance with and subject to the express written approval of County, not to be unreasonably withheld, conditioned or delayed. At no time shall removal of any materials during the construction of the Project be construed as the granting to Company of any mineral right or rights and shall be done in accordance with any rules, regulations, ordinances and any other applicable laws.

4.8 Company shall pay all charges incurred for the use of utility services at the Site including, without limitation, gas, electric, water and telephone. Lessee shall pay all utility connection charges and any charges associated with getting utility services extended to the Site.

4.9 Company shall pay, within thirty (30) days after receipt of written demand from County, any real estate taxes, assessments (both general and special) and other governmental impositions which are levied against the Site; provided that Company shall have no obligation to pay any of such taxes, assessments and impositions more than ten (10) days prior to the date the same are due to the taxing authority. Lessee's obligations under this Section 4.9 shall extend only to taxes, assessments and impositions which are properly allocable to the Developer Ground Lease Term. Any tax, assessment, imposition or other similar expense which is properly allocable to any period prior to the Approval Date or any period after the date of termination or Expiration of this Lease Agreement shall not be the obligation of Company.

5.0 Standards of Operation

5.1 Company will develop and cause to be constructed Affordable Housing Units in accordance with plans and specifications prepared by Company and which must be approved by the County prior to the approval of the plans and specifications by County's Building Department.

5.2 County will enter into a Homebuyer Ground Lease at a future date with income-eligible buyers if and when County and Company sell the Affordable Housing Unit(s).

6.0 Ownership and Operation of Project

6.1 Company will work with the County to sell the Affordable Housing Units to income-eligible buyers at Maximum Affordable Sales Price. The Project Infrastructure shall be accepted by the County ownership at such time that the County and Company have agreed to in the DA.

7.0 Project Maintenance, Repair, or Replacement

7.1 County has no direct responsibility or obligation for any maintenance, repair or replacement of the Site.

7.2 Company shall maintain and repair Project Infrastructure and Affordable Housing Units until Expiration or termination of this Developer Ground Lease. Notwithstanding the termination or expiration of this Developer Ground Lease, Company shall maintain and repair Project Infrastructure and Affordable Housing Units in accordance with Company's warranty as outlined in the DA. Company shall provide notice 90 days prior to the end of Term and Completion Date of Project for County to procure a third party to assume the maintenance and repair responsibilities of Project Infrastructure.

8.0 Non-Assignable and No Subleasing

8.1 Company will not assign its rights or duties hereunder or any estate created hereunder, in whole or in part, except with the prior written consent of County. Company will not sublease, rent to, or permit any persons, firms or corporations to occupy any part of the Site,

except with the prior written consent of County. In addition, Lessor's prior written consent shall be required for any transfer of:

(a) Any interest of a managing member, general partner, or controlling affiliate or stockholder (any such interest being referred to as a "**Controlling Interest**") in the Lessee, or

(b) A Controlling Interest in any entity which has a Controlling Interest in the Lessee.

County will not withhold consent to the sale of Affordable Housing Units in accordance with the affordability, income and resale restrictions set forth in the DA and Homebuyer Ground Lease.

9.0 Successors and Assigns

All covenants and conditions of this Agreement will extend to and bind the legal representatives, successors and assigns of the respective Party hereto.

10.0 Control of Personnel

Company will, in and about the Site, exercise reasonable control over the conduct, demeanor and appearance of its employees, agents and representatives and the conduct of its contractors and suppliers. Upon objection from the County to Company concerning the conduct, demeanor or appearance of such persons, Company will, within a reasonable time, remedy the cause of the objection.

11.0 Entry and Inspection of Site

11.1 County and its staff have the right to enter upon the Site during hours of construction, but County may be required to be accompanied by a representative of Company.

12.0 Intention of Parties

12.1 This Agreement is intended solely for the benefit of County and Company and is not intended to benefit, either directly or indirectly, any third party or member(s) of the public at large, except for those provisions of this Agreement specifically applicable to and for the benefit of an income-eligible buyer of an Affordable Housing Unit. Any work done or inspection of the Site by County is solely for the benefit of County and Company.

13.0 Liens

13.1 Company shall prepare for County, in a manner required by law, a Notice of Non-Responsibility pursuant to NRS 108.234. Company shall post in a conspicuous location on the Site a Notice of Non-Responsibility for the benefit of County. Company will cause to be removed any and all liens of any nature including, but not limited to, tax liens and liens arising out of or because of any construction or installation performed by or on behalf of Company or any of its contractors

or subcontractors upon Company's leased Site or arising out of or because of the performance of any work or labor to it or them at the Site or the furnishing of any materials to it or them for use at the Site. Should any such lien be made or filed, Company will bond against or discharge the same within thirty (30) days after written request by the County. The cost of bonding against or discharging any liens relating to construction or installation of Affordable Housing Units and/or Project Infrastructure shall be a Project Cost.

13.2 Should Company construct or cause the construction of any improvements to the Site, Company shall cause any contract with any contractor, designer, or other person providing work, labor, or materials to the Site to include the following clause:

Contractor agrees on behalf of itself, its subcontractors, suppliers and consultants and their employees that there is no legal right to file a lien upon County-owned property and will not file a mechanic's lien or otherwise assert any claim against County's property or any Company's leasehold interest on account of any work done, labor performed, or materials furnished under this contract. Contractor agrees to indemnify, defend and hold the County and Company harmless from any liens filed upon the County's property and Company's leasehold interest and shall promptly take all necessary legal action to ensure the removal of any such lien at Contractor's sole cost.

14.0 Indemnification

Company agrees to indemnify and hold County forever harmless from and against all liability, loss, demand, judgments or other expense (including, but not limited to, defense costs, expenses and reasonable attorney fees) imposed upon County by reason of injuries or death of persons (including wrongful death) and damages to property caused during and because of Company's use or occupancy of the Site or any actions or non-actions of Company, its officers, employees, agents, or other representatives, including movement of vehicles, provided, however, that such indemnity will not apply as to any negligent act or omission of County, its employees, agents or representatives.

15.0 Insurance and Bonds

15.1 Bonds

15.1.1 County shall waive the requirement for Company to furnish bonds unless Company provides reasonable evidence that Company does not possess the financial ability or experience/reputation to complete the faithful performance of the construction of the Project. Otherwise, Company will furnish bonds covering the faithful performance of the construction of the Project, payment of all obligations arising thereunder to take effect upon completion of the Project, in such a form and amount as the County may approve. Bonds may be secured through the Company's usual sources

provided the surety is authorized and licensed to do business in the State of Nevada. The County may waive or modify the requirements of this Section upon written request by Company.

15.1.2 The bonds referred to in Section 15.1.1 above will be written on forms approved by the County. Company will require the attorney-in-fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of his or her power of attorney. Any bond prepared by a licensed nonresident agent must be countersigned by a resident agent as per the provisions of N.R.S. 680A.300.

15.2 Insurance

Company shall maintain insurance as required and agreed to in the DA.

16.0 Fire Protection

From time to time and as often as reasonably required by County, Company will conduct appropriate tests of any fire extinguishing apparatus located on the Site. Company will keep in proper functioning order all firefighting equipment located on the Site.

17.0 Damage and Destruction

In the event of damage, destruction, or substantial loss, Company will be liable for and will pay for all cleanup or demolition of the Site necessary to make the Site ready for repair, replacement, restoration or rebuilding within 60 days which is not otherwise covered by insurance. If Company shall reasonably determine in its sole discretion more than 60 days are required to comply with this Section 17.0, Company shall notify County in writing as soon as practicable and state the anticipated date of compliance with this Section, not to exceed 120 days, unless a longer date is negotiated by the Parties.

18.0 Termination by County

18.1 Default by Company

Company will be considered in default as Lessee under this Agreement in the event of any one or more of the following occurrences:

- (a) The liquidation under federal bankruptcy statutes which causes the discontinuance of the fulfillment of any required provision of this Agreement by Company.

- (b) Company voluntarily abandons any of the Site leased or assigned to it or discontinues the conduct and operation of the Project at the Site.
- (c) Company will be considered in default of this Agreement if Company fails to fulfill any of the other terms, covenants, or conditions set forth in this Agreement or the DA if such failure continues for a period of more than 30 days unless cured as provided below. For purposes of this Section, no default that is occasioned solely by the action or inaction of any other person or entity not employed by, not controlled by and not controlling Company, shall constitute a default by Company under this Agreement, provided that Company shall make commercially reasonable efforts to cause such other person or entity to take or refrain from taking such action as may be necessary to cure such default.

18.2 Cure

Company will be considered in default of this Agreement if Company fails to fulfill any of the terms, covenants, or conditions set forth in this Agreement if such failure continues for a period of more than 30 days after delivery by the County of a written notice of such breach or default, except if the fulfillment of its obligation requires activity over a period of time, and Company will have commenced in good faith to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues such performance without interruption except for causes beyond its control.

18.3 Termination for Default by Company

If default is made by Company as described in hereinabove, and such default is not cured as provided in such sections, County may elect to terminate this Agreement with 30 days' written notice to Company.

In the event of any termination for default by Company, County will have the right to enter upon the Site and take possession of same. Redelivery and disposal of Project will be as described in this Agreement.

19.0 Termination by Company

19.1 Default by County

County will be considered in default as Lessor under this Agreement if County fails to fulfill any of the terms, covenants or conditions set forth in this Agreement if such failure shall continue for a period of more than 30 days after delivery by Company of a written notice of such breach or default.

19.2 Cure

County will not, however, be considered in breach of this Agreement if the fulfillment of its obligation requires activity over a period of time and County has commenced in good faith to perform whatever may be required for fulfillment within 10 days after receipt of notice and continues such performance without interruption except for causes beyond its control.

19.3 Termination For Default By County

If default is made by County as described in the Section above, Company may elect to terminate this Agreement with 30 days' written notice to County.

In the event of the termination for default by County, redelivery and disposal of the Project will be as described in this Agreement.

Company reserves the rights to any remedies it may have at law or in equity arising from County's breach of this Agreement.

20.0 Waivers and Acceptance of Fees

20.1 No waiver of default by either Party hereto of any of the terms, covenants or conditions hereof to be performed, kept or observed will be construed to be or act as a waiver of any subsequent default of any of the terms, covenants, conditions herein contained to be performed, kept and observed.

20.2 No acceptance of fees or other money payments in whole or in part for any period or periods during or after default of any of the terms, conditions or covenants to be performed, kept or observed by Company will be deemed a waiver on the part of County of its right to terminate this Agreement on account of such default.

20.3 Subject to the cure rights contained in this Agreement, no acceptance of fees or other money payments in whole or in part for any period or periods during or after default of any of the terms, conditions or covenants to be performed, kept or observed by County will be deemed a waiver on the part of Company of its right to terminate this Agreement on account of such default.

21.0 Redelivery and Disposal of Project Upon Termination

21.1 Company covenants that at the termination of this Agreement, howsoever caused, it will quit and surrender such Site in good repair and condition, excepting reasonable wear and tear, acts of God, the public enemy or the action of the elements. Upon termination of this Agreement howsoever caused, County will require Company to remove from the Site, within

30 days of termination, all equipment, trade fixtures and personal property belonging to Company.

For purposes of this Section, the words "equipment, trade fixtures and personal property" will include, but not be limited to, signs (electrical or otherwise) used to advertise or identify Company's business, all equipment used in connection with the conduct of its business whether or not such equipment is attached to the Site; any other mechanical device; and all other miscellaneous equipment, installed on or placed on or about the Site and used in connection with Company's business thereon.

21.2 Upon termination of this Agreement, howsoever caused, County will have the option to require either of the following by giving written notice prior to or on the date of termination:

- (a) Company will, commencing within 30 days following the termination date, remove all or part (as determined by the County) of the permanent improvements made to or placed upon the Site by Company. Company agrees that it will use due diligence in completing the removal as may be required herein.
- (b) Company will leave in place all or part, as determined by the County, of the permanent improvements whereupon title and ownership will pass from Company and vest in County without any further consideration required from County, subject to Section 12.4 of the DA. Company agrees that it will immediately provide any transfers of title to County as may be required.

If no written notice is received by Company from County prior to termination of this Agreement pursuant to this Section 21.2, Section 21.2(b) above will apply.

For purposes of this Section, the words "permanent improvements" means all property of Company upon the Site which will include, but not be limited to, Affordable Housing Units and related appurtenances, wall coverings, carpeting, draperies and light fixtures.

22.0 Rights under Foreclosure

Any leasehold mortgagee providing approved financing may acquire Company's interest in the Developer Ground Lease by foreclosure, deed in lieu of foreclosure or other appropriate proceedings. Such Leasehold Mortgagee shall take Company's interest in the Affordable Housing Units subject to all of the provisions of this Developer Ground Lease, and for so long as it is the owner of the leasehold estate, shall assume the obligations of Company under this Developer Ground Lease and shall be subject to all the agreements, conditions, covenants and terms of this Developer Ground Lease and the DA.

23.0 Permitted Mortgages

Company shall have the right to encumber Company's leasehold interest with deeds of trust, security agreements, and restrictions reasonably approved by the County in writing.

Any Leasehold Mortgage shall remain subordinate and inferior to the County's right, title, and interest in the Site and reversionary interest in the Site.

Upon acquisition of the Affordable Housing Units by any foreclosing Leasehold Mortgagee of the Company, the foreclosing Leasehold Mortgagee of the Company or its successor's rights to the Affordable Housing Units shall be subject to the terms and provisions of this Ground Lease.

24.0 No subordination

24.1 Under no circumstance shall Company's leasehold interest in Site be subordinated to any leasehold mortgage, deed of trust, lien, security interest, or other encumbrance or restriction.

25.0 Conditions Precedent to Closing and County Approvals

This Developer Ground Lease is subject to the County's approval, including without limitation, approval of the following:

- DA with Company;
- Project Plan;
- Project Scope of Development
- General contractor selection, if different entity from Company, and construction contract;
- Creation of Lots;
- Housing Construction Cost Schedule, inclusive of limits on Company fee, and Financing Plan (as defined in the DA); and
- Affordable Housing Unit Initial Sales Prices and Homebuyer Mortgage terms consistent with the DA.

26.0 Nondiscrimination in Participation, Construction and Use of Site

Company, for itself, its personal representatives, successors in interest and assigns and as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

- (a) No person on the grounds of race, color, creed, national origin, sex, sexual orientation, gender identity or expression, religion, disability or age will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- (b) That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, creed, national origin, sex, sexual orientation, gender identity or

expression, religion, disability or age will be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

- (c) That Company will use the Site in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation and as said Regulations may be amended.

27.0 Termination Rights for Breach of Section 26.0 Above

In the event of breach of any of the nondiscrimination covenants described in Section 26.0 above, County will have the right to terminate this Agreement and to reenter and repossess this land and the facilities thereon and hold the same as if this Agreement had never been made or issued.

28.0 Nondiscrimination in Furnishing Accommodations and/or Services

Company will furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it will charge fair, reasonable and not unjustly discriminatory prices for each Unit or service.

29.0 Rights for Noncompliance with Section 28.0

Noncompliance with Section 28.0 above will constitute a material breach of this Agreement and in the event of such noncompliance, County will have the right to terminate this Agreement without liability therefore or at the election of County and will have the right to judicially enforce the provision.

30.0 Environmental Policy

(a) Violation of Environmental Laws

Company will not cause or permit any hazardous material to be used, generated, manufactured, produced, stored, brought upon, transported to or from, or otherwise released on, under or about the Site or transported to and from the Site by Company, its agents, employees, contractors, invitees, or a third party in violation of the environment laws.

1. County will have access to the Site to inspect same to insure that Company is using the Site in accordance with environmental requirements.
2. Company, at the County's reasonable request, at Company's expense, will conduct such testing and analysis as necessary to ascertain whether Company is using the Site in compliance with environmental requirements. Any such

tests will be conducted by qualified independent experts chosen by Company and subject to the County's reasonable written approval. Copies of such reports from any such testing will be provided to the County.

3. Company will provide copies of all notices, reports, claims, demands or actions concerning any environmental concern or release or threatened release of hazardous materials or special wastes to the environment.

(b) Contamination of Site

If the presence of any Hazardous Material on, under or about the Site caused or permitted by Company results in any contamination of the Site, in violation of an environmental laws, Company will promptly take all actions, at its sole cost and expense, as are necessary to return the Site to the condition existing prior to the introduction of any such Hazardous Material to the Site. Company will take all steps necessary to remedy and remove any such Hazardous Materials and special wastes and any other environmental contamination as is presently or subsequently discovered on or under the Site as are necessary to protect the public health and safety and the environment from actual or potential harm and to bring the Site into compliance with all environmental requirements.

(c) Compliance with All Governmental Authorities

Company will promptly make all submission to provide all information to and comply with all requirements of the appropriate governmental authority under all environmental laws as defined in this Agreement.

1. Should any government authority determine that a site characterization, site assessment, and/or cleanup plan be prepared or that a cleanup should be undertaken because of any spills or discharges of hazardous materials at the Site which occur during the term of this Agreement then Company shall prepare and submit required plans and financial assurances and carry out the approved plans. Company will promptly provide all information requested by County to determine the applicability of the Environmental Laws to the Site, or to respond to any governmental investigation or to respond to any claim of liability by third parties which is related to environmental contamination.
2. Company's obligations and liabilities under this provision will continue so long as Company bears any responsibility

under the environmental laws for any action that occurred on the Site during the term of this Agreement.

3. The indemnification of County by Company includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, restoration, any fines or penalties issued to Company, or any other work required by any Federal, State or local governmental agency or political subdivision because of hazardous material located on the Site or present in the soil or ground water on, under or about the Site.
4. The Parties agree that County's right to enforce Company's promise to indemnify is not an adequate remedy at law for Company's violation of any provision of this Agreement. County will also have the rights set forth in this Agreement, in addition to all other rights and remedies provided by law or otherwise provided in this Agreement.

ii. County's Termination Rights for Violation of Environmental Laws

1. Company's failure or its agents, employees, contractors, invitees, or the failure of a third party to comply with any of the remediation requirements of this Agreement or applicable environmental laws will constitute a material default under this Agreement and will permit County to pursue the following remedies, in addition to all other rights and remedies provided by law or otherwise provided in this Agreement, to which County may resort cumulatively, or singularly, in the alternative:
 - a. County may, at County's election, keep this Agreement in effect and enforce all of its rights and remedies under this Agreement, including (i) the right to recover rent and other sums as they become due by the appropriate legal action and/or (ii) the right, upon ten (10) days' written notice to Company, to make payments required of Company or perform Company's obligations and be reimbursed by Company for the cost thereof, unless such payment is made or obligation performed by Company within such ten (10) day period.

