

City of Carson City Agenda Report

Date Submitted: April 26, 2011

Agenda Date Requested: May 5, 2011

Time Requested: 30 minutes

To: Mayor and Board of Supervisors

From: Public Works – Planning Division

Subject Title: Action to select a proposal from a Community Housing Development Organization (CHDO) for the construction, sale and monitoring of an affordable single-family residence for a family whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families in Carson City, on City-owned property located at 1104 Palo Verde Drive, APN 004-141-05, and to direct staff to prepare an agreement for approval by the Board of Supervisors between the City and the CHDO for the conveyance of the property pursuant to the provisions of NRS 244.287. (Lee Plemel)

Summary: The subject lot is approximately 7,800 square feet in size, located on a residential street with existing houses on either side, and is adjacent to Mills Parks. The property previously contained a City well, which has been abandoned. The City received proposals from two organizations: Sierra Nevada Community Land Trust and Nevada Rural Housing, Inc. The proposal would allow the construction of one single-family home on the property.

Type of Action Requested:

Resolution
 Formal Action/Motion

Ordinance
 Other (Specify)

Does This Action Require A Business Impact Statement: (___) Yes (X_) No

Recommended Board Action: I move to select a proposal from Nevada Rural Housing, Inc., for the construction, sale, and monitoring of a single-family residence on City-owned property located at 1104 Palo Verde Drive, APN 004-141-05, and to direct staff to prepare an agreement for approval by the Board of Supervisors between the City and NRHI for the conveyance of the property pursuant to the provisions of NRS 244.287.

Explanation for Recommended Board Action: See attached staff memo.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 244.287

Fiscal Impact: Disposal of the City property would increase property tax revenue to the City.

Explanation of Impact: Upon sale of the proposed home, the property would no longer be tax-exempt (under public or non-profit ownership) and property taxes would be collected by the City.

Funding Source: N/A

Alternatives: Do not authorize the disposal of the property.

Supporting Material:

- 1) Staff memo
- 2) Request for Proposal document
- 3) NRS 244.287
- 4) Property locator map
- 5) Sierra Nevada Community Land Trust Proposal
- 6) Nevada Rural Housing, Inc. Proposal

Prepared By: Lee Plemel, Planning Director

Reviewed By: _____	Date: _____
(Planning Division Director)	
_____	Date: _____
(Public Works Director)	
_____	Date: _____
(Parks & Recreation Director)	
_____	Date: _____
(City Manager)	
_____	Date: _____
(District Attorney's Office)	

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

City of Carson City Agenda Report

Date Submitted: April 12, 2011

Agenda Date Requested: April 21, 2011

Time Requested: 30 minutes

To: Mayor and Board of Supervisors

From: Public Works – Planning Division

Subject Title: Action to select a proposal from a Community Housing Development Organization (CHDO) for the construction, sale and monitoring of an affordable single-family residence for a family whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families in Carson City, on City-owned property located at 1104 Palo Verde Drive, APN 004-141-05, and to direct staff to prepare an agreement for approval by the Board of Supervisors between the City and the CHDO for the conveyance of the property pursuant to the provisions of NRS 244.287. (Lee Plemel)

Summary: The subject lot is approximately 7,800 square feet in size, located on a residential street with existing houses on either side, and is adjacent to Mills Parks. The property previously contained a City well, which has been abandoned. The City received proposals from two organizations: Sierra Nevada Community Land Trust and Nevada Rural Housing, Inc. The proposal would allow the construction of one single-family home on the property.

Type of Action Requested:

- Resolution
 Formal Action/Motion

- Ordinance
 Other (Specify)

Does This Action Require A Business Impact Statement: (___) Yes (X_) No

Recommended Board Action: I move to select a proposal from _____ for the construction, sale, and monitoring of a single-family residence on City-owned property located at 1104 Palo Verde Drive, APN 004-141-05, and to direct staff to prepare an agreement for approval by the Board of Supervisors between the City and the CHDO for the conveyance of the property pursuant to the provisions of NRS 244.287.

Explanation for Recommended Board Action: See attached staff memo.

Applicable Statue, Code, Policy, Rule or Regulation: NRS 244.287

Fiscal Impact: Disposal of the City property would increase property tax revenue to the City.

Explanation of Impact: Upon sale of the proposed home, the property would no longer be tax-exempt (under public or non-profit ownership) and property taxes would be collected by the City.

Funding Source: N/A

Alternatives: Do not authorize the disposal of the property.

Supporting Material:


- 1) Staff memo
- 2) Request for Proposal document
- 3) NRS 244.287
- 4) Property locator map
- 5) Sierra Nevada Community Land Trust Proposal
- 6) Nevada Rural Housing, Inc. Proposal

Prepared By: Lee Plemel, Planning Director

Reviewed By:

(Planning Division Director)

Date: _____



(Public Works Director)

Date: 4-26-11

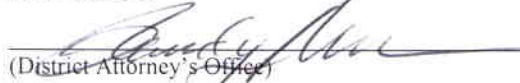


(Parks & Recreation Director)

Date: _____

(City Manager)

Date: 4/26/11



(District Attorney's Office)

Date: 4/26/11

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)



Carson City Planning Division

108 E. Proctor Street
Carson City, Nevada 89701
(775) 887-2180
planning@carson.org
www.carson.org/planning

MEMORANDUM

Board of Supervisors Meeting of May 5, 2011

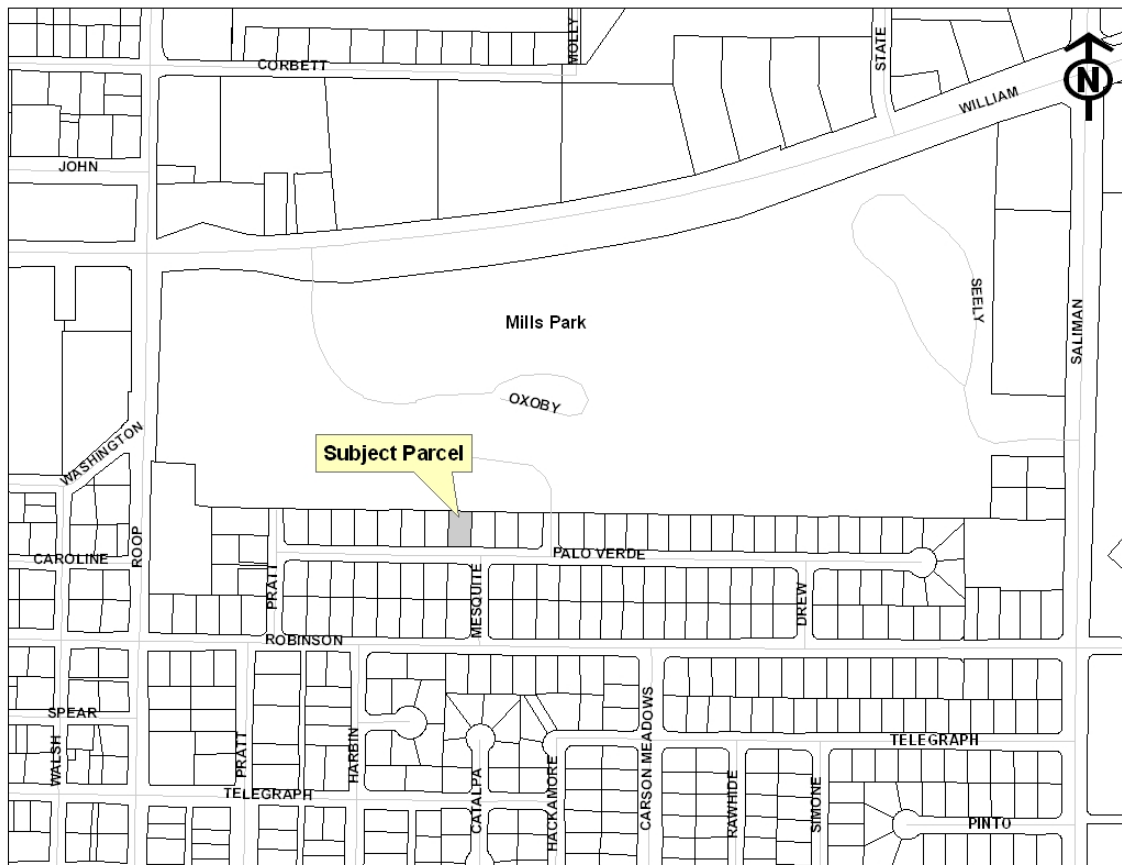
FROM: Lee Plemel, Planning Director

DATE: April 22, 2011

SUBJECT: Disposal of City Property at 1104 Palo Verde Drive for Affordable Home

BACKGROUND:

The subject parcel is owned by Carson City and formerly contained a well, which is now abandoned. The lot is adjacent to Mills Park and, therefore, has been managed by the Parks and Recreation Department since the abandonment of the well. The lot is zoned Single Family 6,000 (SF6) consistent with the zoning of the existing residential properties to the south, east and west.



The Board of Supervisors approved a Request for Proposals (RFP) on January 20, 2011, for the disposal of the property and construction of an affordable single-family home pursuant to NRS 244.287. Planning Division staff contacted local housing agencies to obtain a list of Community Housing Development Organizations in the area and region. The RFP was sent out to the following agencies on February 25, 2011: Nevada Rural Housing, Inc., Sierra Nevada Community Land Trust, St. Joseph's Community Land Trust, and Truckee Meadows Habitat for Humanity. Staff received proposals from Nevada Rural Housing, Inc. (NRHI) and Sierra Nevada Community Land Trust (SNCLT).

NRS 244.287 allows local governments to dispose of property for affordable housing, with certain conditions. The primary condition of note is that the property must be maintained as "affordable housing" for at least 50 years. This would be done through a deed restriction and is proposed to be monitored through the Community Housing Development Organization that is selected to construct and manage the project. This requires the buyer to meet the HUD 80-percent income limits at the time of purchase, and any subsequent sale of the property must be to a family meeting the income limits. (For example, a family of four in Carson City would qualify if they make no more than \$52,000 per year.)

EVALUATION:

As noted in the RFP, the Proposals were evaluated by a staff review committee in order to make a recommendation to the Board of Supervisors. The review committee consisted of Lee Plemel, Jennifer Pruitt and Janice Brod from the Planning Division, Roger Moellendorf and Juan Guzman from the Parks and Recreation Department, and Andrew Burnham and Darren Schulz from Public Works.

Overall, the review committee found that both NRHI and SNCLT demonstrate the qualifications and ability to construct, sell and manage an affordable home per the requirements. Each proposes a land trust lease structure—a proven method utilized around the country—to ensure the long-term affordability of the home, and each propose to construct a house of approximately 1,250 square feet. Following are some of the strengths and comment on each proposal:

Sierra Nevada Community Land Trust:

- Strength: Targets families at 44% of Carson City median household income; higher level of affordability.
- Estimated market value of house would be \$125,000 with sale price of \$100,000.
- SNCLT originally approached Carson City staff with the idea of finding appropriate City property to provide affordable housing, initiating this process to dispose of the Palo Verde property.

Nevada Rural Housing, Inc:

- Strength: Proven record in Northern Nevada with examples of affordable housing program monitoring, including 148 units in Carson City (Southgate Apartments) under the Nevada Land Trust as proposed for this project.
- NRHI suggests that the construction and sale of the house should be delayed at least a year because the current housing market is providing affordable opportunities and it would be difficult (and somewhat unnecessary) to sell a deed restricted house at this time.

The review committee evaluated the proposals based on the criteria identified in the RFP Section 6.3, as follows:

1. Qualifications of the organization to provide the services and complete the project.
2. Professional qualifications of individuals and project team to be assigned to the project.
3. Demonstrated experience in such a project, including the ability to monitor the continued affordability of the home for a minimum of 50 years.
4. Quality of services proposed and comprehensiveness of such projects.
5. Suitability of proposed approach.

Additionally, staff reviewed the proposals with regard to the following criteria based upon the objectives and requirements of the RFP and further expanding on the evaluation criteria above:

- Affordability of the home; i.e. what level of income is being targeted.
- Proposed construction and compatibility with the existing single family neighborhood.

Staff concluded that Nevada Rural Housing, Inc. has demonstrated more experience and qualifications in completing and monitoring affordable housing projects in Northern Nevada. They clearly demonstrate the knowledge, ability and familiarity with the issues involved in developing affordable housing.

Staff concluded that SNCLT was better with regard to the proposed affordability target of 44% of the median household income in Carson City. This is likely a segment of the community that generally does not have home purchase opportunities and may be a good population to target during this housing market.

Staff felt that each of the organizations would provide quality services, have proposed suitable approaches to constructing and maintaining an affordable home, and would construct a home that is compatible with the existing single family neighborhood.

RECOMMENDATION:

Staff recommends the selection of Nevada Rural Housing, Inc., based primarily upon the organization's demonstrated experience and qualifications in completing and monitoring affordable housing projects in Northern Nevada.

Public Comments: Notices of the proposed action were sent out to surrounding property owners within 300 feet of the subject property as required by NRS prior to disposing of the property. As of April 11, 2011, no public comments have been received by City staff.

Notices were previously sent to surrounding property owners prior to the Board of Supervisors' approval of the RFP. One of the public's concerns noted previously was that the proposed house should not be allowed to be used as a rental property. City staff concurs that this is an important element of the proposal. Each proposal includes provisions to ensure that the home is maintained as an owner occupied residence per the requirements of the Request for Proposals.

Please review the attached proposals for more details. If you have additional questions, you can contact me at 283-7075 or jplemel@carson.org.