- b. Notwithstanding any other provision in this Agreement to the contrary, County will have the right of "self-help" or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of environmental law on, under or about the Site.

31.0 Americans with Disabilities Act

Throughout the term of this Agreement, Company will be in compliance with all applicable provisions of the Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq.

32.0 Force Majeure

Neither County nor Company will be deemed to be in breach of this Agreement by reason of failure to perform any of their obligations hereunder if, while and to the extent that such failure is due to strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of God, acts of the public enemy, acts of governmental authority, unusual weather conditions, floods, riots, rebellion or sabotage.

33.0 Notices

Any notice or communication to be given under the terms of this Agreement ("Notice") shall be in writing and shall be personally delivered or sent by email, facsimile, overnight delivery, by nationally recognized courier, or registered or certified mail, return receipt requested.

Notices shall be addressed as follows:

If to County:

Clark County Community Housing Office
Attn: Administrator
500 S. Grand Central Parkway, 6th Floor
Las Vegas, NV 89155

With a copy to:

Clark County Real Property Management
Attn: Director
500 S. Grand Central Parkway, 4th Floor, Box 551825
Las Vegas, NV 89155-1825

With a copy to:

Office of the District Attorney-Civil Division
Clark County Government Center

500 South Grand Central Parkway, 5th Floor
Las Vegas, Nevada 89155-2215

If to Company:
Kavison Homes
Attn: Todd Stratton
8975 S Pecos Rd, Suite 6C
Henderson, NV 89074

With a copy to:
Kaempfer Crowell
Attn: Bob Gronauer
1980 Festival Plaza Drive, Suite 650
Las Vegas, NV 89135

If by email to County:
To: CLT Manager
Cc: Community Housing Administrator; District Attorney County Counsel

34.0 Headings, Titles or Captions

Article, section or paragraph headings, titles or captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or extent of any provision of this Agreement.

35.0 Invalid Provisions

It is expressly understood and agreed by and between the Parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of such covenant, condition or provision will in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either County or Company in their respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

36.0 Law

This Agreement will be exclusively interpreted under and governed by the laws of the State of Nevada without regard to conflict of laws rules thereof. Any action brought to enforce the terms of this Agreement shall be exclusively in a court with competent jurisdiction in Clark County, Nevada.

37.0 Amendments

In the event that the County or its successors require modifications or changes in this Agreement, Company agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required. The Parties shall bear their own expenses resulting from such amendments, modifications, revisions, supplements or deletions.

38.0 Adverse Tenancy

Any unauthorized holding over by Company for more than one hundred eighty (180) days after the termination of this Agreement or the expiration of its terms without the written consent of County, except for the period authorized for removal of Company's personal property upon the expiration or termination hereof, shall entitle County to collect from Company as liquidated damages for such holding over, one hundred twenty five percent (125%) of the then rent. County may perfect a lien on the property of Company as security for the payment of any damages or unpaid rentals, fees, and/or revenues and shall be entitled to collect the same by foreclosure of such lien and sale of such personal property. Any such lien shall be subordinate to the lien of a Lender. Nothing herein shall limit County's rights to seek immediate eviction.

39.0 Disputes

Any and all disputes arising under this Agreement, which cannot be administratively resolved, shall be determined according to the laws of the State of Nevada, and Company agrees that the venue of any such dispute, shall be in Clark County, Nevada. Company agrees as a condition of this Agreement that notwithstanding the existence of any dispute between the Parties, insofar as is possible under the terms of this Agreement, each Party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by a court of competent jurisdiction.

40.0 Gender

Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

41.0 Entire Agreement

- (a) This Agreement, including the Exhibits attached hereto, which are hereby incorporated by this reference, represents the entire agreement between the Parties hereto and will not be modified or canceled by mutual agreement or in any manner except by instrument in writing, executed by the Parties or their respective successors in interest, and supersedes all prior oral or written agreements and understandings with respect to the subject matter hereof. The Parties further understand and agree that each Party and its agents have made no representations or promises with respect to this Agreement or the

making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability for cause for termination shall be asserted by either Party against the other, and such Party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other Party being expressly waived.

- (b) The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for whom they are acting herein.
- (c) The Parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein.

42.0 Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, personal representatives, successors, or assigns, as the case may be.

43.0 Counterparts

This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same agreement, and any signature may be made electronically (including pdf or any electronic signature complying with the United States federal E-SIGN Act of 2000, e.g., www.docusign.com, or NRS 719 Uniform Electronic Transactions Act), and any such electronic signature shall be deemed to be valid and effective for all purposes.

44.0 Independent Contractor

Company is deemed to be an independent contractor for all purposes regarding its operations on the Site and no agency, expressed or implied, exists.

45.0 Further Assurances

Each Party to this Agreement shall perform any and all acts and execute and deliver any and all documents as may be necessary and proper under the circumstances in order to accomplish the intents and purposes of this Agreement and to carry out its provisions.

46.0 DA Governs

In the event of any conflict between the DA and this Agreement, the DA will govern.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

COUNTY:

Clark County,
a political subdivision of the State of Nevada

ATTEST:

Tick Segerblom
Chair

County Clerk

COMPANY:

Kavison Homes LLC,
a Nevada Limited Liability Company

Raymond Todd Stratton
President

STATE OF NEVADA)
)
COUNTY OF CLARK)

This instrument was acknowledged before me on the ____ day of _____, 2024, by Raymond Todd Stratton as _____ of Kavison Homes LLC, a Nevada limited liability company.

NOTARY PUBLIC

APPROVED AS TO FORM:



Nichole R. Kazimirovicz
Deputy District Attorney

APPROVED AS TO FORM:

Brittney Lehtinen
Attorney for Kavison Homes LLC

EXHIBIT C

DEED RESTRICTION
Clark County Welcome Home Community Land Trust

RECORDING REQUESTED PURSUANT
TO GOVERNMENT CODE SECTION _____

When Recorded Mail To:

Clark County

Attn:

DEED RESTRICTION
Clark County Community Land Trust

Owner: _____

Residence: _____

Purchase Price: _____

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

1. DEFINITIONS AND EXHIBITS

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

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

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

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

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

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

2. DESCRIPTION OF PROPERTY

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

3. OWNER CERTIFICATIONS; OWNER OCCUPANCY REQUIREMENT

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

4. NO RENTING OR LEASING OF RESIDENCE

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

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

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

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

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

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

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

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

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

5. MAINTENANCE AND INSURANCE REQUIREMENTS

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

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

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

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

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

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

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

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

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

¹ "Hazardous substance" means:

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

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

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

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

6. RESTRICTION ON IMPROVEMENTS TO THE RESIDENCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.8 PARTY WALLS

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

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

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

7. FINANCING

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

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

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

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

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

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

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

When requesting approval to refinance, Owners must:

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

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

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

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

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

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

County may also require Owner to submit additional information.

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

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

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

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

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

8. RESTRICTIONS ON RESALE OF THE RESIDENCE

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

- a. to an existing spouse or domestic partner;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. OWNER ACKNOWLEDGMENT OF COUNTY RESPONSE NOTICE

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

12. COUNTY PURCHASE OPTION

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

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

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

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

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

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

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

Studio unit: household size of two persons
One-bedroom unit: household size of two persons
Two-bedroom unit: household size of three persons
Three-bedroom unit: household size of four persons
Four-bedroom unit: household size of five persons

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

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

4. Owner Ground Lease Fee, in an amount specified in the Homebuyer Ground Lease.

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

13.2 Fair Market Value.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. REPAYMENT OF COUNTY NOTE

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

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

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

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

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

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

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

17. DEFAULTS

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

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

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

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

18. NOTICE OF DEFAULT AND FORECLOSURE

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

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

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

19. NOTICE AND CURE

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

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

20. PURCHASE OPTION UPON DEFAULT

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

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

21. NON-LIABILITY OF THE COUNTY

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

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

22. RESTRICTIONS ON FORECLOSURE PROCEEDS

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

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

23. RESTRICTION ON INSURANCE PROCEEDS

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

24. TERM OF DEED RESTRICTION

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

25. SUPERIORITY OF DEED RESTRICTION

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

26. NONDISCRIMINATION

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

27. INVALID PROVISIONS AND SEVERABILITY

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

28. CONTROLLING LAW

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

29. NO WAIVER

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

30. NOTICES

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

To the Owner:

At the address of the Residence.

To the County:

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

To the First Lender:

(name and address)

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

31. INTERPRETATION OF DEED RESTRICTION

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

32. MONITORING AND INSPECTION BY COUNTY

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

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

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

33. COVENANTS RUNNING WITH THE LAND

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

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

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

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

COUNTY:

By: _____

Title: _____
(Type Name and Title)

STATE OF NEVADA)
) ss.
CLARK COUNTY)

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

WITNESS my hand and official seal.

OWNER:

(Type Name)

(Type Name)

[if married, both spouses must sign]

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

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

WITNESS my hand and official seal.

EXHIBIT A

Legal Description of the Property

EXHIBIT B

Form of Annual Owner Occupancy Certification

To: Clark County ("County")
From: _____ [name of owner(s)] ("Owner(s)")
Address of Residence: _____ ("Residence")
Date: _____

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

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

By: _____
Owner [type name]

By: _____
Owner [type name]

Due Date: _____ of each calendar year.

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

EXHIBIT C

Form of Owner's Notice of Intent to Transfer

To: Clark County ("County")

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

Address of Residence: _____ ("Residence")

Date: _____

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

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

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

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

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

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

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

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

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

By: _____
Owner

By: _____
Owner

EXHIBIT D

Form of Owner Acknowledgement of County Response Notice

Name: _____

Address of Residence: _____

Date: _____

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

By: _____

EXHIBIT E
First Lender Loan Agreement

EXHIBIT F

Letter of Agreement and Attorney's Acknowledgment

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

Letter of Homebuyer Acknowledgement

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

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

Date: _____

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

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

In particular I understand and agree with the following points.

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

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

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

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

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

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

Sincerely

Letter of Attorney's Acknowledgment

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

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

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

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

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

Name Date Title
Firm/Address

EXHIBIT D

HOMEBUYER GROUND LEASE
Clark County Welcome Home Community Land Trust

Owner: _____

Residence: _____

This Homebuyer Ground Lease (“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 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 Owner has a household income at or below _____ percent (___%), of the current Las Vegas-Henderson-Paradise MSA Area Median Income (“AMI”), adjusted for Owner’s household size.

F. The purpose of this Ground Lease is to place resale controls on the Residence, to place 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.

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 the Deed Restriction, Recital J.
- (9) "County Loan" shall have the meaning described in the Deed Restriction, Recital I.
- (10) "County Note" shall have the meaning described in the Deed Restriction, Recital J.
- (11) "County Purchase Option" shall have the meaning described in Section 12.
- (12) "Deed Restriction" shall mean the document attached in Exhibit B.
- (13) "Designated Income Household" shall mean a household having an annual gross income at or below 100% of AMI, adjusted for Owner's household size and specific income (specific AMI noted in Recital E).
- (14) "Environmental Law" shall have the meaning described in Section 4.11.
- (15) "Eligible Purchaser" shall have the meaning described in Section 14.2.

- (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 in the Deed Restriction, Exhibit B, Recital H.
- (20) "First Lender Deed of Trust" shall have the meaning described in the Deed Restriction, Exhibit B, Recital H.
- (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) "HUD" shall have the meaning described in Section 13.2.
- (24) "Hazardous Substance" shall have the meaning described in Section 4.11.
- (25) "Inheriting Owner" shall have the meaning described in Section 8.2.
- (26) "Junior Loan" shall have the meaning described in Section 7.5.
- (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 in the Deed Restriction, as the "First Lender Loan", Exhibit B, Recital H.
- (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 7.6.
- (40) "Proposed Purchaser" shall have the meaning described in Section 14.1.
- (41) "Required Property Insurance" shall have the meaning described in Section 4.8.
- (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: Deed Restriction
- 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

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 not more than three (3) automobiles shall be parked on a permanent basis in the parking area, garage, driveway or any other portion of the Leased Premises. Vehicles or heavy machinery shall be immediately removed from the Leased Premises if they become inoperable for more than five (5) calendar days.

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. 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 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, the Deed Restriction 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 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.

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

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

All insurance policies and renewals thereof will be in a form acceptable to the County and will include a standard mortgagee clause with standard lender's endorsement in favor of the holder of the First Lender Note and the County as their interests may appear and in a form acceptable to the County. The County shall have the right to hold, or cause its designated agent to hold, the policies and renewals thereof, and Owner shall promptly furnish to the County, or its designated agent, the original insurance policies or certificates of insurance, all renewal notices and all receipts of paid premiums. In the event of loss, Owner will give prompt notice to the insurance carrier and the County or its designated agent. The County, or its designated agent, may make proof of loss if not made promptly by Owner. The County shall receive thirty (30) days advance notice of cancellation of any insurance policies required under this section. If Owner fails to maintain required insurance the County will maintain that insurance on behalf of the Owner, and any amount so expended by the County shall be promptly paid by Owner and may be collected from sales proceeds upon sale of the home.

4.9 **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.

4.10 **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 perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the County shall be permitted (but is not required) to enter the Leased Premises and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas, to remove vehicles and machinery, and to attach a lien on the Residence, or to assess the Residence, in the amount of the expenditures arising from such acts and work of protection, maintenance, removal and preservation by the County and/or costs of such cure, which amount shall be promptly paid by the Owner to the County, plus an administrative charge equal to fifteen percent (10%) of the cost of such work upon demand.

4.11 **HAZARDOUS SUBSTANCES:** The Owner will not bring hazardous materials on site, except for those used in the course of normal home maintenance and cleaning. Owner shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Owner shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the

presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

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

5. 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;
- b. Addition of additional square footage to the Residence primary building, and garage, if applicable;
- c. In-ground swimming pool or spa;

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.

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

5.8 PARTY WALLS

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

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

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

6. 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 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 Mortgage".

7.2 **NON-SUBORDINATION:** Any Permitted Mortgage shall 1) remain subordinate and inferior to County's right and interest in the Leased Premises and reversionary interest in the Leased Premises and 2) remain subordinate to all provisions of the Deed Restriction.

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 and the Deed Restriction.

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 of the other conditions of Section 7.5.

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 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 Deed Restriction, 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, HOA payments, unauthorized loans, or liens; and
- e. Ensure that the new loan is subordinate to the Ground Lease and Deed Restriction

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. 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.

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

7.7 IN THE EVENT OF FORECLOSURE, ANY PROCEEDS IN EXCESS OF THE AFFORDABLE PRICE WILL GO TO 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.

7.8 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) or an interest evidenced by a land contract by which possession of the Residence is transferred and Owner retains title. Any Transfer without satisfaction of the provisions of this Lease is prohibited and shall constitute a default under this Lease and the Deed Restriction, 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 7.5 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 Deed Restriction, 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, 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, the Deed Restriction 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 obtain and deliver to the County a current written report of inspection of the Residence by a licensed structural pest control operator;
- b. Within the sooner of (a) sixty (60) days from the date of delivery of the Owner's Notice of Intent to Transfer, or (b) prior to two (2) weeks before close of escrow on the Transfer, the Owner shall repair all damage noted in the pest report including damage caused by infestation or infection by wood-destroying pests, as well as remediate any environmental contamination caused by Owner's occupancy and use of the Property (provided, however, that in the event Owner does not cause the work to be performed in accordance with this subsection the cost of such work shall be considered deferred maintenance and reflected as a downward adjustment in the Maximum Restricted Resale Price pursuant to Section 13);
- c. Within thirty (30) days of the date of the Owner's Notice of Intent to Transfer, the Owner shall allow the County, or its designee, to inspect the Residence, including the interiors, to determine its physical condition, and, if requested by the County, following such inspection, the Owner shall obtain and deliver to the County a home inspection report prepared by a licensed home inspector; and
- 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 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 Deed Restriction.

11. OWNER ACKNOWLEDGMENT OF COUNTY RESPONSE NOTICE: No later than fourteen (14) days following the date of the County Response Notice, the Owner shall acknowledge in writing to the County, in the form shown in Exhibit 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 35% of Area Median Income for the Las Vegas-Henderson-Paradise MSA as published by the United States Department of Housing and Urban Development (“HUD”), or successor index, for the year of sale adjusted by household size according to the number of bedrooms in the unit as listed below (“Occupancy Standard”) using the following HUD household size adjustment factors (1 person=0.7, 2 persons=0.8; 3 persons=0.9; 4 persons=1.0; 5 persons=1.08) multiplied by the percent of Area Median Income of the targeted homebuyer (e.g. 80%)

Studio unit: household size of two persons

One-bedroom unit: household size of two persons

Two-bedroom unit: household size of three persons

Three-bedroom unit: household size of four persons

Four-bedroom unit: household size of five persons

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

- b. The following monthly costs will be deducted from Monthly Affordable Housing Expense as calculated or estimated by the County at the time of sale:
 1. Property taxes;
 2. Property insurance;
 3. Owner association dues and/or landscape maintenance district fees, if applicable; and
 4. Owner Ground Lease Fee, in an amount specified in the Homebuyer Ground Lease.
- c. The result of the calculations in this section 13.1 (subsections a. through b. above) will be the Affordable Monthly Mortgage Payment (“Affordable Monthly Mortgage Payment”). The Affordable Mortgage (“Affordable Mortgage”) will be determined based on the Affordable Monthly Mortgage Payment and prevailing interest rates at the time of sale for a 30-year, fixed interest-rate mortgage. Prevailing interest rates shall equal the Freddie Mac Primary Mortgage Market Survey weekly average at the time of the calculation or other successor index selected by the County.
- d. The Affordable Sales Price will equal the Affordable Mortgage plus a 5% Owner down payment.

13.3 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 resale 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 Deed Restriction and Homebuyer Ground Lease restricting future resale of the Residence and shall agree to cooperate fully with the County in promptly providing all information requested by the County to assist the County in monitoring the Proposed Purchaser's compliance with the Ground Lease and Deed Restriction.
- d. Agree to Assume County Second Mortgage Promissory Note and Deed of Trust, if Applicable. If there is a County Loan on the Residence being purchased, the Proposed Purchaser shall agree to sign the documents necessary to assume the County Promissory Note and Deed of Trust at the same terms.
- e. Income Eligibility. The combined maximum income for all household members of the Proposed Purchaser shall not exceed the income for a Designated Income Household, adjusted for the Proposed Purchaser's household size. In the event such income determinations are no longer published by HUD, or are not updated for a period of at least eighteen (18) months, the County shall provide other income determinations which are reasonably similar with respect to method of calculation to those previously published by HUD.
- 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 Deed Restriction and Homebuyer Ground Lease, along with a County Note and County Deed of Trust if a County Loan is provided by the County, from the Proposed Purchaser in forms provided by the County. The recordation of the new Deed Restriction, and, if applicable, the County Deed of Trust shall be a condition of the County's approval of the proposed sale.