REQUEST FOR PROPOSALS

THIS IS NOT AN ORDER

ADVERTISED RFP # 1011-204

RELEASE DATE: February 22, 2011

Carson City invites qualified HUD-approved Community Housing Development Organizations (CHDO) to submit proposals for the construction, sale and monitoring of a single-family residence on Carson City property located at 1180 Palo Verde Drive, APN 004-141-05, to develop affordable housing for a family whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families in Carson City pursuant to the provisions of NRS 244.287. Proposals shall be submitted in accordance with the provisions and requirements as set forth in this Request for Proposals (RFP).

PROPOSALS shall be submitted to the **CARSON CITY FINANCE DEPARTMENT, PURCHASING AND CONTRACTS**, City Hall, 201 N. Carson Street, Ste 3, Carson City, Nevada 89701, by no later than 4:00 p.m. on Friday, April 1, 2011.

RECOMMENDATION FOR AWARD will be made by a City Review and Selection Committee.

FINAL SELECTION will be made by the Carson City Board of Supervisors, and is tentatively scheduled for Thursday, April 21, 2011. Should it become necessary to reschedule the date set for award, notice will be provided to those finalists selected. In all instances, a decision rendered by the Carson City Board of Supervisors shall be deemed final.

1. **INTRODUCTION** (General Information)

- 1.1 Carson City invites interested CHDO's to submit proposals for the construction, sale and monitoring of a single-family residence on Carson City property on Palo Verde Drive, APN 004-141-05, to develop affordable housing for a family whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families in Carson City, pursuant to the provisions of NRS 244.287. The Contract that will result from this RFP will include the scope of work indicated in Section 4.
- 1.2 A City Review and Selection Committee will evaluate the proposals submitted.
- 1.3 During evaluation, the City Review and Selection Committee reserves the right, where it may serve the City's best interest, to request additional information or clarification from the Nonprofit Organization, or to allow corrections of errors or omissions.
- 1.4 Final selection will be made by the Carson City Board of Supervisors. A decision rendered by the Carson City Board of Supervisors shall be deemed final.

PROVISIONS AND REQUIREMENTS

- 1.5 Submission of a proposal indicates acceptance by the CHDO of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the resultant contract between Carson City and the CHDO selected.
- 1.6 The use of the term “Community Housing Development Organization” (CHDO) refers to a HUD-approved, private nonprofit, community-based service organization whose primary purpose is to provide and develop decent, affordable housing for the community it serves, and as further defined in Chapter 24 of the Code of Federal Regulations (CFR) Part 92.2. A CHDO is an organization recognized by the Internal Revenue Service as a 501(c)(3) nonprofit organization. The City may accept one or more CHDO teaming up for joint venture to prepare the required services, but the City will recognize such a consortium as a single entity only with one juridical personality.
- 1.7 There is no expressed or implied intent or obligation for Carson City to reimburse responding CHDO’s for any expenses incurred in preparing proposals as well as travel expenses during interviews in response to this Request for Proposals.
- 1.8 Carson City shall reserve the right to terminate any agreement resultant from this solicitation and subsequent action for cause but not limited to inadequacy of performance.

2. **CARSON CITY CONTACT PERSON:**

- 2.1 Until the receipt and opening of proposals, the proposers’ principal contact with Carson City will be as listed below. All questions are to be submitted in writing and potential Proposers will receive copies of all questions and answers except for the questions that are considered proprietary. Questions that are considered proprietary by Carson City will only be answered to the proposer who asked the question.

Sandy Scott-Fisher
Carson Finance Department – Purchasing and Contracts
201 N. Carson Street, Suite 3
Carson City, NV 89701
775-887-2133 x7137
e-mail: SScott@carson.org
FAX: 775-887-2107

- 2.2 All contacts regarding the proposal should be with the above-named individual only, except for contacting City permitting staff for construction code and zoning information regarding the property. Proposers contacting other City staff or City officials may be disqualified for doing so.

3. **BACKGROUND INFORMATION:**

- 3.1 Carson City desires to promote affordable and “workforce” housing as identified in the Carson City Community Development Block Grant (CDBG) Consolidated Plan and Carson City Master Plan. Carson City has certified in the Consolidated

PROVISIONS AND REQUIREMENTS

Plan that it will affirmatively further fair housing. Master Plan Goal 9.2a is to “identify public lands, including City-owned properties, that would be appropriate for affordable housing development.” The proposed project would help meet these goals.

- 3.2 “Affordable housing” means housing that is affordable to families that earn no more 80 percent of the Carson City median family income per U.S. Department of Housing and Urban Development (HUD) income limits tables. (For example, the annual income limit in FY 2010 for a family of four is \$52,000 to qualify as “low- to moderate-income” per HUD standards.)
- 3.3 The subject lot was purchased by Carson City for use as a municipal well site. The lot has been abandoned for use as a well site and remains vacant. The well has been abandoned in compliance with all applicable laws and may be constructed upon without further remediation. The lot is zoned Single Family 6,000, which allows single family residences consistent with the adjacent residential properties.
- 3.4 NRS 244.287 allows local governments to convey property to nonprofit organizations for the development of affordable housing, without consideration (without charge for the property), provided that the housing must remain available for sale only to persons meeting the income requirements for a minimum of 50 years.

4. SCOPE OF WORK:

- 4.1 The services being sought under this Request for Proposal include those activities necessary for the contracting, construction, sale and monitoring of a single-family house for sale to persons who meet HUD income limits for low- to moderate-income households (not more than 80 percent of the median household income level for Carson City) in accordance with the provision of NRS 244.287, *Conveyance of property to nonprofit organization for development of affordable housing*.
 - 4.1.1 Agreements. The CHDO shall enter into an agreement with Carson City that requires the CHDO or its designee to use the property to provide affordable housing for at least 50 years. The agreement shall establish expectations and performance measures for the completion of the project in compliance with the Proposal submitted by the CHDO.
 - 4.1.2 Construction. The CHDO shall construct or contract for the construction of a single family house to meet or exceed the Single Family 6,000 zoning district standards and other Carson City building codes and requirements. Carson City encourages the inclusion on “green” building components in the proposal.
 - 4.1.3 Sale of House. The CHDO shall make the house available for purchase by a family with a household income of less than 80 percent of the Carson City median family income per HUD income limits. The sale of the house shall include a deed restriction requiring the use of the house as the primary residence of the owners, not as a rental property. The deed

PROVISIONS AND REQUIREMENTS

restriction shall also make provisions for any subsequent sales of the property to ensure its continued availability, for a minimum of 50 years, to only families meeting the HUD income limits at the time of sale.

- 4.1.4 Monitoring. The CHDO or its designee shall monitor the property and future sales of the property to ensure its continued availability only to families meeting the HUD income limits for minimum of 50 years and to ensure the it is maintained in conformance with neighborhood standards.