- f. The name of the title company escrow holder for the sale of the Residence, the escrow number, and name, address, and phone number of the escrow officer.
- g. Upon the close of the proposed sale, certified copies of the recorded Deed Restriction and County Deed of Trust (if applicable), a copy of the final sales contract, settlement statement, escrow instructions, and any other documents which the County may reasonably request.

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

If the Owner makes a Transfer in violation of this Lease or the Deed Restriction, 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. DEFAULTS

16.1 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 Deed Restriction, 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 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; or
- j. Any other violation which would threaten the County's interest in the Leased Premises.

16.2 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;
- 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.

17. 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. 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 Owner.

18. NOTICE AND CURE

Upon default or a violation of any of the provisions of this Lease or the Deed Restriction, 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 Deed Restriction, the County Note or County Deed of Trust, or within such further time as the County determines is necessary to correct the violation, the County may declare a default under this 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 23, if the County has declared a default under this Lease, the Deed Restriction, the County Note or the County Deed of Trust.

19. 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 or the Deed Restriction. This option to purchase is given in consideration of the economic benefits received by the Owner resulting from purchase and ownership of the Residence.

The County (or its Assignee) shall have thirty (30) days after a default is declared to notify the Owner and the First Lender of its decision to exercise its option to purchase under this Section 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.

20. RIGHTS UNDER FORECLOSURE

20.1 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.

20.2 Such First Lender shall take Owner's interest in the Residence subject to all of the provisions of this Lease, and for so long as it is the owner of the leasehold estate, shall assume the obligations of Owner under this Lease and shall be subject to all the agreements, conditions, covenants and terms of this Lease and the Deed Restriction.

20.3 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. NON-LIABILITY FOR NEGLIGENCE, LOSS OR DAMAGE

21.1 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.

21.2 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.

21.3 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.

22. MONITORING

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

23. 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
500 S. Grand Central Parkway
Las Vegas, NV 89155County

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.

24. 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.

25. INVALID PROVISIONS AND SEVERABILITY

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.

26. 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.

- c. Owner understands all of the provisions of this Lease. In recognition of the acknowledgments and agreements stated in this Section 26, 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.

- d. 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
DEED RESTRICTION

EXHIBIT C

BUYER DISCLOSURE STATEMENT

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 Deed Restriction 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 Deed Restrictions:

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

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

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

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

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

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

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

By: _____
Owner

By: _____
Owner

EXHIBIT 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 9 of the Deed Restriction on _____ (insert date)).

By: _____

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 E

**MORTGAGE TERM SHEET
WELCOME HOME
CLARK COUNTY COMMUNITY LAND TRUST**

April 1, 2024

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

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.

Points: No points may be charged to the borrower.

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: Maximum [95 or 97] percent of the appraised value, with resale restrictions in place, of the Improvements.

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.

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 35% of 100% of Area Median Income (AMI) in the year of sale multiplied by the HUD household size adjustment factor according to the number of bedrooms in the unit listed below (1 person=0.7, 2 persons=0.8; 3 persons=0.9; 4 persons=1.0; 5 persons=1.08;)

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 5% 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 [33/38] with housing ratio exceptions allowed up to [36] percent and debt ratios of up to [40] percent at closing. Mortgages shall meet FHFA Ability to Repay/Qualified Mortgage (ATR/QM) standards.

Down Payment Requirement:

3%-5% of Affordable Sales Price from Homebuyer's own funds;

Down Payment Assistance:

Permitted

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 whenever a loan becomes delinquent. 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, Deed Restriction, Second Mortgage Finance documents (Ground Lease, Deed Restriction 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.

EXHIBIT F

DECLARATION OF RESTRICTIVE COVENANTS

This County Land Declaration of Restrictive Covenants (“Declaration”) is made on this _____ day of _____ 20___, by COUNTY OF CLARK, a political subdivision of the State of Nevada (“County”) as owner of that certain real property located in Clark County, Nevada, known as Assessor’s Parcel Number 125-26-204-003, located on the northeast corner of Rebecca Road and West Tropical Parkway, in the City of Las Vegas, Nevada (“Site”).

RECITALS

WHEREAS, Nevada Revised Statute 244.189(1)(a) authorizes the Board of County Commissioners (“BCC”) to exercise the necessary and proper powers for the development of affordable housing; and

WHEREAS, on August 15, 2023, the County issued a request for proposals (“RFP”) for the “Development of Affordable For-Sale Housing,” on the Site, to solicit proposals by interested companies based on a competitive procurement process and the criteria outlined in the RFP; and

WHEREAS, on May 7, 2024, the Board of County Commissioners held a public hearing and selected Kavison Homes LLC, a Nevada limited liability company (“Developer”), as the successful applicant to develop affordable housing upon the Site.

NOW, THEREFORE, the County hereby declares that all of the Site shall at all times be owned, held, used, operated and occupied subject to the provisions of these covenants, conditions and restrictions contained herein, all of which are established and declared for the purpose of imposing ongoing affordability restrictions associated with the Site.

SECTION I – KEY ENFORCEMENT PROVISIONS

1. Covenant Running with the Land

This Declaration shall be deemed and shall constitute a covenant running with the land for the benefit of the County and its successors and assigns and shall pass to and be binding upon all heirs, successors and assigns in title to the Site, or if the Site shall not include title to land, but shall include a leasehold interest in land, this Declaration shall bind the leasehold interest as well as the Site and shall pass to and be binding upon all heirs, successors and assigns to such interests. Each and every contract, deed or other instrument hereafter executed covering or conveying the Site or any portion thereof or any interest therein) shall conclusively be held to have been executed, delivered, and accepted subject to this Declaration, regardless of whether any or all of such covenants contained herein are set forth in such contract, deed or other instrument. If a portion or portions of the Site, or interest or interests in the Site are conveyed, all such covenants contained herein shall run to each portion of or interest in the Site.

During the term of this Declaration, affordable housing units on the Site will be marketed and sold to households with incomes at or below 100% of the Area Median Income (“AMI”) (as adjusted for household size and as published by HUD and updated annually).

The County or its assignee must determine that each household is income eligible by determining the household's annual income. Annual income shall be determined by examining the source documents evidencing annual income (i.e., wage statement, interest statement, social security statements, etc.) for the household. The sales price of each affordable housing unit will be calculated using a formula, which takes into account a household's AMI. The monthly housing cost is 1/12th of 35% of the households AMI (60%AMI, 80%AMI, 100%AMI). That is then reduced by monthly ground lease fee, taxes and insurance. That monthly payment then takes into account a 30-year fixed rate mortgage interest and a 5% downpayment, creating a sales price for a home.

2. B. Affordability Period and Duration

This Declaration shall commence upon having been recorded against the Site and shall run for 99 years ("Affordability Period").

This Declaration shall remain in effect until the expiration of the Affordability Period. If necessary, the County shall execute an amendment to this Declaration identifying the exact date of expiration of the Affordability Period.

3. C. County's Interest

Under no circumstance shall the County's interest in the Site be subordinated to any leasehold mortgage, deed of trust, lien, security interest, or other encumbrance or restriction.

4. D. Specific Performance

The primary purpose of this Declaration is to assure compliance with ongoing requirements for the Site. The County and the eligible beneficiaries of these obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder. By reason thereof, that the County and any prospective, present, or former occupant of the Site shall be entitled, for any breach of the provisions hereof and in addition to all other remedies provided by law or in equity, and hereunder, to enforce specific performance under this Declaration in a state or federal court of competent jurisdiction. The right to seek specific performance is in addition to and may be exercised independently from, or in concert with, any other remedies available under this Declaration and any associated documents, or any other agreements between the County and its successors in interest.

SECTION II - SITE DESCRIPTION

The Site will consist of thirty (30) single-family detached homes located on the Site ("Affordable Housing Unit") in the City of Las Vegas, Nevada, generally located on the northeast corner of Rebecca Road and West Tropical Parkway. The proposed Affordable Housing Unit count of 30 units is based upon the build-out of the Site as a single family for-sale residential development on leased land. All Affordable Housing Units will be sold to homebuyers who meet income eligibility of at or below 100% AMI as determined by HUD ("Qualifying Household"). Qualifying Households must also meet the County definition for first-time homebuyer as contained in Clark County's Welcome Home Community Land Trust Program Guide

document (“County Program Guidelines”). Each homebuyer will enter into a lease, referred to as the “Homebuyer Ground Lease”, with the County for the individual lot beneath each Affordable Housing Unit. The Homebuyer Ground Lease will grant the homebuyer exclusive rights to the lot while imposing various restrictions on the use of the homes and the underlying land. The eligible homebuyers will own the affordable housing unit and will lease the land upon which the affordable housing unit sits from the County.

SECTION III – ONGOING OPERATIONAL & PERFORMANCE REQUIREMENTS

1. County Oversight

The Site shall be income and sale restricted for the duration of the Affordability Period unless otherwise modified by a future amendment to this Declaration. The Site must also maintain compliance with the physical standards of all affordable housing units for the duration of the Affordability Period.

County will exercise ongoing oversight of the Site throughout the Affordability Period, including without limitation the review of reports, documents, and records as may be submitted by the Developer, conducting periodic site inspections including file reviews and/or physical inspections, reviewing and approving, as may be required by this Declaration, proposed actions taken by the Developer such as those related to refinancing, and the like.

2. Income and Sale Restrictions

The County or its approved assignee must determine that each homebuyer’s annual income does not exceed the income restrictions. Annual income shall be determined by examining the source documents evidencing annual income (i.e., wage statement, interest statement, social security statements, etc.) for the household.

SECTION IV – SITE STANDARDS

1. Buyer Selection and Source of Income Nondiscrimination

Without limiting the obligation of Developer to comply with all applicable laws at all times during the term of this Declaration, Developer shall comply with all provisions of federal, state, or local Fair Housing Acts, laws, ordinances, or regulations which include, but are not limited to non-discrimination based on race, religion, creed, color, national origin, disability, sexual orientation, gender identity or expression, ancestry, familial status or sex.

Developer may not refuse to sell to a holder of a Section 8 Housing Choice Voucher, or receiving similar assistance under another similar federal, State, or local program solely because of the homebuyer’s participation in such program.

2. Sales Agreement

Developer must operate in compliance with all applicable state and local laws. Developer must have a written sales agreement with each homebuyer in a form acceptable to the County.

3. Housing Site Standards

The Site must be constructed in compliance with the requirements of 24 CFR 92.251.

3.1 Construction Codes

The Site must be constructed in compliance with all applicable State and local zoning, land use, and building code requirements. The Site's plans and specifications must clearly list all building codes applicable to the Site, including without limitations electrical, mechanical, plumbing, and fire codes. Additionally, the Site must be constructed to meet or exceed all applicable State Building Codes in force at the time of construction.

3.2 Additional Construction Requirements

- a) The Site must also be constructed in compliance with the accessibility requirements of 24 CFR 8, which implements Section 504 of the Rehabilitation Act of 1973.
- b) Developer must prohibit the use of lead-based paint construction of the Site and comply with all other applicable requirements of 24 CFR 35 (aka the Lead Safe Housing Rule).
- c) Developer must require the exclusive use of lead-free pipes, solder, and flux in all of the Site's potable water systems.
- d) Developer will require its contractors to comply with all rules, regulations, ordinances, and laws bearing on its conduct of work on the Site. Developer will require its contractors to stop construction if ground disturbance related to this Site results in the discovery of any human remains, bones, artifacts, foundations, or other indications of past human occupation and notify both the State Historic Preservation Office and the County immediately.
- e) All buildings of five or more residential units on the Site must include the installation of "Broadband Infrastructure" as defined by 24 CFR 5.100.

Failure to correct any deficiencies identified by the County within a reasonable timeframe shall constitute a default.

SECTION V - INSURANCE

1. General

Developer shall provide and maintain insurance coverage, listing the County as an additional insured. This includes General Liability insurance on an "occurrence" basis with coverage of at least \$1,000,000 per occurrence for bodily injury (including death), personal injury, and Site damage. Automobile Liability insurance with coverage of at least \$1,000,000 per accident for bodily injury and Site damage is also required, along with Builder's Risk insurance covering the Site and all materials and equipment, equal to the maximum probable loss.

Developer's insurance will be primary with respect to the County, its officers, employees, and volunteers. Any other coverage available to the County will be excess and non-contributory. Developer shall maintain worker's compensation insurance as required by the Nevada Industrial Insurance Act and the Nevada Occupational Diseases Act, with certificates of insurance provided to and kept on file with the County.

The Developer shall insure any improvements on the Site for 100% of the full replacement cost, using "all risk" protection. The Developer is also responsible for insuring against any loss of income or extra expense.

Insurance policies must be on ISO Commercial General Liability or equivalent forms approved by the County, covering liabilities including bodily injury, Site damage, personal injury, and specific hazards. Any deviations must be disclosed and approved. Insurers must have a Best rating of at least A-/VIII. Certificates of insurance must be signed by authorized personnel and provided to the County, with renewal certificates furnished timely to avoid default. All policies must include a waiver of subrogation in favor of the County.

Policies must include a 30-day notice of cancellation or reduction in coverage. Deductibles must be disclosed and reasonable for the risk involved. If aggregate limits are imposed, they must be at least \$2,000,000 per occurrence or per accident, with any erosion reported to the County. Adjustments to these limits may be permitted if approved by both parties. The County, its officers, employees, and volunteers must be covered as additional insureds, with all Site insurance policies containing a waiver of subrogation in favor of the County.

2. Noncompliance

If Developer fails to maintain any of the required insurance coverages, the County may declare the Developer in breach, subject to the cure rights specified herein. Alternatively, the County may purchase replacement insurance or pay the premiums on existing policies to ensure the required coverages are maintained. Developer shall be responsible for any expenses incurred by the County to maintain such insurance, and the County may recover these expenses from the Developer.

The specified insurance requirements do not relieve the Developer of its responsibility or limit its liability to the County or other parties. The Developer is encouraged to obtain additional insurance as it deems necessary.

3. Damages

Developer shall be responsible for and must remedy all damage or loss to the Site, caused in whole or in part by Developer, any subcontractor, or anyone employed, directed, or supervised by Developer. Developer shall also be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with this Declaration.

4. Limits

The minimum insurance limits specified herein are deemed sufficient as of the date of this Declaration. However, due to inflation or other factors, the County may need to raise the minimum insurance limits to protect its interests. Developer must maintain such insurance limits as may be reasonably required by the County under this Declaration, provided that any increase in limits does not exceed the average increases within the insurance industry in the State of Nevada for comparable coverage.

5. Fire Protection

During its occupation of the Site, as reasonably required by the County, Developer shall conduct appropriate tests of any fire extinguishing apparatus on the Site. Developer shall ensure that all firefighting equipment on the Site is kept in proper working order.

6. Damage and Destruction

During its occupation of the Site, in the event of damage, destruction, or substantial loss, Developer shall be liable for and shall pay for all cleanup or demolition necessary to prepare the Site for repair, replacement, restoration, or rebuilding within sixty (60) days if not otherwise covered by insurance.

SECTION VI - REPORTING

1. General Requirements

Developer must provide reports to the County and to maintain records documenting compliance with this Declaration and all other applicable federal, State, and local laws and regulations. Upon reasonable notice (generally 48 hours except in circumstances related to emergent conditions or in response to concerns regarding fraudulent activity), Developer must provide the County or their representatives access to the Site and its records, wherever located, for the purposes of assessing the accuracy of reports submitted by Developer and monitoring Developer's compliance with applicable requirements. As requested, Developer will provide physical or electronic copies or excerpts of such records at no cost to the party requesting such records. Further such parties may, upon occasion, interview any occupants, employees, or agents of the Site who consent to such interviews.

Developer shall maintain reasonable security measures to protect records containing personal information from unauthorized access, acquisition, destruction, use, modification, or disclosure pursuant to NRS Chapter 603A to ensure against a breach of security of personal information of clients, staff, or other individuals. Developer shall have established written policies and procedures that align with NRS Chapter 603A and shall follow such procedures. Upon request, Developer shall make available to the County staff such written policies and procedures and will be monitored for compliance.

2. Reports

Developer shall submit monthly reports to the County on the progress and performance of the Site during construction and the sale of each unit. The County reserves the right to alter, supplement, or otherwise modify the frequency or content of required reports as needed to maintain adequate oversight of the Site, address changes to applicable laws or regulations, or to address findings related to noncompliance by the Site.

Initially, the County may require reports as follows:

- a) At all times prior to completion of the Site and the sale of each unit, Developer must report to the County any circumstances that preclude timely completion of, or warrant an extension of time to complete, any performance milestones. Such a report must be provided within ten (10) days of Developer's discovery, receipt, or knowledge of such information.
- b) Prior to the commencement of construction, Developer shall report not less than quarterly on progress toward closing on all Site financing and the commencement of construction.

Quarterly reports will be due on the 15th of the month following the end of the prior quarter (e.g., by April 15th reports on the first quarter are due).

- c) During the construction period, Developer shall report monthly on progress. Monthly reports should include the following:
 - a. Percent of project completion;
 - b. Summary of completed items/progress for the last 30 days;
 - c. Summary of items anticipated to be completed in the next 30 days;
 - d. Anticipated delays;
 - e. Updated schedule;
 - f. Invoices being paid;
 - g. Updated Financial Plan; and
 - h. Evidence of appropriate lien waivers to the County.

- d) Upon completion of construction and prior to reaching Stabilized Occupancy, Developer shall report monthly on progress toward selling Affordable Housing Units and provide monthly income and expense reports until the Site is completed.

3. Developer shall maintain detailed records of all persons served pursuant to this Declaration. Representatives of the County, or their designees may examine any records or information accumulated pursuant to this Declaration. During the Affordability Period, the County will conduct on-site inspections to verify compliance with this Declaration. All confidential information shall be treated as such by all County representatives or designees. Developer shall maintain administrative and financial records as required by this Declaration applicable to the activities to be carried out under this Declaration, including but not necessarily limited to:

- a) Site description and location;
- b) Records regarding Site requirements that apply for the duration of the Affordability Period;
- c) Information about contractors, vendors, and other lenders to include, but not necessarily be limited to, verification of non-debarment and suspension, verification of qualifications and experience, legally binding contracts and agreements, invoices and payment records, and related correspondence;
- d) Financial information including, but not necessarily limited to, audits and related correspondence, accounting and financial records, indirect cost analyses, and operating budgets;
- e) Documentation of efforts to affirmatively further fair housing;
- f) Records demonstrating compliance with labor requirements including contract provisions and payroll records; and
- g) Records demonstrating compliance with County Planning, Building, and Environmental Requirements as well as any Sustainability Elements committed to as part of the Application.

4. Physical Inspections

Developer will provide the County, applicable federal authorities, and their representatives with access to the Site for the purposes of conducting physical inspections, including individual unsold units, common spaces, and the grounds during normal business hours. The County will conduct periodic physical inspections during construction to ensure the Site is progressing and construction activity meets applicable Site standards.

5. Financial Management

In addition to any other recordkeeping requirements herein, all costs of the Site shall be recorded by budget line items and be supported by checks, payroll registers, time records, invoices, contracts, purchase orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges, and that all checks, payroll registers, time records, invoices, contracts, purchase orders or other accounting documents which pertain, in whole or in part, to the Site shall be thoroughly identified and readily accessible to the County, and their authorized agents, within 48 hours of written request from the County.

Developer agrees that excerpts or transcripts of all checks, payroll registers, time records, invoices, contracts, purchase orders and other accounting documents related to or arguably related to the Site will be provided upon reasonable request to the County, applicable federal authorities, and their authorized agents. Developer shall provide a sample sales agreement to the County for review and approval prior to the sale of an Affordable Housing Unit. Should the approved sample sales agreement be modified at any time during the term of this Declaration, Developer shall provide the modified sales agreement for approval, not to be unreasonably withheld, conditioned or delayed, prior to any homebuyer entering into a purchase agreement with Developer, provided that if no response by the County is provided within 15 days of delivery, such form shall be deemed approved.

6. Reporting

Developer shall be responsible for providing reporting to the County as required by this Declaration related to the development and operation of the Site, from execution date of the Community Land Trust Developer Agreement between the County and the Developer ("DA") through construction completion. Developer shall provide progress reports to the County as specified in this Declaration.

7. Record Retention

Developer shall retain all applicable administrative and Site records as follows:

- a) General Site records pertaining to the development and construction of the Site must be retained for not less than ten (10) years beyond the issuance of a Certificate of Occupancy for the Site. These include, but are not limited to, construction contracts and associated documents, invoices and payment records, records documenting compliance with any applicable labor standards, and the like.
- b) Records relating to ongoing operations of the Site must be maintained for not less than the most recent ten-year period. Such records must be maintained until the end of the Affordability Period.
- c) This Declaration and any amendments, attachments, or supplements thereto must be retained for not less than ten (10) years beyond the end of the Affordability Period.

d) Notwithstanding the above, if there are litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have commenced before the expiration of the retention periods outlined, such records must be retained until completion of the actions and resolution of all issues, or the expiration of the retention period, whichever occurs later, and Developer shall maintain reasonable security measures to protect records containing personal information from unauthorized access, acquisition, destruction, use, modification or disclosure per NRS Chapter 603A to ensure against a breach of the security of personal information of clients, staff or other individuals. Developer shall have established written policies and procedures that align with NRS Chapter 603A and shall follow these procedures. Upon written request, Developer shall make available to Clark County staff these written policies and procedures and will be monitored for compliance.

8. Federal Requirements

Developer must comply with the drug-free workplace requirements of 2 CFR 2429. Developer must develop and operate the Site in full compliance with all other applicable federal requirements of 24 CFR 92 Subpart H and 24 CFR 5 Subpart A and the nondiscrimination requirements of section 282 of the Act. This includes, but is not limited to, compliance with the drug-free workplace requirements of 2 CFR 2429.

9. Equal Opportunity and Fair Housing Requirements

Developer shall develop, operate, and maintain the Site during its occupancy in accordance with the following:

- a) The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1958 B1963 Comp., P. 652 and 3 CFR 1980 Comp., P. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and implementing regulations issued at 24 CFR Part 1;
- b) The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing Regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;
- c) The requirements of 24 CFR 5.105(a)(2) requiring that HUD-assisted housing be made available without regard to actual or perceived sexual orientation, gender identity, or marital status and prohibiting Developer (or their agents) from inquiring about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing for the purpose of determining eligibility for the housing or otherwise making such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity;
- d) The requirements of Executive Order 11246 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60; and
- e) The requirements of Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise

Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise). Developer must make efforts to encourage the use of minority and women's business enterprises in connection with County-funded activities. Developer will cooperate with the County in its minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in the procurement of Site and services including, without limitation, real estate firms, construction firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services.

10. Affirmative Marketing

The County will create a marketing plan for the Affordable Housing Units that will ensure that the units are marketed to qualified households in accordance with HUD's Affirmative Fair Housing Standards. Developer will cooperate with the County on the creation of the marketing plan. The marketing plan will ensure the equitable access to homeownership opportunities for low to moderate income first-time homebuyers. The plan aims to affirmatively market the program, ensuring access for all qualifying individuals regardless of race, color, religion, national origin, sex, or familial status.

SECTION VII - ENFORCEMENT

1. Default

The actions noted below shall constitute an event of default hereunder. The County may give written notice of default to the Developer or successor-in-interest, by registered or certified mail, addressed pursuant to the notice provisions of this Declaration.

- a) Failure to comply with the terms and conditions hereof;
- b) Failure to comply with fair housing laws, and other federal requirements related to the Site, or any applicable State or local law, regulation, ordinance, or requirement;
- c) Any event of fraud, misrepresentation, gross negligence, or willful misconduct by Developer in the execution or performance of this Declaration;
- d) A default by Developer under this Declaration and all associated documents, that remains uncured beyond all applicable cure periods;
- e) Developer's dissolution or other termination of existence; merger or consolidation with any other entity; change in control of the Site or Developer without the County's prior written consent as required herein; insolvency; forfeiture of right to do business in the State of Nevada or business failure; abandonment of the Site for more than thirty (30) days; appointment of a receiver of any part of the Developer's Site; the calling of any meetings of, or the assignment for the benefit of, creditors of the Developer; or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Developer which are not dismissed within sixty (60) days;

- f) Except any judgment or lien resulting from liability that is fully payable from the proceeds of an insurance policy maintained by Developer, Developer allows any judgment or lien against the Site to remain for more than sixty (60) calendar days after the entry of such judgment or lien without being paid, stayed on appeal, discharged, bonded, or dismissed within sixty (60) calendar days;
- g) A sale, transfer, or further encumbrance of all or part of the Site without the County's prior written consent; and
- h) Any default that remains uncured beyond all applicable cure periods under any documents evidencing other financing for the Site, including but not limited to existing restrictions on the Site. This may include, but is not limited to, the failure to maintain any reserve account required by another lender.

2. B. Remedies

In the event of default by Developer hereunder, which default is not cured within thirty (30) days of the mailing of written notice by the County (unless such cure is not practicable within thirty (30) days and the Developer, to the County's satisfaction, has commenced and is diligently pursuing a cure within the thirty (30) days) in which case the County may extend the cure period not to exceed 45 days.

The County may seek any combination of the following remedies:

- a) Repossess, and re-enter the Site;
- b) Retain a new developer and/or general contractor to commence or finish construction of the Site according to the approvals at the Developer's expense;
- c) Recover from Developer the amounts of all damages suffered by County due to Developer's breach;
- d) Seek an injunction or other equitable relief in any court of competent jurisdiction to enforce Developer's obligations hereunder;
- e) Collect on any payment or performance bond;
- f) Enforce the Performance and Recovery Guaranty;
- g) Assign any rights, privileges, guarantees, security, or the like to the County;
- h) Withhold any further payments to be made under this Declaration until such time as Developer's breach has been cured in accordance with the terms and conditions of any cure period provided by the County (but the County may, in its sole discretion, make disbursement after the occurrence of an Event of Default without thereby waiving its rights and remedies hereunder);
- i) Apply to any appropriate court, State or federal, for specific performance, in whole or in part, of the covenants and agreements contained herein, or for an injunction against any violation of such covenants and agreements;

- j) Subject to the rights of superior lienholders, enter upon the Site and take possession thereof, together with the Site then in the course of construction, and proceed either in its own name or in the name of Developer, as the attorney-in-fact of Developer (which authority is coupled with an interest and is irrevocable by Developer), to complete or cause to be completed the Site, at the cost and expense of Developer;
- k) Subject to existing restrictions on the Site require the replacement of the Developer's managing member(s), as applicable, in which case not less than 60 days' notice of such intent will be provided to the Developer; and/or
- l) Declare immediately due and payable the amount of funds awarded and the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor, or any other notice of any kind, all of which are hereby expressly waived.

Except as otherwise provided for by law or this Declaration, the rights and remedies of County shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including but not limited to actual damages.

i. Reversion

In addition to and independent of any other remedy available to it, if the Site is not being developed and operated for its intended use as affordable housing as set forth herein during the Affordability Period, subject to and beyond all applicable notice and cure periods, the Site and any and all interest in the affordable housing units will revert back to the County, without liability and cost to the County.

Any delay by the County in exercising any right or remedy provided herein or otherwise afforded by law or equity shall not be a waiver of or preclude the exercise of such right or remedy. All such rights and remedies shall be distinct and cumulative and may be exercised singly, serially (in any order), or concurrently, and as often as the occasion therefore arises.

SECTION VIII - PROTECTION OF ENCUMBRANCES

Notwithstanding any other provision hereof, no amendment, violation, breach of, or failure to comply with any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any mortgage, deed of trust or other lien on the Site taken in good faith and for value and recorded prior to the time of recording of notice of such amendment, violation, breach or failure to comply. Any subsequent Developer of such Site shall, however, take subject to this Declaration, whether such Developer's title was acquired by foreclosure in a trustee's sale or otherwise. This Declaration shall be recorded senior to any deeds of trust, mortgages or other liens securing anticipated sources of Site financing, will not be subordinated to any such liens and shall not be foreclosable following default under such liens or issuance by the Developer of a deed in lieu of foreclosure.

SECTION IX - INDEMNIFICATION

1. General

In addition to the County's interest in facilitating the production of affordable housing, County and Developer acknowledge County's interest in reducing its exposure to financial risks associated with the

Site. Consequently, as an inducement to the County and to ensure that the public purposes of the Site will be realized, the County will require various security, guarantees, and indemnities from the Developer or successor-in-interest, and any other parties described in this Section.

2. Indemnification

Regardless of whether any costs for damages and/or injuries are covered by insurance, Developer (actively the "Indemnitor") shall indemnify, hold harmless and defend County and any of its officers, employees, representatives, agents and contractors, invitees, board members, successors, and assigns (collectively the "Indemnitees"), with counsel acceptable to County, against and from any and all liability, loss, cost, damage, or expense (including but not limited to attorneys' fees) of whatsoever nature arising from or in connection with personal injury to or death of any person (including, without limitation, exposure to hazardous or toxic substances), or loss of or destruction or damage to any Site whatsoever (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Site by, or the presence thereon of, Developer or a related party, and occurs from any cause whatsoever, excluding the grossly negligent or intentional acts of County. If Developer should discover any hazardous materials, or any other materials subject to a legal reporting requirement or corrective action, Developer will immediately notify the Nevada Department of Environmental Protection and County of the same.

Indemnitors shall also indemnify, hold harmless and defend Indemnitees against any proceeding related to any mechanic's lien, stop notice or other claim brought by a subcontractor, laborer or material supplier who alleges having supplied labor or materials in the course of the construction or development of the Site.

The indemnity obligations of Indemnitors under this Section will survive any termination of this Declaration. In the event that any Indemnitee incurs any actual, reasonable expenses for claims or losses described in this Section, such County Indemnitee shall have a right to charge said expenses made in good faith to the Indemnitors. An itemized statement of expenses shall be prima facie evidence of the fact and extent of the indemnity obligation of the Indemnitors.

SECTION X- NOTICES

Except in the case of notice of default under this Declaration, notices due to Developer hereunder shall be deemed delivered two (2) days after being placed in the United States mail, postage pre-paid, addressed to the Developer as follows:

Developer:

Todd Stratton
Kavison Homes
8975 S. Pecos Road, Suite 6C
Henderson, NV 89074

With a copy to:

Kaempfer Crowell
Attn: Bob Gronauer
1980 Festival Plaza Drive, Suite 650
Las Vegas, NV 89135

Insomuch as title or leasehold interest to the Site has been transferred via foreclosure, deed in lieu of foreclosure, or other similar means, notice may be sent to the address used for the mailing of Site tax bills or other similar official government records as well as care of the then Developer at any leasing office for the Site.

Notices due the County shall be in writing and must be personally delivered or placed in the United States mail. Notices to the County delivered via the mail must be delivered via certified mail with return receipt requested and will be deemed delivered upon signature of a County representative. Notices to the County should be addressed as follows:

Clark County Community Housing
500 S. Grand Central Pkwy., 6th Floor
Las Vegas, NV 89155

With a copy to:

Office of the District Attorney-Civil Division
Clark County Government Center
500 South Grand Central Parkway, 5th Floor
Las Vegas, Nevada 89155-2215

SECTION XI – MISCELLANEOUS PROVISIONS

1. Interpretation: This Declaration shall not be merged with any subsequent agreement between the County and Developer, including, but not limited to, the DA or regulatory agreements related to the Site. Any question or dispute regarding the interpretation of the terms of this Declaration shall be decided by the County in its reasonable discretion. The County's decision, if reasonable, shall be final and binding. In the event of a conflict between this Declaration, the DA and any associated documents, and/or the regulatory agreements, the County reserves the right to resolve the conflict and determine which provision will take precedence. In general, the more restrictive provision will apply.
2. Applicable Law: This Declaration shall be construed and interpreted in accordance with Nevada law. In the event of legal action resulting from a dispute hereunder, the parties agree that the State and federal courts of the State of Nevada shall have jurisdiction and that the proper forum for such action shall be Clark County, Nevada.

3. Amendments: This Declaration may be modified or amended only with the written consent of the County. Any such executed document is to be duly recorded in the official records of Clark County.
4. Headings and Pronouns: The headings of the paragraphs in this Declaration are for convenience only and do not affect the meanings or interpretation of the contents. Where appropriate, all personal pronouns used herein, whether used in the masculine, feminine, or neutral gender, shall include all other genders, and singular nouns used herein shall include the plural and vice versa.
5. Severability: If any provision of this Declaration shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Declaration is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
6. Authority: Except as otherwise provided herein, at any time during the term of this Declaration, whenever any approval or notice by the County is required under this Declaration, or whenever any action by the County is required or permitted, the Clark County Community Housing Administrator, its successor or its authorized delegate, shall have the power and right to approve, give notice or act on behalf of the County, as the case may be.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Declaration has been executed by the duly authorized representative of the County on the date set opposite his signature below.

DECLARANT:

COUNTY:
CLARK COUNTY, NEVADA

By _____
Tick Segerblom, Chair

ATTEST:

Lynn Marie Goya
County Clerk

Approved as to form:



Nichole R. Kazimirovic
Deputy District Attorney

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Tick Segerblom, Chair of Clark County Board of County Commissioners, Nevada, on behalf of the County.

EXHIBIT G

FINANCIAL PLAN

In lieu of the attachment, the finance plan will be supplemented in accordance with Section 7.2.

EXHIBIT H

Development Cost Schedule Rebecca Parcel Clark County Community Land Trust		
Instructions: Complete all cells highlighted in green		
Number of Units	30	
Identify of Interest Between Developer and General Contractor? (Select Yes or No)	No	
	Total	Per Unit
CONSTRUCTION CONTRACT		
Site Work (2)	\$2,347,800	\$78,260
House/Garage Construction (3)	\$5,317,380	\$177,246
General Conditions	\$100,000	\$3,333
Contingency	\$50,000	\$1,667
Contractor Profit & Overhead	\$400,000	\$13,333
Contractor Liability Insurance	\$0	\$0
Contractor Performance Bond/Letter of Credit	\$63,000	\$2,100
Contractor Supervision	\$400,000	\$13,333
Swppp /Bond R&R		
Total Constr. Contract	\$8,678,180	\$289,273
LOCAL IMPACT FEES/PERMITS		\$0
SOFT COSTS		
Architect (Design, Construction Superv.)	\$54,000	\$1,800
Civil Engineer (Incl. Construction Supervision)	\$69,000	\$2,300
Preconstruction Geotechnical	\$0	\$0
Construction Geotechnical	\$38,000	\$1,267
Property Insurance During Construction	\$43,000	\$1,433
Construction Loan Fees	\$110,000	\$3,667
Construction Loan Interest	\$730,000	\$24,333
Security During Construction	\$60,000	\$2,000
Marketing/Advertising	\$20,000	\$667
Legal	\$40,000	\$1,333
Rear Yards	\$240,000	\$8,000
Closing/Title/Sales Costs	\$60,000	\$2,000
Cost of Sales	\$395,000	\$13,167
Building Permits	\$180,000	\$6,000
Structural/Mechanical Engineer	\$20,000	\$667
Survey	\$30,000	\$1,000
Dust Permit	\$800	\$27
Civil Plans Submission Fees	\$1,500	\$50
NV Energy Consulting	\$8,000	\$267
Truss Calculations	\$5,000	\$167
Total Soft Costs	\$2,104,300	\$70,143
TOTAL DEVELOPMENT COSTS	\$10,782,480	\$359,416
DEVELOPER FEE/PROFIT	\$1,500,000	\$50,000
Developer Fee as a % of TDC	13.91%	
TOTAL PROJECT COSTS	\$12,282,480	\$409,416
MAXIMUM AFFORDABLE SALES PRICE (4)	\$11,730,000	\$391,000
Gap btwn Aff Sales Price and Actual Cost/Sale Price	\$552,480	\$18,416

Notes:

- (1) Off-Site Work includes all backbone infrastructure for the overall project: streets, sidewalks, bikeways, water, power, street lighting, landscaping, irrigation, grading,
- (2) Site work includes all work on individual parcels.
- (3) Equals Total House/Garage Construction Cost from Exhibit C-2
- (4) Insert per unit maximum sales price from RFP.