5. RFP REQUIREMENTS:

- 5.1 Submission of RFP Proposals. Applicants shall submit a master copy (so marked) of the Proposal and nine copies to include a title page showing the RFP subject; the nonprofit organization's name, address, telephone number, fax number and email address of a contact person. The Proposal must be received on or before the date and time set for receipt of proposals. Proposals shall be clear and straightforward, and not exceed 30 pages in length not including company brochures.
- 5.2 Proposals shall contain the following information:
- 5.2.1 A statement of project understanding.
- 5.2.2 Proposed project approach, including construction, sale and monitoring the affordable house.
- 5.2.3 Organization capacity for completing the project and ensuring the continued use of the home as a primary residence for income-qualifying families.
- 5.2.4 Proposed schedule or time line for completion of the project.
- 5.2.5 Key personnel information, including:
- A. Key staff, including project manager information.
 - B. Relevant experience.
 - C. Demonstrated commitment and availability to the project.
- 5.2.6 Proof of HUD-approved CHDO status, including a copy of the IRS tax exempt 501(c)(3) letter, proof of incorporation certificate from the Secretary of State, current organization chart with names of staff members, list of current Board of Directors with terms of office, and a copy of the organization's most recently submitted federal tax return (Form 990 or 990EX).
- 5.3 Proposers shall send their completed Proposals to the following person at the address indicated. Further, they should indicate the RFP number and Firm Name on the outside of the sealed Proposal Package to:

PROVISIONS AND REQUIREMENTS

Sandy Scott-Fisher, Purchasing and Contract Coordinator
Carson City Finance Department – Purchasing and Contracts
201 N. Carson Street, Suite 3
Carson City, Nevada 89701

6. EVALUATION OF PROPOSALS:

- 6.1 Proposals submitted will be evaluated by the City Review & Selection Committee for a recommendation to the Board of Supervisors.
- 6.2 The final selection will be made by the Board of Supervisors at a meeting date to be determined. Applicants will be advised of the Board of Supervisors meeting date at least two weeks prior to the meeting.
- 6.3 The following categories will be evaluated in the selection process:
 - 6.3.1 Qualifications of the organization to provide the services and complete the project.
 - 6.3.2 Professional qualifications of the team to be assigned to the project.
 - 6.3.3 Demonstrated experience in such project as identified.
 - 6.3.4 Quality of services proposed and comprehensiveness of such projects.
 - 6.3.5 Suitability of proposed approach.
 - 6.3.6 If Carson City receives more than one proposal, Carson City must give priority to an application that demonstrates to the satisfaction of the Board of Supervisors that the organization or its designee will use the property to develop affordable housing for persons who are disabled or elderly. (NRS 244.287[5])

7. RIGHT TO REJECT PROPOSALS:

- 7.1 Submission of proposal indicates acceptance by the Nonprofit Organization of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the subsequent contract between Carson City and the Nonprofit Organization selected.
- 7.2 Carson City reserves the right to reject any or all proposals and to award to the Nonprofit Organization the City deems most qualified and whose award of the contract will accrue to the best interests of the City.
- 7.3 Late proposals will not be accepted. Prospective proposers are held responsible that their proposals arrive at the Carson City Finance Department - Purchasing & Contracts on or before the designated time and date.

PROVISIONS AND REQUIREMENTS

8. WITHDRAWAL OF PROPOSALS:

- 8.1 Requests to withdraw proposals received before the Board of Supervisors meeting to select the CHDO shall be made in writing to the Purchasing and Contracts Coordinator.

9. CONTRACT TERMINATION:

- 9.1 Carson City reserves the right to terminate the contract if the CHDO does not perform as required by the terms of the contract. Reasons for termination may include, but are not limited, to the following:

9.1.1 Failure to provide sufficient personnel as identified in the RFP.

9.1.2 Failure to provide the principal Team as submitted.

9.1.3 Substitution of the Team or other identified personnel without prior approval of Carson City.

10. INSURANCE

10.1 General Liability:

10.1.1 The successful Proposer shall be required to furnish and maintain throughout the term of the proposed Agreement, prior to commencement of construction, such general liability and property damage insurance as shall protect him/her and any sub-consultants, agents, and employees performing work covered by the proposed Agreement from claims for, but not limited to, bodily injury, sickness, disease, death, or property damage arising or resulting from the proposer's performance, or by any sub-consultant, person, firm, or employee directly or indirectly employed by him/her. The successful Proposer shall furnish the City a certificate of said insurance, with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury as well as property damage and with the City added as a co-insured.

10.2 Worker's Compensation:

10.2.1 The successful Proposer shall purchase and maintain throughout the term of the contract such Industrial Insurance (SIIS) as will protect him from claims which may arise out of or result from the Consultant's execution of the work on this project, whether such execution be by the Consultant or by any sub-consultant, or by anyone directly or indirectly employed by any of the consultants, or by anyone for whose acts any of them may be liable.

11. OBJECTION BY UNSUCCESSFUL PROPOSER:

- 11.1 The selection of the nonprofit organization by the Board of Supervisors is final.

PROVISIONS AND REQUIREMENTS

12. ATTACHMENTS:

- 12.1 NRS 244.287.
- 12.2 Aerial photo of subject property.

*** * * END OF DOCUMENT * * ***

NRS 244.287 Conveyance of property to nonprofit organization for development of affordable housing: Application; public hearing; conditions; annual list of property conveyed; subordination of interest in property conveyed.

1. A nonprofit organization may submit to a board of county commissioners an application for conveyance of property that is owned by the county if the property was:

- (a) Received by donation for the use and benefit of the county pursuant to NRS 244.270.
- (b) Purchased by the county pursuant to NRS 244.275.

2. Before the board of county commissioners makes a determination on such an application for conveyance, it shall hold at least one public hearing on the application. Notice of the time, place and specific purpose of the hearing must be:

- (a) Published at least once in a newspaper of general circulation in the county.

(b) Mailed to all owners of record of real property which is located not more than 300 feet from the property that is proposed for conveyance.

- (c) Posted in a conspicuous place on the property that is proposed for conveyance.

➤ The hearing must be held not fewer than 10 days but not more than 40 days after the notice is published, mailed and posted in accordance with this subsection.

3. The board of county commissioners may approve such an application for conveyance if the nonprofit organization demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing for families whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families residing in the same county, as that percentage is defined by the United States Department of Housing and Urban Development. If the board of county commissioners receives more than one application for conveyance of the property, the board must give priority to an application of a nonprofit organization that demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing for persons who are disabled or elderly.

4. If the board of county commissioners approves an application for conveyance, it may convey the property to the nonprofit organization without consideration. Such a conveyance must not be in contravention of any condition in a gift or devise of the property to the county.

5. As a condition to the conveyance of the property pursuant to subsection 4, the board of county commissioners shall enter into an agreement with the nonprofit organization that requires the nonprofit organization or its assignee to use the property to provide affordable housing for at least 50 years. If the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement, the board of county commissioners may take reasonable action to return the property to use as affordable housing, including, without limitation:

- (a) Repossessing the property from the nonprofit organization or its assignee.

(b) Transferring ownership of the property from the nonprofit organization or its assignee to another person or governmental entity that will use the property to provide affordable housing.

6. The agreement required by subsection 5 must be recorded in the office of the county recorder of the county in which the property is located and must specify:

- (a) The number of years for which the nonprofit organization or its assignee must use the property to provide affordable housing; and

(b) The action that the board of county commissioners will take if the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement.