EXHIBIT I

INCOME LIMITS, MAXIMUM ADDORDABLE SALES PRICE DEFINITIONS AND CALCULATIONS

The Affordable Sales Price is calculated as follows:

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

2. The following monthly costs are 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. Owner association dues and/or landscape maintenance district fees, if applicable; and
 - d. Owner Ground Lease Fee, in an amount specified in the Homebuyer Ground Lease.
3. The result of the calculations 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. 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.
 - a. The Affordable Sales Price will equal the Affordable Mortgage plus a 5% Owner down payment.
 - b. In the event such income limits are no longer published by HUD or have not been updated for a period of at least eighteen (18) months, the County may use or develop such other reasonable method as it may choose in order to determine the median yearly income in Clark County.

**Maximum Affordable Sales Price
50% AMI to 100% AMI
Clark County, Nevada
4/10/2024**

Assumptions

HUD Median Income at Time of Purchase (1)	\$87,800	
Affordable Housing Expense As a % of Income	35%	
Household Size (for calculation of home price)	1 Person Per BR Plus 1	
Monthly Landscape Maintenance District Fee/Lease Fee	\$50	Per Month
Monthly Property Insurance (Allowance)	\$100	Per Month
Property Tax Rate (Applied to AVI/Affordable Sales Price) (2)	1.00%	of AHP/AV
Est. Mortgage Interest Rate at Time of Purchase	7.00%	
Term (Years)	30	
Buyer Downpayment (% of Sales Price)	5.00%	

Assumed Household Size HUD Household Size Adjustment Factor (1)	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
	3 Person HH 0.9	4 Person HH 1.0	5 Person HH 1.08	6 Person HH 1.16
50% of Median				
Annual Income Limit (1)	\$39,510	\$43,900	\$47,412	\$50,924
Affordable Monthly Housing Expense	\$1,152	\$1,280	\$1,383	\$1,485
Less: Landscape Maintenance District Fee/Lease Fee	(\$50)	(\$50)	(\$50)	(\$50)
Less: Property Insurance	(\$100)	(\$100)	(\$100)	(\$100)
Less: Property Taxes (2)	(\$117)	(\$132)	(\$144)	(\$156)
Available for Monthly Mortg. Principal and Interest	\$885	\$998	\$1,089	\$1,180
Supportable Mortgage	\$133,050	\$150,057	\$163,735	\$177,288
Plus: Downpayment @	\$7,005	\$7,900	\$8,620	\$9,330
Affordable Sales Price (Rounded)	\$140,100	\$158,000	\$172,400	\$186,600
60% of Median				
Annual Income Limit (1)	\$47,412	\$52,680	\$56,894	\$61,109
Affordable Monthly Housing Expense	\$1,383	\$1,537	\$1,659	\$1,782
Less: Landscape Maintenance District Fee/Lease Fee	(\$50)	(\$50)	(\$50)	(\$50)
Less: Property Insurance	(\$100)	(\$100)	(\$100)	(\$100)
Less: Property Taxes (2)	(\$144)	(\$162)	(\$176)	(\$190)
Available for Monthly Mortg. Principal and Interest	\$1,089	\$1,225	\$1,333	\$1,442
Supportable Mortgage	\$163,735	\$184,189	\$200,398	\$216,731
Plus: Downpayment @	\$8,620	\$9,695	\$10,545	\$11,405
Affordable Sales Price (Rounded)	\$172,400	\$193,900	\$210,900	\$228,100
70% of Median				
Annual Income Limit (1)	\$55,314	\$61,460	\$66,377	\$71,294
Affordable Monthly Housing Expense	\$1,613	\$1,793	\$1,936	\$2,079
Less: Landscape Maintenance District Fee/Lease Fee	(\$50)	(\$50)	(\$50)	(\$50)
Less: Property Insurance	(\$100)	(\$100)	(\$100)	(\$100)
Less: Property Taxes (2)	(\$170)	(\$191)	(\$208)	(\$225)
Available for Monthly Mortg. Principal and Interest	\$1,293	\$1,452	\$1,578	\$1,704
Supportable Mortgage	\$184,285	\$218,184	\$237,173	\$256,162
Plus: Downpayment @	\$10,225	\$11,485	\$12,485	\$13,485
Affordable Sales Price (Rounded)	\$204,500	\$229,700	\$249,700	\$269,600
80% of Median				
Annual Income Limit (1)	\$63,216	\$70,240	\$75,859	\$81,478
Affordable Monthly Housing Expense	\$1,844	\$2,049	\$2,213	\$2,376
Less: Landscape Maintenance District Fee/Lease Fee	(\$50)	(\$50)	(\$50)	(\$50)
Less: Property Insurance	(\$100)	(\$100)	(\$100)	(\$100)
Less: Property Taxes (2)	(\$197)	(\$221)	(\$240)	(\$259)
Available for Monthly Mortg. Principal and Interest	\$1,497	\$1,678	\$1,823	\$1,967
Supportable Mortgage	\$224,960	\$252,179	\$273,961	\$295,605
Plus: Downpayment @	\$11,840	\$13,275	\$14,420	\$15,560
Affordable Sales Price (Rounded)	\$236,800	\$265,500	\$288,400	\$311,200
100% of Median				
Annual Income Limit (1)	\$79,020	\$87,800	\$94,824	\$101,848
Affordable Monthly Housing Expense	\$2,305	\$2,561	\$2,766	\$2,971
Less: HOA	(\$50)	(\$50)	(\$50)	(\$50)
Less: Property Insurance	(\$100)	(\$100)	(\$100)	(\$100)
Less: Property Taxes (2)	(\$251)	(\$281)	(\$305)	(\$328)
Available for Mortg. Principal and Interest	\$1,904	\$2,130	\$2,311	\$2,492
Supportable Mortgage	\$286,186	\$320,180	\$347,398	\$374,629
Plus: Downpayment @	\$15,060	\$16,850	\$18,285	\$19,715
Affordable Sales Price (Rounded)	\$301,200	\$337,000	\$365,700	\$394,300
Summary of Affordable Sales Prices				
50% of Median	\$140,100	\$158,000	\$172,400	\$186,600
60% of Median	\$172,400	\$193,900	\$210,900	\$228,100
70% of Median	\$204,500	\$229,700	\$249,700	\$269,600
80% of Median	\$236,800	\$265,500	\$288,400	\$311,200
100% of Median	\$301,200	\$337,000	\$365,700	\$394,300

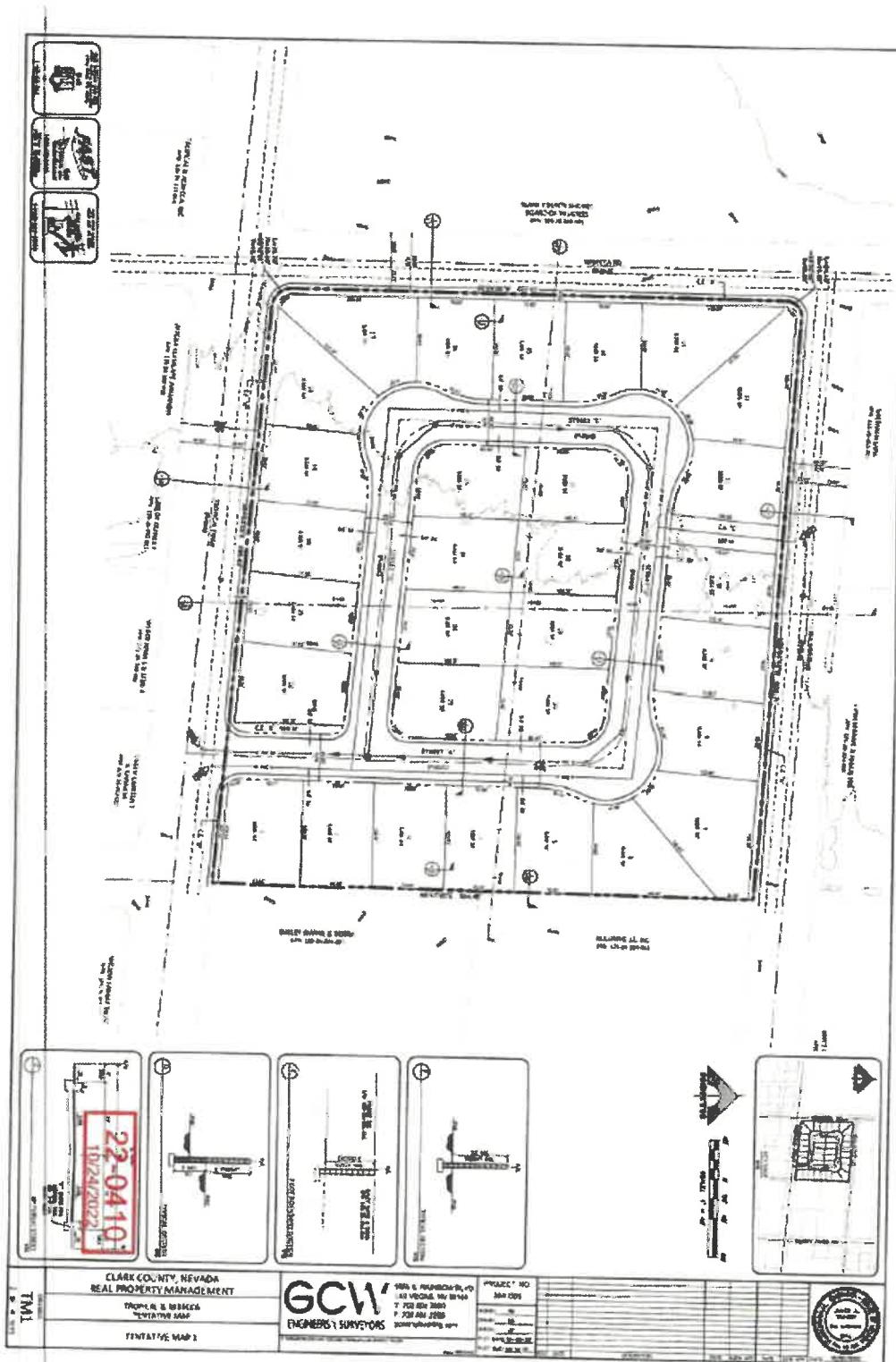
(1) Annual income limits calculated by multiplying the HUD Area Median Income for Las Vegas-Henderson-Paradise NV MSA for 2024 by the appropriate HUD household size adjustment factor (0.9 for a 3-person household, 1.0 for a 4-person household, 1.08 for a 5-person HH and 1.16 for a 6-person HH) multiplied 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 Community Land Trust
Updated annually as HUD incomes change

EXHIBIT J

SCOPE OF DEVELOPMENT

Site Plan



Technical drawing details including:

- North arrow pointing towards the top right.
- Scale bar: 1" = 100'
- Four detail drawings showing specific structural or utility elements, each with a circled number (1, 2, 3, 4).
- Red stamp: 22-0410, 10/24/2022

CLARK COUNTY, NEVADA REAL PROPERTY MANAGEMENT TRINIA L. BISHARA COUNTY CLERK	GCW ENGINEERS & SURVEYORS 200 S. HENRIETTA BLVD. LAS VEGAS, NV 89104 702.894.2800 gcsurveys.com	PROJECT NO. 2024-005
		DATE 10/24/2022
TENTATIVE MAP 1	TMAI 2 - 11	

EXHIBIT K



KAVISON HOMES

Development & Construction Schedule

PROJECT NAME

PROJECT MANAGER

START DATE

Rebecca Estates		
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WBS	TASK NAME	START DATE	FINISH DATE	DURATION in days	PERCENTAGE COMPLETE
Paragon Phase II					
	Grading			42	
	Clear & Grub			3	
	Rough Grade			3	
	Buy Off Bottoms			7	
	Process/ Fill			26	
	Blue Top			2	
	Retaining Wall Cuts			1	
	Sewer			25	
	Trench Main Line Offsite			4	
	Trench Main Line Onsite			4	
	Pour Manholes			4	
	Lay Out Main Line			5	
	Dig/Install Laterals			5	
	Back Fill			3	
	Storm Drain				
	Trench				
	Tie In Existing/Install				
	Sand/ Back Fill				
	Complete Tie in				
	Road Patch				
	Water			25	
	Trench Main Line Offsite			3	
	Trench Main Line Onsite			3	
	Install Main Line			4	
	Dig Laterals			4	
	Install Laterals			2	
	Pour Kickers			2	
	Back Fill			6	
	Chlorine Test			1	
	Block Walls/Perimeter Backbone			55	

	Dig Perimeter Trench/Retainer			12	
	Steel/ Inspections			5	
	Pour First Course			7	
	Build Wall and Grout/Retainer			16	
	Gas			15	
	Tench Main Line			3	
	Layout Main Line			2	
	Dig Laterals			1	
	Layout Tie In Services			2	
	Back Fill			3	
	Crossings			3	
	Pressure Test			1	
	Curb/Gutter/Spandrel			23	
	Cut Sub Grade			4	
	Compact/ Inspect			1	
	Roll Type 2			3	
	Inspection/Stringline			1	
	Pour Curb			1	
	Dig Out Valley Gutters			4	
	Valley Gutter Prep/ Steel			6	
	Pour Valley Gutters			1	
	Power S/L			35	
	Dig Main Line Offsite			4	
	Dig Main Line Onsite			6	
	Bottom Sand/ Inspect			2	
	Dig Laterals			5	
	Bottom Sand Inspection			3	
	Set Boxes			4	
	Set Transformers			1	
	Top Sand/ Back Fill			6	
	Mandrel/Release			1	
	Sidewalk			13	
	Dig Out Main			5	
	Subgrade Prep/ Inspection			1	
	Drop Type 2/ Prep			3	
	Set Boxes			3	
	Pour Sidewalk			1	
	Asphalt			11	
	Subgrade Prep			4	
	Subgrade Inspection			1	
	Roll Type 2 Base			2	
	Inspection			1	
	Asphalt Base			1	
	Collar/Raise			2	
	Landscape			22	
	Energize			46	

EXHIBIT L

INSURANCE REQUIREMENTS AND FORMS

1. INSURANCE

- A. Contractor further agrees, as a precondition to the performance of any work under this contract and as a precondition to any obligation of COUNTY to make any payment under this contract, to provide COUNTY with a work certificate and/or a certificate issued by an insurer qualified to underwrite workers' compensation insurance in the state of Nevada in accordance with Nevada Revised Statutes Chapters §616A through 616D, inclusive, whether or not Contractor has employees.
- B. Contractor agrees to maintain required workers' compensation coverage throughout the entire term of the contract. If Contractor does not maintain coverage throughout the entire term of the contract, Contractor agrees that COUNTY may, at any time the coverage is not maintained by Contractor, order Contractor to stop work, assess liquidated damages as defined herein, suspend the contract, or terminate the contract.
- C. Contractor shall furnish not later than **ten (10) business days** after COUNTY'S written request for insurance, the insurance as indicated below. The certificates for each insurance policy shall be signed by a person authorized by that insurer and licensed by the State of Nevada.
- D. As a condition precedent to receiving payments, Contractor shall have on file with COUNTY current certificates of insurance evidencing the required coverage. Insurance certificates for COUNTY should contain the information shown on the sample certificates attached.

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

F. COUNTY, its officers, employees, agents, and volunteers, NV Energy, **additionally,**

- State of Nevada, Department of Transportation,**
- Las Vegas Valley Water District (LVVWD),**
- Regional Flood Control District (RFCD),**
- U.S. Bureau of Land Management (BLM),**
- Clark County Water Reclamation District (CCWRD),**
- Clark County School District (CCSD),**
- City of Las Vegas (CLV),**
- ENTER OTHER**

must be expressly covered as insured's with respect to liability arising out of the activities by or on behalf of the named insured in connection with this project.

1. Contractor's insurance shall be primary as respects COUNTY, its officers, employees, agents, and volunteers, NV Energy, **additionally,**

- State of Nevada, Department of Transportation,**
- Las Vegas Valley Water District (LVVWD),**
- Regional Flood Control District (RFCD),**
- U.S. Bureau of Land Management (BLM),**
- Clark County Water Reclamation District (CCWRD),**
- Clark County School District (CCSD),**
- City of Las Vegas (CLV),**
- ENTER OTHER**

Any other coverage (insurance or otherwise) available to COUNTY, its officers, employees and volunteers shall be excess over the insurance required of Contractor and shall not contribute with it.

G. Contractor's commercial general liability and automobile liability insurance policy shall be endorsed to recognize specifically Contractor's contractual obligation of additional insured to COUNTY. All policies must note that COUNTY will be given 30-calendar days advance notice by certified mail "return receipt requested" of any policy changes, cancellations, or any erosion of insurance limits. **Separate copies of additional insured endorsements are required and must be attached to any certificate of insurance. Policy number must be referenced on endorsement or the form number must be referenced on certificate.**

H. All deductibles and self-insured retentions shall be fully disclosed in the Certificate of Insurance. No deductible or self-insured retention may exceed \$25,000. **If the deductible is "zero" it must still be referenced on the certificate.**

I. If aggregate limits are imposed on the insurance coverage, then the amount of such limits must not be less than **\$2,000,000** per occurrence or per accident. All aggregates must be fully disclosed, and the amount entered on the required certificate of insurance. Contractor's insurer must notify COUNTY of any erosion of the aggregate limits. The "per occurrence" limits of insurance required herein must be maintained in full, irrespective of any erosion of aggregate.

J. Contractor shall obtain and maintain, for the duration of the Contract or longer period if specified herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Contractor, its agents, representatives, employees or subcontractors of any tier. The cost of such insurance shall be included in Contractor's Bid. Contractor is required to obtain and maintain the following coverage:

1. **Commercial General Liability:** Commercial General Liability, to include Contractors Pollution Liability which includes Asbestos Liability or include an additional Asbestos Liability endorsement in the amount of \$1,000,000, including Asbestos Abatement Liability (proof of subcontractor certificate of insurance must be provided) coverage shall be on "occurrence" basis only and not "claims made." The coverage must be provided on either an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability (including a Broad Form CGL Endorsement) insurance form. Policies must contain a primary and non-contributory clause and must contain a waiver of subrogation endorsement. Any exceptions to coverage must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to COUNTY within **ten (10) business days** after COUNTY'S written request of insurance. Policies must include, but need not be limited to, coverage for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors, **whether the insurance for Asbestos Liability or Asbestos Abatement Liability Coverage is supplied as an endorsement, or under a separate policy of insurance, the coverage must be evidenced on the Certificate of Insurance required in the contract.** Contractor shall maintain limits of no less than **\$1,000,000** combined single limit per occurrence for bodily injury (including death), personal injury and property damages. **A separate copy of the waiver of subrogation endorsement must be provided. A separate copy of the additional insured endorsement is required and must be provided for Commercial General Liability. Policy number must be referenced on endorsement or the form number must be referenced on certificate.**

 2. **Auto Liability:** Auto Liability must provide coverage for claims for damage due to bodily injury or death of any person, or property damage arising out of the ownership, maintenance or use of **any motor vehicles whether owned, hired or non-owned.** Contractor shall maintain limits of no less than **\$1,000,000** combined single limit "per accident" for bodily injury and property damage. **A separate copy of the additional insured endorsement is required and must be provided for Automobile Liability policies. Policy number must be referenced on endorsement or the form number must be referenced on certificate.**

 3. **Builders Risk or Course of Construction (Owned and Non-Owned County Property):** Unless otherwise provided in the Contract Documents, Contractor shall purchase and maintain property insurance (builder's risk or course of construction) upon the work at the site to the full insurable value. This insurance shall include the interests of COUNTY, COUNTY'S designated representative, Contractor, Subcontractors, and Subcontractors of any tier. Coverage shall be written on forms to include Fire, Extended Coverage, and Special Form including theft. Contractor is responsible for the deductible for any claim made against the policy.
- K. If Contractor fails to maintain any of the insurance coverage required herein, then COUNTY will have the option to declare Contractor in breach or may purchase replacement insurance or pay the premiums that are due on existing policies in order that the required coverage may be maintained. Contractor is responsible for any expenses paid by COUNTY to maintain such insurance and COUNTY may collect the same from Contractor or deduct the amount paid from any sums due Contractor under the contract.
- L. The insurance requirements specified herein do not relieve Contractor of its responsibility or limit the amount of their liability to COUNTY or other persons and Contractor is encouraged to purchase such additional insurance, as it deems necessary.
- M. Contractor is responsible for and must remedy all damage or loss to any property, including property of COUNTY, caused in whole or in part by Contractor, any subcontractor or anyone employed, directed or supervised by Contractor. Contractor is responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work.
- N. Contractor shall pay all premiums and costs of insurance.
- O. Regardless of the coverage provided by any insurance policy, Contractor shall indemnify, defend and hold COUNTY, NV Energy, **additionally,**
- State of Nevada, Department of Transportation,**
 - Las Vegas Valley Water District (LVVWD),**
 - Regional Flood Control District (RFCD),**
 - U.S. Bureau of Land Management (BLM),**
 - Clark County Water Reclamation District (CCWRD),**
 - Clark County School District (CCSD),**
 - City of Las Vegas (CLV),**
 - ENTER OTHER**

harmless from any and all claims, demands, actions, attorneys' fees, costs, and expenses based upon or arising out of any acts, errors, omissions, fault or negligence of Contractor or its principals, employees,

subcontractors or other agents while performing services under this Contract. Contractor shall indemnify, defend and hold harmless COUNTY and others specified from any attorney's fees or other costs of defense, even if the allegations of the claim are groundless, false or fraudulent.

- P. NOTWITHSTANDING CONTRACTOR'S REQUIREMENT TO OBTAIN AND MAINTAIN BUILDER'S RISK OR COURSE OF CONSTRUCTION INSURANCE AS **PRIMARY** INSURANCE, COUNTY MAINTAINS BUILDER'S RISK OR COURSE OF CONSTRUCTION INSURANCE AS **SUPPLEMENTAL** INSURANCE FOR THE CONSTRUCTION OF NEW STRUCTURES, ADDITIONS, ALTERATIONS, OR REPAIRS TO COUNTY REAL PROPERTY. COUNTY'S **SUPPLEMENTAL** BUILDER'S RISK OR COURSE OF CONSTRUCTION INSURANCE IS IN EXCESS OVER THE BUILDER'S RISK OR COURSE OF CONSTRUCTION INSURANCE REQUIRED OF CONTRACTOR AND SHALL NOT CONTRIBUTE WITH THE CONTRACTOR'S BUILDER'S RISK OR COURSE OF CONSTRUCTION INSURANCE, WHICH IS **PRIMARY**.

1. **During the term of this Contract, COUNTY shall provide insurance as follows:**

Builder's Risk or Course of Construction Insurance, insuring on an "all risk" basis, subject to policy(s) exclusions, equal to a maximum of \$1,000,000 covering the project and all materials and equipment to be incorporated therein, including property in transit or elsewhere and insuring the interests of COUNTY, Contractors, and their Subcontractors of any tier providing equipment, materials, or services for the project. Coverage is as follows:

PRODUCER COMPANY	Leavitt Insurance Agency 7881 W. Charleston Blvd. #140 Las Vegas, NV 89117	The Travelers Insurance Co., c/o Leavitt Insurance Agency 7881 W. Charleston Blvd. #140 Las Vegas, NV 89117
Telephone Number:	(702) 947-4016	
Fax Number:	(702) 947-4010	
Email:	guy-cottino@leavitt.com	

INSURED:

Clark County, Nevada; Its Contractors and Subcontractors of any tier: Clark County Risk Management, 500 South Grand Central Parkway, 5th Floor, PO Box 551711, Las Vegas Nevada 89155-1711.

DEDUCTIBLES:

Each loss shall be adjusted separately for any one Insured Project and any one Occurrence, and from the amount of each adjusted loss, the amount as stated below shall be deducted:

- a. In respect of losses arising from all other insured perils: \$25,000 per each occurrence.
 - b. In respect of losses arising from the peril of flood: \$150,000 per each occurrence.
 - c. In respect of losses arising from the peril of earthquake, volcanic eruption, landslide or mine subsidence: \$500,000 per each occurrence.
2. **Contractor will be responsible for the deductible amounts, per each occurrence, as shown above, or as adjusted by COUNTY'S Builders Risk policy from year to year.** COUNTY will make every attempt to maintain the deductibles from year to year, but Contractor will be responsible for the deductibles as they are negotiated. COUNTY will give Contractor 30 calendar days' notice of any change in the existing deductibles. Contractor shall have the right, upon notice of an increase in the deductibles as shown, to justify a change order to help compensate Contractor for costs associated with an increase in deductibles as shown.
- a. It is Contractor's responsibility to be familiar with the current coverage described in this section.
 - b. Contractor shall immediately report any incident or claim, no later than 24 hours after occurrence, against any insurance furnished by COUNTY, to COUNTY'S Risk Management representative in writing of details of incident. Contractor shall, at the same time, forward to COUNTY'S Risk Management representative a copy of the executed form(s) to COUNTY and COUNTY'S insurance agent.
 - c. Contractor shall provide any and all documentation relative to loss and damage via delivery receipts, bills of lading, material invoices, acknowledgment forms, etc.
 - d. In the event of a claim, Contractor shall meet with COUNTY to determine the quantities of replacement materials and/or equipment. Contractor shall be responsible for the reordering

of all items upon direction of COUNTY'S authorized representative. COUNTY'S payment for these materials and equipment shall not be made until delivered to be job site. The payment(s) are subject to the deductible amount as identified within this section.

- e. COUNTY reserves the right to have Contractor furnish the actual insurance policies for examination.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy (ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER INSURANCE BROKER'S NAME ADDRESS	CONTACT NAME:	
	PHONE (A/C No. Ext):	BROKER'S PHONE NUMBER FAX (A/C No.) BROKER'S FAX NUMBER
	E-MAIL ADDRESS:	BROKER'S EMAIL ADDRESS
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED CONTRACTOR'S NAME ADDRESS PHONE & FAX NUMBERS	INSURER A:	COMPANY'S BEST KEY RATING
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YY)	POLICY EXP (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR.	X					EACH OCCURRENCE	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ N/A
							MED EXP (Any one person)	\$ N/A
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
							DEDUCTIBLE MAXIMUM	\$ 25,000
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X					COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
							DEDUCTIBLE MAXIMUM	\$ 25,000
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATUTORY LIMITS OTHER	\$
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - E.A. EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
	CONTRACTORS POLLUTION LIABILITY TO INCLUDE ASBESTOS LIABILITY ASBESTOS ABATEMENT LIABILITY							\$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
BID NO. ERROR! REFERENCE SOURCE NOT FOUND.; ERROR! REFERENCE SOURCE NOT FOUND.. CLARK COUNTY, ITS OFFICERS, EMPLOYEES AND VOLUNTEERS, NV ENERGY, ADDITIONALLY, STATE OF NEVADA, DEPARTMENT OF TRANSPORTATION, LAS VEGAS VALLEY WATER DISTRICT (LVVWD), REGIONAL FLOOD CONTROL DISTRICT (RFCDD), U.S. BUREAU OF LAND MANAGEMENT (BLM), CLARK COUNTY WATER RECLAMATION DISTRICT (CCWRD), CLARK COUNTY SCHOOL DISTRICT (CCSD), CITY OF LAS VEGAS (CLV), ENTER OTHER, ARE INSURED WITH RESPECT TO LIABILITY ARISING OUT OF THE ACTIVITIES BY OR ON BEHALF OF THE NAMED INSURED IN CONNECTION WITH THIS PROJECT.

CERTIFICATE HOLDER CLARK COUNTY, NEVADA C/O PURCHASING AND CONTRACTS DIVISION GOVERNMENT CENTER, FOURTH FLOOR 500 S. GRAND CENTRAL PARKWAY P.O. BOX 551217 LAS VEGAS, NV 89155-1217	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	---

POLICY NUMBER: _____

COMMERCIAL GENERAL AND AUTOMOBILE LIABILITY

BID NUMBER AND PROJECT NAME: _____

**THIS ENDORSEMENT CHANGED THE POLICY. PLEASE READ IT CAREFULLY
ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

CLARK COUNTY, NEVADA
C/O PURCHASING & CONTRACTS DIVISION
500 S. GRAND CENTRAL PKWY 4TH FL
PO BOX 551217
LAS VEGAS, NEVADA 89155-1217

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule as an insured but only with respect to liability arising out of your operations or premises owned by or rented to you.

CLARK COUNTY, ITS OFFICERS, EMPLOYEES AND VOLUNTEERS, NV ENERGY, ADDITIONALLY, STATE OF NEVADA, DEPARTMENT OF TRANSPORTATION, LAS VEGAS VALLEY WATER DISTRICT (LVVWD), REGIONAL FLOOD CONTROL DISTRICT (RFCD), U.S. BUREAU OF LAND MANAGEMENT (BLM), CLARK COUNTY WATER RECLAMATION DISTRICT (CCWRD), CLARK COUNTY SCHOOL DISTRICT (CCSD), CITY OF LAS VEGAS (CLV), ENTER OTHER, ARE INSURED WITH RESPECT TO LIABILITY ARISING OUT OF THE ACTIVITIES BY OR ON BEHALF OF THE NAMED INSURED IN CONNECTION WITH THIS PROJECT.

EXHIBIT M

PROMISSORY NOTE
Secured by Deed of Trust

\$ _____ [Insert dollar amount]

Clark County, Nevada

_____, 20__

FOR VALUE RECEIVED, the undersigned _____ (“Borrower”), promises to pay to Clark County (“County”), the principal sum of _____ Dollars (\$ _____), plus those amounts set forth in Section 3 below, plus any amounts due the County as Excess Rental or Excess Sales Proceeds pursuant to the Deed Restriction and Homebuyer Ground Lease, and as defined in Section 2 below.

1. **Purpose of Loan.** Borrower has purchased the house located at _____ (the “Residence”), not including the land upon which the house is situated. This promissory note (hereinafter “County Note” or “Note”) evidences the loan made by the County to Borrower (the “County Loan”) in connection with the purchase of a house as part of the County’s Welcome Home Community Land Trust (CLT) Program to assist in the purchase of homes by low- and moderate-income households. The purchase price of the Residence was set so that the Residence was affordable for purchase by low- and moderate-income households. Because the purchase price was set at an affordable price, the Borrower is required and has agreed to execute a Deed Restriction which restricts the price of the Residence upon resale, refinancing, and junior loans on the Residence and which requires the Borrower to pay any Excess Sales Proceeds upon resale to the County. This Note evidences both (a) the obligation of Borrower to repay the County Loan and other amounts due under this Note, and (b) the obligation of Borrower to pay any Excess Rental Proceeds and Excess Sales Proceeds to the County pursuant to the Deed Restriction and Homebuyer Ground Lease and as outlined in Section 2 below.

2. **Definitions.** The terms set forth in this Section 2 shall have the following meanings in this Note.

- a. “Eligible Purchaser” shall mean an Eligible Purchaser (as defined below in subsection e) of the Residence that has been approved by the County.
- b. “County Loan” shall mean the County’s loan to the Borrower as described in Section 1.
- c. “County Purchase Option” shall mean the County’s options to purchase the Residence pursuant to the Deed Restriction.

- d. “Deed Restriction” shall mean the Deed Restriction between County and Borrower, signed concurrently with this Promissory Note. Borrower will observe and perform all of the covenants and agreements of the Deed Restriction.
- e. “Eligible Purchaser” shall have the meaning set forth in the Deed Restriction and as set forth herein:
- 1) First-Time Homebuyer. The Proposed Purchaser shall certify that he or she qualifies as a “First-Time Homebuyer” as defined by the County at the time of homebuyer qualification.
 - 2) 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.
 - 3) Agree to sign Buyer Disclosure Agreement and Homebuyer Ground Lease and to Cooperate with County. The Proposed Purchaser shall agree to sign a Deed Restriction and Homebuyer Ground Lease restricting future resale of the Residence and shall agree to cooperate fully with the County in promptly providing all information requested by the County to assist the County in monitoring the Proposed Purchaser’s compliance with the Ground Lease and Deed Restriction.
 - 4) Agree to assume this Promissory Note and the County Deed of Trust. The Proposed Purchaser shall agree to sign the documents necessary to assume the County Promissory Note and Deed of Trust at the same terms.
 - 5) 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. “Excess Rental Proceeds” shall have the meaning set forth in Section 4 of the Deed Restriction and shall mean any excess rents paid to the Borrower by the lessee over the Affordable Rent.
- g. “Excess Sales Proceeds” shall have the meaning set forth in Section 15 of the Deed Restriction and shall mean one hundred percent (100%) of the amount by which the gross sales proceeds received by the Borrower from the new purchaser exceeds the Maximum Restricted Resale Price for the Residence (in the amount that was stated in the County Response Notice).
- h. “Fair Market Value” shall be determined by a real estate appraisal as set forth in Section 13.2 of the Deed Restriction.

- i. “First Lender Loan” shall mean the promissory note and deed of trust evidencing and securing a First Lender Loan for the Residence.
- j. “Maximum Restricted Resale Price” shall have the same meaning as “Maximum Restricted Resale Price” set forth in Section 13 of the Deed Restriction.
- k. “Residence” shall mean the dwelling and improvements which secures the deed of trust executed in connection with this Note.

“Transfer” shall mean 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 (except as permitted in Section 4 of the Deed Restriction), an interest evidenced by a contract by which possession of the Residence is transferred and Borrower retains title, or a mortgage or a deed of trust (other than a refinancing of the First Lender Loan or a Junior Loan permitted pursuant to Section 7.5 of the Deed Restriction). Any Transfer without satisfaction of the provisions of the Deed Restriction is prohibited and shall constitute a default under this Note. A Transfer shall not include a transfer: (i) to an existing spouse or domestic partner who is also an obligor under the Note; (ii) by Borrower to a spouse or domestic partner where the spouse or domestic partner becomes the co-owner of the Residence; (iii) between spouses as part of a marriage dissolution proceeding; (iv) to an existing spouse or domestic partner of Borrower by devise or inheritance following the death of Borrower; (v) by Borrower into an inter vivos revocable trust in which Borrower is the beneficiary; or (vi) by mortgage or deed of trust in connection with a refinance of the First Lender Loan or for a Junior Loan meeting the requirements of Section 7.5 of the Deed Restriction; provided, however, that Borrower shall provide written notice of all such transfers to County; and Borrower shall continue to occupy the Residence as his or her principal place of residence (except where the transfer occurs pursuant to subsections (iii) or (iv) above, in which event the transferee shall owner-occupy the Residence and affirmatively assume Borrower’s obligations under this Note, the Deed Restriction and the Deed of Trust). For the purposes of this section, an individual shall be considered to be a “domestic partner” of Borrower as that term is defined pursuant to Nevada Revised Statute Chapter 122A.

3. Interest. Simple interest on this Note shall be at the rate of zero percent (0%) per year. Interest shall accrue from the date of this Note and shall accrue on unpaid principal until paid when due in accordance with Section 5.b.

4. Term. The term of this Note commences on the date of this Note and expires ninety-nine (99) years from the date of this Note.

5. Repayment.

- a. Deferral. Repayment of the principal amount and any accrued interest of this Note shall be deferred for the Term of the Note, except as provided in subsection (c) below.
- b. Assumption. The County Promissory Note will be assumed by an Eligible

Purchaser, and no repayment will be required of Borrower if Borrower is not in default of this Note, upon sale of the Residence to an Eligible Purchaser in accordance with all of the requirements of the Deed Restriction, Homebuyer Ground Lease and County Loan.

- c. Repayment in Full. The total amount of the principal and any accrued interest owed under this Note (together with any Excess Rental and Excess Sales Proceeds due to the County pursuant to the Deed Restriction or any other fees) shall immediately become due and payable (i) in the event of a default by the Borrower under this Note, the Deed Restriction, the Homebuyer Ground Lease, the Deed of Trust, or the First Lender Loan, (ii) on the date Transfer is made whether voluntarily, involuntarily, or by operation of law, foreclosure, deed in lieu of foreclosure, and whether by deed, contract of sale, gift, devise, bequest or otherwise, if the Note is not assumed by an Eligible Purchaser as provided in Section 8 of this Note, (iii) in the event Borrower ceases to occupy the Residence as his or her principal place of residence, except as may be permitted by advance County written approval as provided in Section 4 of the Deed Restriction and Homebuyer Ground Lease; or (iv) at the end of the Term of this Note as described above in Section 4. Failure of the County to declare such amounts due shall not constitute a waiver on the part of the County to declare them due in the event of a subsequent Transfer.

6. Prepayments. Borrower may prepay all or part of the balance due under this Note without penalty. Notwithstanding any prepayment of amounts due under this Note, the Deed Restriction shall continue in full force and effect for the period of time set forth in the Deed Restriction.

7. Security. This Note is secured by a deed of trust dated the same date as this Note (the "Deed of Trust") and which will be recorded in the Official Records of Clark County. Borrower and County have also executed the Deed Restriction, the Homebuyer Ground Lease, and the Buyer Disclosure Statement.