7. A board of county commissioners that has conveyed property pursuant to subsection 4 shall:

(a) Prepare annually a list which includes a description of all property that was conveyed to a nonprofit organization pursuant to this section; and

- (b) Include the list in the annual audit of the county which is conducted pursuant to NRS 354.624.

8. If, 5 years after the date of a conveyance pursuant to subsection 4, a nonprofit organization or its assignee has not commenced construction of affordable housing, or entered into such contracts as are necessary to commence the construction of affordable housing, the property that was conveyed automatically reverts to the county.

9. A board of county commissioners may subordinate the interest of the county in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the board deems necessary to promote investment in the construction of affordable housing.

10. As used in this section, unless the context otherwise requires, "nonprofit organization" means an organization that is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

(Added to NRS by 1997, 1735; A 1999, 3535)

City Property for Potential Disposal
1104 Palo Verde Drive



MILLS PARK

PALO VERDE



PRATT

MESQUITE

ROBINSON

HARBIN



**Sierra Nevada Community Land Trust
P.O. Box 2109
Minden, Nevada 89423**

**Response to the Carson City
RFP # 1011-204**

**Anje A. deKnijf
775-721-5229
Fax- 775-782-7998
Email-anje@snclt.org**



Sierra Nevada Community Land Trust (SNCLT) is pleased to respond to the Carson City "Request For Proposal" for the construction, sale and monitoring of a single-family residence at 1104 Palo Verde Drive.

Sierra Nevada Community Land Trust seeks to provide permanent, long-term affordable housing for low-to-moderate income employed persons within the community. SNCLT plans to achieve this goal by securing property, rehabilitating it as necessary, and offering it for sale at below-market prices to income-qualified individuals through the use of Ground Lease agreements whereby the homebuyer purchases only the home and SNCLT maintains ownership of the land in perpetuity. The Carson City property on Palo Verde Drive would enable us to build a single family home on the property and then sell the home at a reduced cost to a low to moderate income individual. When homebuyers sell their homes, they do so under the Ground Lease that requires them to sell only to other income-qualified individuals and with a limit on the appreciated value of the home. By limiting the amount of appreciation that may be added to the homes' selling price, SNCLT ensures a continuously renewable stock of affordable housing.

SNCLT was formed as a nonprofit organization to create opportunities for employed families and individuals in our region to secure and occupy affordable housing within the community they serve. Our mission is based on the evidence that there is a growing gap between the median household income and the median sales price of a home, making it increasingly difficult for those who serve and work in our community to secure housing in the community. This difficulty is compounded by several factors that result from long commutes as well as decreased time with family, etc.

Our mission is to bridge the gap created by these economic realities through a community land trust that secures property, permanently reduces the cost of housing, finds buyers for homes and manages the properties that we own. We will also serve our clients by offering low-cost (or free) educational services that ensure their financial health and success, such as:

- Financial management classes
- Counseling services
- Drug and alcohol prevention and recovery classes
- Home maintenance workshops

We also strive to uphold the following values:

- Providing quality services to all of our clients, regardless of age, gender, race, color, religion, national origin, sexual orientation, or mental and physical disabilities.
- Making every neighborhood we inhabit a better place to live.
- Involving volunteers in community improvement and appreciating their contribution.
- Communicating with regularity and respect to our donors and other stakeholders.
- Being accountable and responsive to the donors, contractors, government officials, developers and others with whom we partner.
- Offering a fulfilling work experience and professional development for our employees.

Sierra Nevada Community Land Trust will be a leader in the nonprofit sector and a positive contributor to the constant improvement of our community. The primary region to be served by SNCLT includes Douglas County, Carson City and Lyon County. The efforts of SNCLT are not limited to this region, but this is the primary service area.

RFP Requirements

5.2.1 A statement of project understanding

We understand that Carson City desires to convey the parcel at 1104 Palo Verde Drive to a Nonprofit Organization for the development of affordable housing. As such, the selected non profit shall enter into an agreement with Carson City to provide affordable housing for at least 50 years. (The SNCLT Ground Lease provides for a 99 year lease that is renewable). In addition the selected non profit shall construct a single family residence in conformance with the Carson City Single Family 6,000 zoning standards and other Carson City building codes and requirements. After completion of the residence, it must be made available to a family with a household income of less than 80% of the Carson City median family income per HUD income limits. The sale of the house will include a deed restriction (SNCLT Ground Lease) requiring the house to be used as a primary residence and not as rental property. The SNCLT Ground Lease contains a provision that establishes a subsequent sales price that limits home appreciation with a Resale Formula. Through the use of this Resale Formula, the home remains affordable to other income-qualified (i.e. less than 80% of median income) families in perpetuity. SNCLT shall monitor the property and future sale of the property to insure compliance with the specified income guidelines. The SNCLT Ground Lease provides for a monthly lease fee payable to SNCLT which enables us to monitor the property. We also have a right to inspect the property to ensure it's condition and upkeep.

5.2.2 Proposed project approach, including construction, sale and monitoring the affordable house.

SNCLT proposes to build a 1250 square foot, 3 bedroom, 2 bath, single family home with a 2 car garage on the subject property. After analyzing comparable properties in the surrounding area, market value for this home has been estimated at \$125,000. SNCLT will sell this home to a qualified applicant for \$100,000 which makes it affordable to a family of four earning \$28,600 which is 44% of median income for Carson City, using HUD guide lines. The home will incorporate as many energy saving features as possible/practical to reduce energy costs to the homeowner. Features such as energy efficient landscaping, roofing, upgraded insulation, Energy Star lighting fixtures and windows, as well as a 95% efficient furnace will be strongly considered. We feel that the energy efficiency of the completed home will be at least 50% better than existing homes in the area. Where practical, recycled content will be used and low VOC products utilized. SNCLT is aware that it will have to drive building costs down towards the sale price and/or have the market rebound to a point where the price of a new home can compete with the existing residential homes that are for sale in the area.

SNCLT will procure a qualified buyer for this home prior to the commencement of construction. Public notice that SNCLT is accepting applications for the home will be given in accordance with HUD fair housing practices and procedures. Once a pool of applicants has been obtained, the buyer will be selected by our Community Advisory Board Homeowner Selection Committee. SNCLT anticipates the selection process to be completed approximately 90 days from its inception.

Construction on the home would commence upon the following conditions:

- Selection and approval of a qualified buyer by SNCLT.
- Approval, if required, of qualified buyer by Carson City.
- Buyer's procurement of construction and permanent financing.
- Buyer's signed ground lease contract with SNCLT (blank contract attached).
- Receipt of all required permits.
- Approval of all required applications.

Notice of completion on the home is anticipated to be filed approximately 120 days from the commencement of construction.

Upon completion and occupation of the home, SNCLT will assume all responsibility for monitoring the home for continuing compliance with SNCLT's ground lease contract and the resale agreement. These documents insure that upon resale, this home will be made available only

to Buyers that meet the SNCLT income restricted eligibility requirements. The ability to maintain affordability, in perpetuity, is the hallmark of the land trust model. (See Appendix D)

5.2.3 Organization capacity for completing the project and ensuring the continued use of the home as a primary residence for income-qualifying families.