8. Assumption of Note by Eligible Purchaser. Borrower acknowledges that this Note is given in connection with the purchase of the Residence as part of a program of the County to assist in the purchase of homes by low- and moderate-income households. Consequently, this Note is assumable only by Eligible Purchasers of the Residence. The Note is due in full upon all other Transfers.

9. Refinance of First Lender Loan. The outstanding principal and interest on this Note shall not be due upon the refinance of the First Lender Loan, and the Deed of Trust securing this Note shall be subordinated, provided that such refinancing meets the requirements of Section 7.5 of the Deed Restriction.

10. Default. The Borrower shall be in default under this Note if he or she is in default under any mortgage loan on the Residence (including the First Lender Loan) following the expiration of applicable cure periods, or if, after the notice and cure period provided by the County to the Borrower pursuant to the notice and cure provisions of the Deed of Trust, the Borrower (i) fails to pay any money when due under this Note; (ii) is found to have made a false statement in applying for the County Loan, the First Loan, or for eligibility and participation in the

Homebuyer Ground Lease and Deed Restriction; (iii) breaches any representation or covenant made in this Note, the Deed Restriction, or the Homebuyer Ground Lease in any material respect; or (iv) breaches any provision of the Deed of Trust.

11. Acceleration. Upon the occurrence of a default under this Note, the Deed Restriction, the Homebuyer Ground Lease, the Deed of Trust, or the First Lender Loan, the County shall have the right to declare the full amount of the principal along with any accrued interest under this Note immediately due and payable plus any other fees. Any failure by the County to pursue its legal and equitable remedies upon default shall not constitute a waiver of the County's right to declare a default and exercise all of its rights under this Note, the Deed Restriction, the Homebuyer Ground Lease and the Deed of Trust. Nor shall acceptance by the County of any payment provided for herein constitute a waiver of the County's right to require prompt payment of any remaining principal and interest owed.

12. Nonliability for Negligence, Loss, or Damage. Borrower acknowledges, understands and agrees that the relationship between Borrower and County is solely that of borrower and lender, and that County neither undertakes nor assumes any responsibility for or duty to Borrower to select, review, inspect, supervise, pass judgment on, or inform Borrower of the quality, adequacy or suitability of the Residence or any other matter. County owes no duty of care to protect Borrower against negligent, faulty, inadequate or defective building or construction or any condition of the Residence and Borrower agrees that neither Borrower, or Borrower'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.

13. Indemnity. Borrower agrees to defend, indemnify, and hold County harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees that County may incur as a direct or indirect consequence of:

- a. the making of the loan to Borrower;
- b. Borrower's failure to perform any obligations as and when required by this Note, the Deed of Trust, the Deed Restriction and the Homebuyer Ground Lease; or
- c. the failure at any time of any of Borrower's representations or warranties to be true and correct.

14. Interest Rates. Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the County may legally charge under the laws of the State of Nevada, then the amount by which payments exceed the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

15. No Waiver by County. Failure by County to pursue its legal and equitable remedies upon Borrower's default shall not constitute a waiver of County's right to declare a default and exercise all of its rights under this Note, the Deed of Trust and the Deed Restriction. Failure to declare amounts due shall not constitute a waiver on the part of County of the right to declare them due in the event of any subsequent Transfer. Nor shall acceptance by County of any payment provided for herein constitute a waiver of County's right to require prompt payment of any remaining principal owed. A waiver of any term of the Note must be made in writing and shall be limited to the express written terms of such waiver.

16. Attorney's Fees and Costs. Borrower agrees, that if any amounts due under this Note are not paid when due, to pay, in addition to principal and accrued interest, all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

17. Joint and Several Obligations. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

18. No Offset. Borrower hereby waives any rights of offset it now has or may hereafter have against County, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.

19. Waiver. Borrower and any endorsers or guarantors of this Note, for themselves, their heirs, legal representatives, successors and assigns, respectively, jointly or severally, waive diligence, presentment, protest, and demand, and notice of protest, notice of dishonor and notice of non-payment of this Note, and expressly waive any rights to be released by reason of any extension of time or change in terms of payment, or change, alteration or release of any security given for the payments hereof, and expressly waive the right to plead any and all statutes of limitations as a defense to any demand on this Note or agreement to pay the same, and jointly and severally agree to pay all costs of collection when incurred, including reasonable attorneys' fees.

20. Notices. All notices required in this Note shall be sent by certified mail, return receipt requested, or express delivery service with a delivery receipt, or personally delivered with a delivery receipt obtained, and shall be deemed to be effective as of the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the notice was returned as undeliverable, as follows:

To the Borrower:

At the address of the Residence.

To the County:

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

The County may subsequently change address by providing written notice of the change in address to the Borrower in accordance with this section.

21. Controlling Law. This Note shall be construed in accordance with and be governed by the laws of the State of Nevada.

22. Assignment by County. The County may assign its right to receive the proceeds under this Note to any person and upon notice to the Borrower by the County all payments shall be made to the assignee (“Assignee”). The County may transfer or assign this Note to a government agency or non-profit entity without obtaining approval of the First Lender.

23. Severability. Should any provision of this Note be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

24. Entire Agreement. This Note (along with the Deed Restriction, County Loan, and Deed of Trust) set forth the entire understanding and agreement of the County and the Borrower and any amendment, alteration or interpretation of this Note must be in writing signed by both the County and the Borrower.

BORROWER:

EXHIBIT N

**DEED OF TRUST
AND SECURITY AGREEMENT**

THIS DEED OF TRUST AND SECURITY AGREEMENT (“Deed of Trust”) made this _____ day of _____, 20___, among the trustor, _____ (“Borrower”), whose address is _____, _____ (“Trustee”), and Clark County (“County”) as Beneficiary.

The Borrower, in consideration of the promises herein recited and the trust herein created, irrevocably grants, transfers, conveys and assigns to Trustee, in trust, with power of sale, the house and improvements located in Clark County, Nevada, described in the attached Exhibit A and more commonly known as: _____ [insert address] (the “Residence”). The Residence is located on land owned by Clark County and is subject to the Deed Restriction executed on _____, 20__ and the Homebuyer Ground Lease executed on _____, 20__ (the “Property”).

TOGETHER with all the improvements now or hereafter erected as part of the Residence, and all property rights, including, without limitations, all easements, appurtenances, and all fixtures now or hereafter attached to the Residence, if any, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Residence covered by this Deed of Trust; and

TOGETHER with all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefore, whether or not the same are, or shall be attached to said building or buildings in any manner; and all of the foregoing, together with the Property, is herein referred to as the “Security.”

To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever;

TO SECURE to the County the performance of the covenants and agreements of Borrower, including the County’s Option to Purchase, contained in that certain Deed Restriction executed by and between the Borrower and the County of even date herewith (the “Deed Restriction”) and to secure the payment of Excess Sales Proceeds (as defined in the Deed Restriction) and Excess Rental Proceeds (as defined in the Deed Restriction) that may become due by Borrower to County;

TO SECURE to the County the repayment of the sums evidenced by that certain promissory note executed by Borrower in favor of the County as of the date of this Deed of Trust (the “Note”) signed by each Borrower who is legally obligated for the debt under that Note, that

is in either (i) paper form, using Borrower's written pen and ink signature, or (ii) electronic form, using Borrower's adopted Electronic Signature in accordance with the UETA or E-SIGN, as applicable. The Note evidences the legal obligation of each Borrower who signed the Note to pay County _____ Dollars (U.S. \$ _____); and

TO SECURE the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained.

BORROWER AND COUNTY COVENANT AND AGREE AS FOLLOWS:

1. Borrower's Estate. That Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Security, that other than this Deed of Trust, the Security is encumbered only by: (a) the Deed Restriction; (b) that deed of trust executed by Borrower in connection with a loan made to Borrower by _____ (the "First Lender"), dated _____ and recorded in the official records of the County of Clark ("Official Records") on _____ as Instrument No. _____ (the "First Lender Deed of Trust"), securing a promissory note executed by Borrower in favor of the First Lender ("First Lender Note"), to assist in the purchase of the Property; and (c) the Homebuyer Ground Lease. Borrower agrees to warrant and defend generally the title to the Security against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring the County's interest in the Security. (As used in this Deed of Trust, the term "First Lender" shall include all successors and assigns of the First Lender.)

2. Repayment of Sums Owed on the Note and under the Deed Restriction and Homebuyer Ground Lease Including Payment of Excess Sales Proceeds and Excess Rental Proceeds. Only as set forth below, Borrower will pay to the County all sums due under the Note, the Deed Restriction, and the Homebuyer Ground Lease including all principal and interest on the County Loan (as defined in the Note) and the Excess Sales Proceeds and Excess Rental Proceeds due under the Deed Restriction.

The Note contains the following provisions concerning repayment:

Assumption of Note by Approved Eligible Purchasers. Borrower acknowledges that the Note, secured by this Deed of Trust, is given in connection with the purchase of the Property as part of a program of the County to assist in the purchase of homes by low- and moderate-income households. Consequently, the Note is assumable only by Eligible Purchasers of the Property (as defined in the Deed Restriction). The Note is due in full upon all other Transfers, as outlined in the Deed Restriction.

3. Deed Restriction. Borrower will observe and perform all of the covenants and agreements of the Deed Restriction.

4. Homebuyer Ground Lease. Borrower will observe and perform all of the covenants and agreements of the Homebuyer Ground Lease.

5. First Lender Loan. Borrower will observe and perform all of the covenants and agreements of the First Lender Note, the First Lender Deed of Trust, and any other First Lender Loan documents.

6. Charges; Liens. Borrower will pay all taxes, assessments and other charges, fines and impositions attributable to the Security which may attain a priority over this Deed of Trust, by Borrower making any payment, when due, directly to the payee thereof. Upon request by the County, Borrower will promptly furnish to the County all notices of amounts due under this Section 6. In the event Borrower makes payment directly, Borrower will promptly discharge any lien which has priority over this Deed of Trust; provided, that Borrower will not be required to discharge the lien of the Deed of Trust securing the First Lender Note (the "First Lender Deed of Trust") or any other lien described in this Section 6 so long as Borrower will agree in writing to the payment of the obligation secured by such lien in a manner acceptable to the County, or will, in good faith, contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Security or any part thereof.

7. Property Insurance. At all times borrower will keep the Security insured by a standard all risk property insurance policy equal to the replacement value of the Security (adjusted every five (5) years to reflect current replacement value; an appraisal may be required by the County). If the Security is located in a flood plain, Borrower shall also obtain flood insurance. Borrower must keep the improvements now existing or subsequently erected on the Security insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes, winds, and floods, for which First Lender requires insurance. Borrower 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. Borrower may choose the insurance carrier providing the insurance, subject to First Lender's right to disapprove Borrower'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 Borrower subject to approval by the County, and if needed by the First Mortgage 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 Borrower 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, Borrower 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 Borrower. The County shall receive thirty (30) days advance notice of cancellation of any insurance policies required under this section. If Borrower fails to maintain required insurance the County will maintain that insurance on behalf of the Borrower, and any amount so expended by the County shall be promptly paid by Borrower and may be collected from sales proceeds upon sale of the home.

Unless the County and Borrower otherwise agree in writing, insurance proceeds, subject to the rights of the First Lender, will be applied to restoration or repair of the Security damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds will be used to repay any amounts due under the Note, the Deed Restriction, and the Homebuyer Ground Lease, with the excess, if any, paid to Borrower, subject to the rights of the First Lender. If the Security is abandoned by Borrower, or if Borrower fails to respond to the County, or its designated agent, within thirty (30) days from the date notice is mailed by either of them to Borrower that the insurance carrier offers to settle a claim for insurance benefits, the County, or its designated agent, is authorized to collect and apply the insurance proceeds at the County's option either to restoration or repair of the Security or to pay amounts due under the Deed Restriction, the Homebuyer Ground Lease and the Note.

If the Security is acquired by the County, all right, title and interest of Borrower in and to any insurance policy and in and to the proceeds thereof resulting from damage to the Security prior to the sale or acquisition will pass to the County to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition, subject to the rights of the First Lender.

8. Preservation and Maintenance of Security. Borrower will keep the Security in good repair and in a neat, clean, and orderly condition and will not commit waste or permit impairment or deterioration of the Security. If there arises a condition in contravention of this Section 8, and if the Borrower has not cured such condition within thirty (30) days after receiving a County written dated notice of such a condition, then in addition to any other rights available to the County, the County shall have the right (but not the obligation) to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Security to recover its cost of curing.

9. Protection of the County's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, the Deed Restriction or the Homebuyer Ground Lease, or if any action or proceeding is commenced which materially affects the County's interest in the Security, including, but not limited to, default under the First Lender Deed of Trust, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankruptcy or decedent, then the County, at the County's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as it determines necessary to protect the County's interest, including but not limited to, disbursement of reasonable attorney's fees and entry upon the Security to make repairs.

Any amounts disbursed by the County pursuant to this Section 9, with interest thereon, will become an indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and County

agree to other terms of payment, such amount will be payable upon notice from the County to Borrower requesting payment thereof, and will bear interest from the date of disbursement at the lesser of (i) ten percent (10%); or (ii) the highest rate permissible under applicable law. Nothing contained in this Section 9 will require the County to incur any expense or take any action hereunder.

10. Inspection. The County may make or cause to be made reasonable entries upon and inspections of the Security; provided that the County will give Borrower reasonable notice of inspection.

11. Forbearance by the County Not a Waiver. Any forbearance by the County in exercising any right or remedy will not be a waiver of the exercise of any such right or remedy, nor shall acceptance by the County of any payment provided for in the Note constitute a waiver of the County's right to require prompt payment of any remaining principal and interest owed. The procurement of insurance or the payment of taxes or other liens or charges by the County will not be a waiver of the County's right to require payment of any amounts secured by this Deed of Trust.

12. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or any other document, or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower 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. Prior to approving assumption of the County Loan by a new Eligible Purchaser, 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.

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

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.

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

Borrower shall promptly give County written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory County or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower 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, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

14. Successors and Assigns Bound. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of the County and Borrower subject to the provisions of this Deed of Trust.

15. Joint and Several Liability. All covenants and agreements of Borrower shall be joint and several.

16. Notice. Except for any notice required under applicable law to be given in another manner, notice given under this Agreement shall be sent by certified mail, return receipt requested, or express delivery service with a delivery receipt, or personally delivered with a delivery receipt obtained, as follows:

(a) to Borrower at the address shown in the first paragraph of this Deed of Trust, and

(b) to the County at:

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

The County may subsequently change address by providing written notice of this change in address to the Borrower in accordance with this section. Notice shall be effective as of the date received, the date delivery was refused, or the date the notice was returned as undeliverable.

17. Governing Law. This Deed of Trust shall be governed by the laws of the State of Nevada.

18. Severability. In the event that any provision or clause of this Deed of Trust, the Deed Restriction, or the Homebuyer Ground Lease conflicts with applicable law, such conflict will not affect other provisions of this Deed of Trust, the Deed Restriction, or the Homebuyer Ground Lease which can be given effect without the conflicting provision, and to this end the provisions

of the Deed of Trust, the Deed Restriction and the Homebuyer Ground Lease are declared to be severable.

19. Captions. The captions and headings in this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

20. Nondiscrimination. The Borrower 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 Property, nor shall the Borrower or any person claiming under or through the Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Property. The foregoing covenant shall run with the land.

21. Nonliability for Negligence, Loss, or Damage. Borrower acknowledges, understands and agrees that the relationship between Borrower and the County is solely that of a Borrower and the administrators of the Clark County Community Land Trust, and that the County does not undertake or assume any responsibility for or duty to Borrower to select, review, inspect, supervise, pass judgment on, or inform Borrower of the quality, adequacy or suitability of the Security or any other matter. The County owes no duty of care to protect Borrower against negligent, faulty, inadequate or defective building or construction or any condition of the Security and Borrower agrees that neither Borrower, or Borrower's heirs, successors or assigns shall ever claim, have or assert any right or action against the County for any loss, damage or other matter arising out of or resulting from any condition of the Security and will hold County harmless from any liability, loss or damage for these things.

22. Indemnity. Borrower agrees to defend, indemnify, and hold the County harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorney's fees that the County may incur as a direct or indirect consequence of:

- (a) Borrower's failure to perform any obligations as to, and when required by, the Note, Deed Restriction, the Homebuyer Ground Lease and this Deed of Trust; or
- (b) the failure at any time of any of Borrower's representations or warranties to be true and correct.

23. Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in the Note, Deed Restriction, the Homebuyer Ground Lease or this Deed of Trust, including, but not limited to, the covenants to pay, when due, any sums secured by this Deed of Trust, the County, prior to acceleration, will send notice to Borrower, by one of the methods indicated in Section 16 unless otherwise required by law, specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is received by Borrower as shown on the return receipt, by which such breach is to be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Security. The notice will also inform Borrower of Borrower's right to reinstate after acceleration and the right to bring a

court action to assert the nonexistence of default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, the County, at the County's option, may: (a) declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by Nevada law; (b) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any breach hereunder or invalidate any act done in response to such breach and, notwithstanding the continuance in possession of the Security, the County shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any uncured breach, including the right to exercise the power of sale; (c) commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; (d) deliver to Trustee a written declaration of default and demand for sale, pursuant to the provisions for notice of sale found in Nevada Revised Statute ("NRS") and all other applicable laws; or (e) exercise all other rights and remedies provided herein, in the instruments by which the Borrower acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

The County shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Section 23, including, but not limited to, reasonable attorney's fees.

24. Borrower's Right to Reinstate. Notwithstanding the County's acceleration of the sums secured by this Deed of Trust, Borrower will have the right to have any proceedings begun by the County to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Security pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays County all sums which would be then due under this Deed of Trust and no acceleration under this Deed of Trust, the Note, the Deed Restriction, or the Homebuyer Ground Lease has occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in the Note, Deed Restriction, Homebuyer Ground Lease, or this Deed of Trust; (c) Borrower pays all reasonable expenses incurred by County and Trustee in enforcing the covenants and agreements of Borrower contained in the Note, Deed Restriction, Homebuyer Ground Lease, or this Deed of Trust, and in enforcing the County's and Trustee's remedies, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as County may reasonably require to assure that the lien of this Deed of Trust, County's interest in the Security and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

25. Due on Transfer of the Property. Upon a Transfer (as defined in the Deed Restriction) of the Property or any interest in it except a Transfer to an Eligible Purchaser, the County shall require immediate payment in full of all sums secured by this Deed of Trust.