We will have a project manager that will oversee the construction of the residence (See Appendix A). The ground lease agreement that the buyer signs has a deed restriction that requires the seller to sell only to income-qualifying families to ensure that the home is only sold to income-qualifying families and will remain affordable in perpetuity. In addition, there is a limited equity realization to the seller to keep the sales price of the house affordable. The ground lease will be reviewed by the buyer and their attorney so that they are aware of the resale restrictions. Also, the SNCLT will have to approve all subsequent buyers so we can ensure that the property is sold to an income-qualifying buyer. (See Appendix D)

5.2.4 Proposed schedule or time line for completion of the project.

Please see Appendix B for the schedule/time line for completing the project

5.2.5 Key Personnel information, including

A. Key staff, including project manager information

Key Staff for this project will include the SNCLT Executive Director who will oversee the applicant selection process, mortgage application and approval process as well as coordinating efforts that may be needed from the Board of Directors. Key individuals from our Community Advisory Board are committed to the success of this project and include Peter Beekhof who will oversee the construction process and will serve as project manager during construction. See Appendix A for details regarding the qualifications of our project manager.

B. Relevant Experience

Anje de Knijf – Serves as Executive Director, SNCLT. Anje graduated from San Diego State University and began a career in real estate in 1980. She has had her broker's license since 1985. She has been a Carson Valley resident since 1986.

John Hamer – Board Member - John has a strong real estate background that started in 1979 when he obtained his real estate license. He acquired his broker's license in 1983 and was General Manager of

Coldwell Banker ITILDO INC., for 20 years. John has experience in residential, commercial, land acquisition and development, investment property and 1031 exchanges. He is a Carson Valley resident for over 30 years and a past member of the Gardnerville Town Board, former Chair of the Professional Standards Committee, Board of Realtors, Rotary Member and past President and Director.

Bill Merrill – Member of the SNCLT Community Advisory Board, Building Contractor and co-owner of a development company and has built over 300 homes in Carson Valley.

Peter Beekhof - Member of the SNCLT Community Advisor Board. See Appendix A for project manager relevant experience.

C. Demonstrated commitment and availability to the project.

As a 501(c)3 non-profit public benefit corporation, we are committed to developing affordable housing solutions for those individuals and families of low to moderate incomes.

5.2.6 Proof of nonprofit status, including a copy of the IRS tax exempt 501(c)(3) letter, proof of incorporation certificate from the Secretary of State, current organization chart with names of staff members, list of current Board of Directors with terms of office, and a copy of the organization's most recently submitted federal tax return (Form 990 or 990EX.)

See Appendix C for the requested documents.

Appendix A

March 23, 2011

**WEST RIDGE HOMES, INC.
1170 SAWMILL ROAD
GARDNERVILLE, NV 89410
775.782.2884
FAX 775.782-2815**

OWNED & OPERATED BY PETER M. BEEKHOF, JR.

I started working part time in the building trade in my early teens, took construction classes in high school and at Cabrillo Jr. College in Santa Cruz, California where I grew up amongst the giant Sequoias.

I moved to Gardnerville in 1980 and worked for a local contractor for two years. In 1982 I obtained my contractor's license and started my career as a contractor. In November 1986 West Ridge Homes, Inc. was conceived.

The majesty of the Giant Redwoods that surrounded our home in Santa Cruz has helped to keep me aware of my environment and how the balance of nature is always in jeopardy. West Ridge Homes is constantly looking for ways to save on natural resources in our building practices.

The Number One priority in my personal life is my wife, Allison, and three children and one grandchild Amanda and her husband Dart along with grandson Logan, Ashley, and Chance. When we are not working we all love to scuba dive. The family and I also love just about any type of water sport, boating, skiing (water and snow), camping, and hiking. Chance and I also enjoy motorcycles and he is also leaning the construction trade and works on the jobs when not in school.

Associations:

**Past President of the Douglas County Building Industry Association
for 3 years**

**Currently Vice President of the Douglas County Building Industry
Association**

Current member of the Builder's Association of Western Nevada

Projects:

**The Meadows (56 units) Carson City, Nevada
Empire Estates (86 units) Carson City, Nevada
Ranchos Units 6 & 7 (400 homes) Gardnerville, Nevada
Ranchos Unit 5 (170 homes) Gardnerville, Nevada
SunBurst Estates (22 homes) Gardnerville, Nevada
Chichester Estates Phases 1 – 11 (350 homes) Gardnerville, Nevada
PineView Estates Phase 3 22 homes)
PineView Estates Phases 4 - 15 (29 homes) Gardnerville, Nevada
Pebble Creek Apartments (50 units) Gardnerville, Nevada
Austin's Children's Home 5000 sq. ft. – Minden, Nevada
1641 Mono – Commercial Bldg Revised from residential to
commercial – Minden, Nevada
1528 Hwy 395 – 12,000 sq. ft. Office Building – Tenant Improvements
and building revisions – Gardnerville, Nevada
1170 Sawmill Rd – Develop 38-acre commercial property –
Gardnerville, Nevada
Appaloosa Court – Developed 8 acre residential development
Gardnerville, Nevada
611 Dark Horse – Develop seven-acre residential property -
Gardnerville, Nevada**

**Over the years not listed we have built approximaty 30-40 custom homes in
the Carson Valley, Carson City, Reno, Silver Springs, Fallon, Dayton, Smith
Valley and Yerrington**

Our most current works are list below.

2009-2010

**17240 NorthStar Truckee Cal Compleat half build duplex town homes three
story building with approximately 3,600 sq ft, Estimated cost of
construction \$345,000. Owner Western Highland Mortgage, Contact Paul
Sullavan 530-577-5050**

2010

**1234 Sawmill Rd Gardnerville, NV. Construct one 40'x60x 16' RV/Shop
Owner Dave and Sandy 775-782-6686**

2010-2011

**1028 Cobble Stone Dr Gardnerville, NV
Custom built Single family home, 3,000 plus sq ft, single story home cost
\$268,000. Owner Bob Coker 916-539-1987**

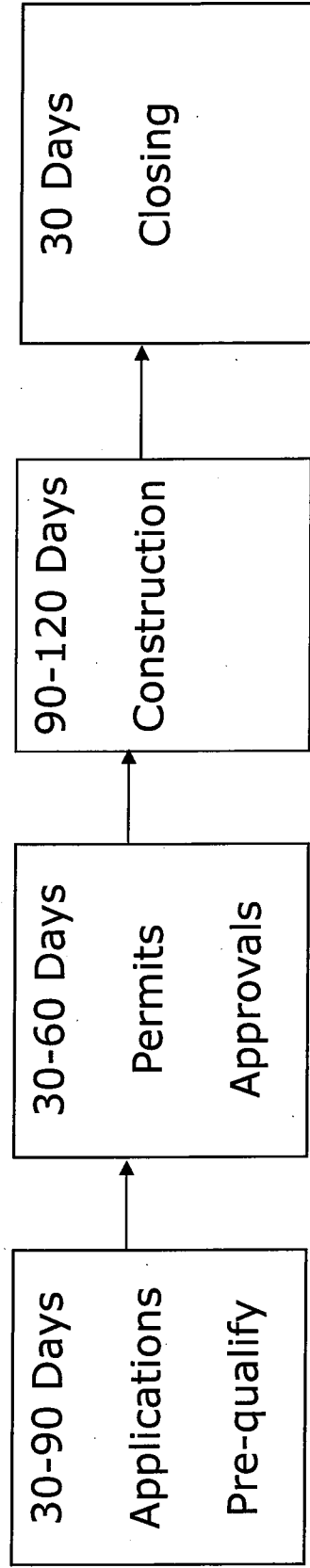
**1100 Modoc South Lake Tahoe CA.
Construct one approximately 3,000 sq ft custom home two story Cost
\$300,000. Owner Western Highland Mortgage, Contact Kelly 530-577-5050**

Sincerely,


**Peter M. Beekhof, Jr.
President**

Appendix B

TIME LINE FLOW CHART



INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

Appendix C

DEPARTMENT OF THE TREASURY

Date **MAR 21 2008**

SIERRA NEVADA COMMUNITY LAND TRUST
PO BOX 2109
MINDEN, NV 89423

Employer Identification Number:
20-8838856
DLN:
17053283308037
Contact Person:
KAREN T HOOD ID# 75069
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
509(a)(2)
Form 990 Required:
Yes
Effective Date of Exemption:
March 30, 2007
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
June 30, 2011
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

SIERRA NEVADA COMMUNITY LAND TRUST

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in cursive script that reads "Robert Choi".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC
Statute Extension



ROSS MILLER
 Secretary of State
 204 North Carson Street, Ste 1
 Carson City, Nevada 89701-4299
 (775) 684 5708
 Website: secretaryofstate.biz

Filed in the office of Ross Miller Secretary of State State of Nevada	Document Number 20080164410-06
	Filing Date and Time 03/05/2008 7:16 AM
	Entity Number E0246632007-2

**Nonprofit Amendment
 (After First Meeting)
 (PURSUANT TO NRS 81 AND 82)**

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

**Certificate of Amendment to Articles of Incorporation
 For Nonprofit Corporations
 (NRS Chapters 81 and 82 - After First Meeting of Directors)**

1. Name of corporation:

SIERRA NEVADA COMMUNITY HOUSING

2. The articles have been amended as follows (provide article numbers, if available):

1. NAME OF CORPORATION: SIERRA NEVADA COMMUNITY LAND TRUST
 (NOTE TO SECRETARY OF STATE: This corporation is authorized to use the word "TRUST" in its name, pursuant to NRS 669.095(2)(e), as amended in 2007, in that the corporation is "doing business solely as a community land trust.")

3. The directors (or trustees) and the members, if any, and such other persons or public officers, if any, as may be required by the articles have approved the amendment. The vote by which the amendment was adopted by the directors and members, if any, is as follows: directors and members .*

4. Officer Signature (Required):

Signature

Gary Williams, President
 Title

*A majority of a quorum of the voting power of the members or as may be required by the articles, must vote in favor of the amendment. If any proposed amendment would alter or change any preference or any relative or other right given to any class of members, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of a majority of a quorum of the voting power of each class of members affected by the amendment regardless of limitations or restrictions on their voting power. An amendment pursuant to NRS 81.21 0 requires approval by a vote of 2/3 of the members.

FILING FEE: \$50.00

IMPORTANT: Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

(NONPROFIT) ANNUAL LIST OF OFFICERS, DIRECTORS AND REGISTERED AGENT OF

FILE NUMBER

SIERRA NEVADA COMMUNITY LAND TRUST

E0246632007-2

(Name of Corporation)

FOR THE FILING PERIOD OF 3/2010

TO 3/2011

The corporation's duly appointed registered agent in the State of Nevada in whom process can be served is:

SULLIVAN LAW OFFICES, A P.C. (Commercial Registered Agent)
1625 HIGHWAY 88 STE 401
MINDEN, NV 89423 USA

CHECK BOX IF YOU REQUIRE A FORM TO UPDATE YOUR REGISTERED AGENT INFORMATION

(This document was filed electronically.)
THE ABOVE SPACE IS FOR OFFICE USE ONLY

Important: Read instructions before completing and returning this form.

1. Print or type names and addresses, either residence or business for all officers and directors. A President, Secretary, Treasurer, or equivalent of and all Directors must be named. There must be at least one director. An officer must sign the form. **FORM WILL BE RETURNED IF UNSIGNED**
 2. If there are additional directors attach a list of them to this form.
 3. Return the completed form with the \$25.00 filing fee, if no capitalization. A \$50.00 penalty must be added for failure to file this form by the deadline. An annual list received more than 90 days before its due date shall be deemed an amended list for the previous year.
 4. Make your check payable to the Secretary of State. Your cancelled check will constitute a certificate to transact business. To receive a certified copy, enclose an additional \$30.00 and appropriate instructions.
 5. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, NV 89701-4201, (775) 684-5708
- * Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties.

FILING FEE \$25 00 IF NO CAPITALIZATION LATE PENALTY \$50 00

NAME	TITLE(S)		
GARY WILLIAMS	PRESIDENT (OR EQUIVALENT OF)		
ADDRESS	CITY	ST	ZIP
C/O SULLIVAN LAW OFFICES 1650 N. LUCERNE, NO. 201, USA	MINDEN	NV	89423
NAME	TITLE(S)		
JOHN HAMER	SECRETARY (OR EQUIVALENT OF)		
ADDRESS	CITY	ST	ZIP
1650 N. LUCERNE, # 201 , USA	MINDEN	NV	89423
NAME	TITLE(S)		
JOHN CRESSATY	TREASURER (OR EQUIVALENT OF)		
ADDRESS	CITY	ST	ZIP
1650 N. LUCERNE, NO. 201 , USA	MINDEN	NV	89423
NAME	TITLE(S)		
JD SULLIVAN	DIRECTOR		
ADDRESS	CITY	ST	ZIP
C/O SULLIVAN LAW OFFICES 1650 LUCERNE, NO. 201	MINDEN	NV	89423