26. Reconveyance. Upon payment of all sums secured by this Deed of Trust, or upon the expiration of the Term of the Note (as defined in the Note) if the Borrower owns and occupies the Property and is not in violation of any provisions of the Note, this Deed of Trust, the Deed Restriction, or the Homebuyer Ground Lease the County will request Trustee to reconvey the Security and will surrender this Deed of Trust. Trustee will reconvey the Security without warranty and without charge to the person or persons legally entitled thereto. Such person or persons will pay all costs of recordation, if any. The Deed Restriction and the Homebuyer Ground Lease will continue to remain in full force even upon payment in full of the sums secured by this Deed of Trust.

27. Substitute Trustee. The County, at the County's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. The successor trustee will succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

28. Superiority of First Lender Documents. Notwithstanding any provision herein, this Deed of Trust shall not diminish or affect the rights of the First Lender under the First Lender Deed of Trust or any subsequent first lender deeds of trust hereafter recorded against the Security in compliance with the requirements of Section 7 of the Deed Restriction and Section 7 of the Homebuyer Ground Lease.

Notwithstanding any other provision hereof, the provisions of this Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust and shall not impair the rights of the First Lender, or such lender's assignee or successor in interest, to exercise its remedies under the First Lender Deed of Trust in the event of default under the First Lender Deed of Trust by the Borrower. Such remedies under the First Lender Deed of Trust include the right of foreclosure or acceptance of a deed or assignment in lieu of foreclosure. After such foreclosure or acceptance of a deed in lieu of foreclosure, this Deed of Trust shall be forever terminated and shall have no further effect as to the Security or any transferee thereafter; provided, however, if the holder of such First Lender Deed of Trust acquired title to the Security pursuant to a deed or assignment in lieu of foreclosure, this Deed of Trust shall automatically terminate upon such acquisition of title, provided that (i) the County has been given written notice of default under such First Lender Deed of Trust with a sixty working (60)-day cure period and (ii) the County shall not have cured or commenced to cure the default within such sixty working (60)-day period or commenced to cure and given its firm commitment to complete the cure in form and substance acceptable to the First Lender.

29. Request for Notice. Borrower requests that copies of the notice of default and notice of sale be sent to Borrower at the address set forth in Section 16 above.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust as of the date first written above.

BORROWER:

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.

COUNTY:

By: _____

Title: _____
(Type Name and Title)

STATE OF NEVADA)
) ss.
CLARK COUNTY)

On _____, 20__, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in

his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

EXHIBIT A

Property Description

EXHIBIT O

COMPLETION GUARANTY

This COMPLETION GUARANTY (“Guaranty”) is given as of the ___ day of ___, 2024, by Kavison Homes, LLC , a Nevada limited liability company (“Guarantor”), to and for the benefit of Clark County, Nevada, a public body corporate and governmental instrumentality of the State of Nevada, whose address is 500 South Grand Central Parkway, 6th floor, (the “County”).

RECITALS

A. The Guarantor has agreed to execute and deliver this Guaranty to the County in connection with the Community Land Trust Developer Agreement (the “DA”) by and between the County and the Guarantor, which provides for development of a 30 unit affordable for-sale housing development known as assessor’s parcel number 125-26-204-003, located at the northeast corner of Rebecca Road and West Tropical Parkway, in the City of Las Vegas, Nevada which was designed and constructed and will be sold by Guarantor in partnership with the County as a part of the County’s Welcome Home Community Land Trust (the “Project”).

B. The units in the Project will be restricted to households with income at or below 100% of Area Median Income, adjusted for family size, as determined by the United States Department of Housing and Urban Development (“HUD”). These restrictions shall remain in effect for ninety-nine (99) years from the date of completion of the Project and shall be recorded in the official land records of the Clark County Recorder’s Office.

C. The County has relied on the obligations of the Guarantor to be performed under this Guaranty and the Guarantor have determined that executing and delivering this Guaranty is in the Guarantor’s interest and to the financial benefit of the Guarantor.

D. The Guarantor acknowledges that the County is the intended beneficiary of this Guaranty.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby irrevocably and unconditionally promises, covenants, guarantees, and agrees as follows:

1. TERMS AND CONDITIONS

- a. The Guarantor does hereby unconditionally and irrevocably guarantee the due and punctual performance of all obligations for the timely completion of the construction of the Project in accordance with the plans and specifications, and the DA, in a good and workmanlike manner, free of construction or similar liens, and that the Project achieves Certificate of Completion as such term is defined in the DA within the time periods described therein (“Guaranteed Obligations”). This Guaranty is a continuing guaranty of performance throughout the term stated in Section 1(d). Each Guarantor unconditionally agrees that if

for any reason it fails to perform the Guaranteed Obligations, then upon written demand by the County, the Guarantor will take corrective actions to perform such obligations and further guarantees the satisfaction of any financial and other obligations necessary.

- b. If Guarantor does not assume and perform such responsibilities and obligations as described herein, the County may then elect, without further notice to Guarantor, to take any actions it reasonably believes necessary to complete the construction of the Project in accordance with the plans and specifications, but with the further right to suspend or terminate such actions at any time. No such actions by the County will release or limit the liability of Guarantor hereunder. In such event Guarantor shall repay the County any amounts reasonably expended by the County in undertaking any actions it reasonably believes necessary to perform the Guaranteed Obligations, together with interest on all amounts expended at the rate of nine percent (9%) per annum from the date of expenditure, and all reasonable expenses actually incurred in enforcing this Guaranty, including but not limited to attorneys' fees and any expenses incurred in connection with any trial, appeal, arbitration, or bankruptcy proceedings. Such obligation of reimbursement is in addition to Guarantor's obligations under other provisions of this Guaranty ("Repayment Obligation").
- c. This Guaranty is intended to be an ongoing guaranty of performance, ensuring that the Project will be developed, built, and operated in compliance with all applicable federal, state, and local laws or ordinances or regulations. Failure to complete construction or stabilization of the Project as above said, or the failure or inability to correct instances of noncompliance will result in a requirement that the Guarantor satisfy any repayment obligation to the County. Such obligation of reimbursement is in addition to Guarantor's obligations under other provisions of this Guaranty and shall also be a Repayment Obligation.
- d. This Guaranty shall expire upon i) the County's final inspection and approval of the Project's construction, and ii) Completion Date.

2. PROVISIONS OF GUARANTY

- a. If the Guarantor fails to perform any of its obligations under this Guaranty, the Guarantor shall be responsible for any and all damages resulting to the County from such breach.
- b. This is a joint and several guarantee of performance and not of collection. The Guarantor waives any right to require that any action be brought against any other person (including a Guarantor) liable for performance or payment of any obligations or that resort first be made to any other security.
- c. Prior to filing an action against the Guarantor, the County shall give the Guarantor a reasonable period of notice in writing with an opportunity to cure any failure to perform as required, which shall be at least 30 days except in case of emergency. If the Guarantor fails to pay any amount owing under this Guaranty, the County shall have

all of the rights and remedies provided by law or under any other agreement relating to the ODA. These rights and remedies shall be cumulative and not exclusive.

3. NATURE OF GUARANTY

The Guarantor's liability for performance of the Guaranteed Obligations and payment of the Repayment Obligation guaranteed hereunder shall be a primary obligation and shall be absolute and unconditional. The Guarantor agrees that none of the following acts, omissions, or occurrences shall diminish or impair the liability of the Guarantor in any respect (all of which acts, omissions, or occurrences may be done or occur without notice to any Guarantor):

- a. Any extension, modification, indulgence, compromise, settlement or variation of any of the terms of the Guaranteed Obligations or Repayment Obligation;
- b. The discharge or release of any obligations of any Guarantor or any other person now or hereafter liable on the Guaranteed Obligations or Repayment Obligation, by reason of bankruptcy or insolvency laws or otherwise;
- c. The acceptance or release by the County of any collateral, security, or other guaranty or any settlement, compromise, or extension with respect to any collateral, security, or other guaranty;
- d. The application or allocation by the County of payments, collections, or credits on the Repayment Obligation;
- e. The creation of any new indebtedness by Guarantor;
- f. The making of a demand, or absence of demand, for payment of the amounts owing under the Guaranty, or giving, or failing to give, any notice of dishonor, protest, presentment, or non-- payment or any other notice;
- g. Any failure, omission, or delay on the part of the Guarantor or any other person now or hereafter liable on the Guaranteed Obligations or Repayment Obligation, or anyone claiming by or through any of them, to comply with any instrument or agreement relating to any of the Guaranteed Obligations or Repayment Obligation;
- h. To the extent permitted by law, any release or discharge by operation of law of the Guarantor from the performance or observance of any obligation, covenant, or agreement contained in this Guaranty;
- i. Any merger or consolidation of the Guarantor, or any other person now or hereafter liable on the Guaranteed Obligations or Repayment Obligation, into or with any other corporation or other entity or any sale, lease, or transfer of any of the assets of the Guarantor to any other person or entity; or

- j. Any other occurrence or circumstance (other than payment hereunder) which might otherwise constitute a legal or equitable defense or discharge of the liabilities of a Guarantor or surety or which might otherwise limit recourse against the Guarantor.

The obligations of the Guarantor set forth in this Guaranty constitute full recourse obligations of the Guarantor, enforceable against the Guarantor to the full extent of the Guarantor's assets and properties. The Guarantor's liability under this Guaranty is independent of the Guarantor's liability under any other guaranty previously or subsequently executed by the Guarantor as to all or any part of the Guaranteed Obligations or the Repayment Obligation and may be enforced for the full amount of this Guaranty regardless of the Guarantor's liability under any other guaranty.

4. SUFFICIENT CONSIDERATION

The Guarantor acknowledges that the Guarantor has received good, valuable, and sufficient consideration for the making of this Guaranty and expressly agree that recourse may be had against the Guarantor's properties and assets for all obligations hereunder.

5. EVIDENCE OF FINANCIAL CAPACITY

The Guarantor acknowledges that, they have presented to the County their financial statements in connection with the County's execution of the DA, and that, such statements accurately and correctly present the financial condition of the Guarantor as of the date thereof and that no material events have occurred which make the statements inaccurate or which jeopardize the ability of the Guarantor to provide the financial support anticipated hereunder. The Guarantor shall have an ongoing obligation until the completion and sale of all units in the Project to provide updated financial information to the County throughout the term of this Guaranty. At the request of the County, each Guarantor shall provide to the County compiled or audited financial statements within 120 days of the close of its fiscal year. All such financial statements shall be prepared in accordance with generally accepted accounting principles.

6. WAIVER OF RIGHTS

The Guarantor agrees to waive:

- a. Notice of acceptance of this Guaranty;
- b. Any and all other notices to which the Guarantor might otherwise be entitled except as this document requires;
- c. Any and all defenses arising by reason of any disability of the Guarantor or any defense of any other person;
- d. Any and all rights to extension, composition, or election with respect to any collateral under any provision of the Federal Bankruptcy Code, as now existing or hereafter amended from time to time, or any other debtor's or guarantor's remedy thereunder or under any other

federal or state law affecting creditors' rights;

- e. Diligence in any attempt to enforce the obligations guaranteed under this Guaranty, to realize upon any other security, or to collect from anyone any amount, the payment of which is guaranteed under this Guaranty, and any right to require that any action be brought against any other person or to require that resort first be had to any such security;
- f. Protection of any such security for the payment of the obligations guaranteed under this Guaranty;
- g. The observance of any and all formalities that might otherwise be required to charge any Guarantor with liability under this Guaranty;
- h. Any right of subrogation to the rights of the County against Guarantor; and
- i. Any notice or demand, any action that the County takes regarding Guarantor, anyone else, any collateral, or any Guaranteed Obligations or Repayment Obligation, which the Guarantor might be entitled to by law or under any other agreement.

The County may waive or delay enforcing any of its rights without losing those rights.

7. REPRESENTATIONS AND WARRANTIES

The Guarantor represents and warrants to the County as follows:

- a. The execution and delivery of this Guaranty, and the performance of the obligations imposed under this Guaranty, do not violate any law and do not conflict with any agreement by which the Guarantor is bound, and no consent or approval of any governmental authority or any third party is required in connection with the execution or delivery of this Guaranty and the performance of the obligations imposed under this Guaranty, and this Guaranty is a valid and binding agreement, enforceable according to its terms.
- b. There are no actions, suits or proceedings, and no proceedings before any arbitrator or by or before any governmental commission, board, bureau or other administrative agency, pending or, to the best knowledge of the Guarantor, threatened against or affecting the Guarantor, or any properties or rights of the Guarantor, which, if adversely determined, could have a materially adverse effect upon the financial condition of the Guarantor.
- c. The Guarantor assumes full responsibility for obtaining any further information concerning the status of the Guaranteed Obligations or Repayment Obligation or any other matter which the Guarantor may deem necessary or appropriate (now or later). The Guarantor waives any duty on the part of the County, and agree that the Guarantor is not relying upon nor expecting the County to disclose to the Guarantor any fact now or later known by the County, whether relating to the operations or condition of the Project, the existence or the occurrence of any default with respect to the Guaranteed Obligations or

Repayment Obligation, or otherwise, notwithstanding any effect such fact may have upon the undersigned's risk under this Guaranty.

- d. The Guarantor is satisfied with the means that the Guarantor has for obtaining, on a continuing basis, financial and other information pertaining to its condition of the Project.

8. REINSTATEMENT

This Guaranty shall continue to be effective, or shall be automatically reinstated, as the case may be, if at any time performance or payment of all or any part of the Guaranteed Obligations or Repayment Obligation, as the case may be, is rescinded or must otherwise be restored or returned by the County upon the insolvency, bankruptcy, dissolution, liquidation, or reorganization of Guarantor, or upon, or as a result of, the appointment of a custodian, receiver, trustee, or other officer with similar powers with respect to Guarantor or any substantial part of Guarantor's property, or for any other reason, all as though such payments had not been made. If an event permitting the acceleration of any of the Guaranteed Obligations or Repayment Obligation shall at any time have occurred and be continuing and such acceleration of the obligations shall at such time be prevented by reason of the pendency against Guarantor of a case or proceeding under a bankruptcy or insolvency law, the Guarantor agrees that, for purposes of this Guaranty and the Guarantor's Obligations under this Guaranty, the Guaranteed Obligations or Repayment Obligation shall be deemed to have been declared in default and accelerated with the same effect as if the obligations had been declared in default and accelerated in accordance with the terms thereof, and the Guarantor shall immediately pay the amounts specified by the County to be paid in accordance with the documents evidencing the Guaranteed Obligations or Repayment Obligation.

9. NOTICE

Notices due to the Guarantor hereunder shall be deemed delivered two (2) days after being placed in the United States mail, postage prepaid, addressed to the Guarantor as follows:

DEVELOPER:

Todd Stratton
Kavison Homes
8975 S. Pecos Road, Suite 6C
Henderson, NV 89074

With a copy to:

Kaempfer Crowell
Attn: Bob Gronauer
1980 Festival Plaza Drive, Suite 650
Las Vegas, NV 89135

Notices due the County shall be in writing and must be personally delivered or placed in the United

States mail. Notices to the County delivered via the mail must be delivered via certified mail with return receipt requested and will be deemed delivered upon signature of a Fund representative. Notices to the County should be addressed as follows:

Clark County Community Housing
Clark County Government Center
500 South Grand Central Parkway, 6th Floor
Las Vegas, Nevada 89155

With a copy to:

Office of the District Attorney-Civil Division
Clark County Government Center
500 South Grand Central Parkway, 5th Floor
Las Vegas, Nevada 89155-2215

10. MISCELLANEOUS

- a. This Guaranty shall be construed in accordance with the laws of the State of Nevada.
- b. For all purposes in respect to this Guaranty, the Guarantor agrees to submit to the jurisdiction of the state and federal courts located in Clark County, Nevada.
- c. This Guaranty shall be binding on the successors and assigns, legal representatives, and other transferees of the Guarantor. This Guaranty shall not be assignable or transferable by the Guarantor without the prior written consent of the County. This Guaranty shall inure to the benefit of the County's successors, assigns, and legal representatives.
- d. Any amendment of this Guaranty shall be in writing and shall require the signature of the Guarantor and the County.
- e. The invalidity or unenforceability of any provision of this Guaranty shall not affect the validity or enforceability of the remaining provisions of this Guaranty.
- f. Any reference in this Guaranty to attorneys' fees shall refer to reasonable attorneys' fees, charges, costs, and expenses of in-house and outside attorneys and paralegals, whether or not a suit or proceeding is instituted, and whether incurred at the trial court level, on appeal, in a bankruptcy, administrative, or probate proceeding, in consultation with counsel, or otherwise.
- g. The descriptive headings of this Guaranty are for convenience only and shall not be deemed to affect the meaning of any provision.
- h. As used herein, the term "person" includes a human being, a public or private corporation, an unincorporated association or organization, a partnership or any other for-profit or non-profit entity.

- i. Whenever the context so requires, the masculine includes the feminine and neuter, the singular includes the plural, and the plural includes the singular.

WAIVER OF JURY TRIAL. THE GUARANTOR ACKNOWLEDGES THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. THE GUARANTOR, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF CHOICE, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS GUARANTY.

GUARANTOR:

KAVISON HOMES LLC,
a Nevada limited liability company

By: _____
Raymond Todd Stratton, _____

STATE OF NEVADA)
)
COUNTY OF CLARK)

This instrument was acknowledged before me on the ____ day of _____, 2024, by Raymond Todd Stratton as _____ of Kavison Homes LLC, a Nevada limited liability company.

NOTARY PUBLIC

EXHIBIT P

OWNERSHIP DISCLOSURE FORM

Type of Business:

Individual Partnership Limited Liability Company Corporation Trust Other

Business Name (include d.b.a., if applicable):

Business Address:

Business Telephone:

Disclosure of Ownership:

Except as noted below, business entities must list the names of individuals holding more than five percent (5%) ownership or financial interest in the business entity appearing before the Board. "Business entities" include all business associations organized under or governed by Title 7 of the Nevada Revised Statutes, including but not limited to private corporations, close corporations, foreign corporations, limited liability companies, partnerships, limited partnerships, and professional corporations. Publicly traded corporations shall list all Corporate Officers and Board of Directors in lieu of disclosing the names of individuals with ownership or financial interest. The disclosure requirement, as applied to land-use transactions, extends to the applicant and the landowner.

Full Name

Title

I certify under penalty of perjury, that all of the information provided herein is current, complete and accurate. I also understand that the Board will not take any action on land-use approvals, contract approvals, land sales, leases or exchanges without the completed disclosure form.

X _____

Name:

Title:

Date: _____