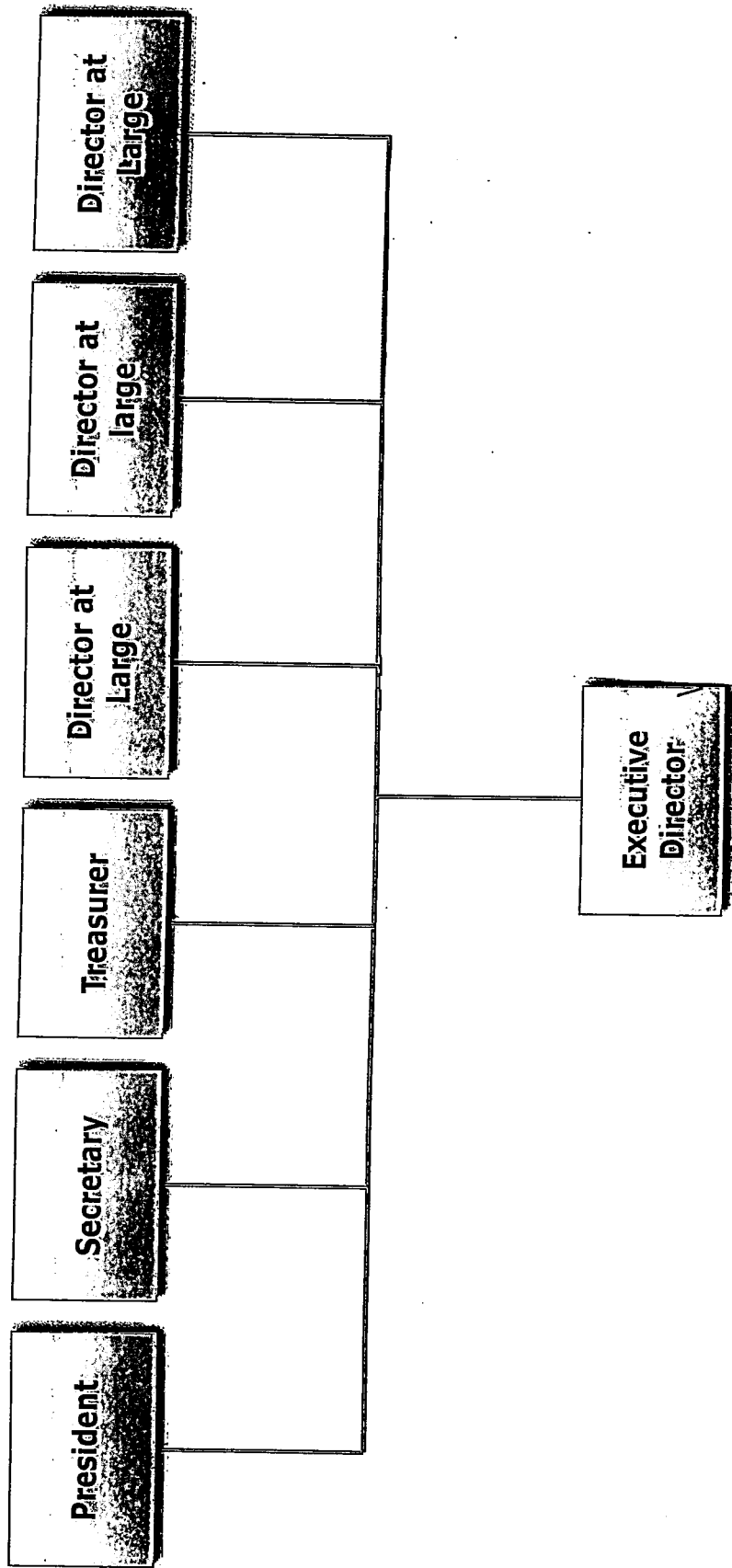
I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of NRS 360.780 and acknowledge that pursuant to NRS 239,330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X Signature of Officer JOHN CRESSATY

Title TREASURER

Date 3/11/2010 9:41:56 AM

ORGANIZATION CHART
THE SIERRA NEVADA COMMUNITY LAND TRUST



Sierra Nevada Community Land Trust

P.O. Box 2109, Minden, NV 89423

info@snclt.org ~ www.snclt.org

Board of Directors

Gary Williams
President

Tom Mcphail
Secretary

John Cressaty
Treasurer

John Hamer

Ted Nagel

Reen Tisinger

Executive Director

Anje de Knijf
775-721-5229

General Counsel

J.D. Sullivan

Community

Advisory Board

Pete Beekhof

Gerald Bing

Mark Chase

Roger Falcke

Dennis Freitas

Bob Hadfield

Lloyd Higuera

Brent Holderman

Helaine Jesse

Leo Kruger

Renea Louie

Larry Martin

Bill Merrill

Greg Painter

Pam Pugliese

Doug Sonnemann

Suzy Stockdale

Bobby Wartgow

Darcy Worms

March 12, 2011

Our current board of directors is comprised of:

Gary Williams, President
Tom McPhail, Secretary
John Cressaty, Treasurer
John Hamer, Director at Large
Reen Tisinger, Director at Large
Ted Nagel, Director at Large

Of these board members Reen Tisinger and Ted Nagel are the members that are representatives from the low-income community. No one on the board is a public official or employee. Per the Articles of Incorporation there are indefinite terms for all board members. They can resign at will.

Anje de Knijf
Executive Director

**e-Postcard**

file your electronic IRS Form 990-N

**Form 990-N (e-Postcard) Submitted****SIERRA NEVADA COMMUNITY HOUSING****20-8838856****2009 IRS Form 990-N (e-Postcard)****7/1/2009 - 6/30/2010**

Congratulations, your Form 990-N (e-Postcard) has been submitted to the IRS.

Once the IRS receives and processes your e-Postcard (usually within 30 minutes), you will receive an email indicating whether your e-Postcard was accepted or rejected. If accepted, you are done for the year. If rejected, the e-filing receipt email will contain instructions on how to correct the problem.

[Log out](#)[Go To Filing Status Page](#)

Questions or problems regarding this web site should be directed to [Tech Support](#)

Concerned about your privacy? Please view our [privacy](#) policy.

This website is best viewed with Microsoft Internet Explorer 5.5+ or Mozilla Firefox with a screen resolution of 1024 X 768.

Last modified: October 7, 2010.

Mark Chase

From: epostcard@urban.org
Sent: Tuesday, February 08, 2011 12:35 PM
To: Mark Chase
Subject: Form 990-N E-filing Receipt - IRS Status: Accepted

Organization: SIERRA NEVADA COMMUNITY HOUSING
EIN: 20-8838856
Submission Type: Form 990-N
Year: 2009
Submission ID: 7800582011039di72555
e-File Postmark: 2/8/2011 3:29:13 PM
Accepted Date: 2/8/2011

The IRS has accepted the e-Postcard described above. Please save this receipt for your records.

Thank you for filing.

e-Postcard technical support
Phone: 866-255-0654 (toll free)
email: ePostcard@urban.org

SIERRA NEVADA COMMUNITY HOUSING
% Gary Williams
PO Box 2109
Minden, NV 89423

Exhibit D

Excerpts from the Sierra Nevada Community Land Trust Ground Lease

a. Resale Formula:

ARTICLE 10: Transfer of the Home

10.1 INTENT OF THIS ARTICLE IS TO PRESERVE AFFORDABILITY: Homeowner and CLT agree that the provisions of this Article 10 are intended to preserve the affordability of the Home for lower income households and expand access to homeownership opportunities for such households.

10.2 HOMEOWNER MAY TRANSFER HOME ONLY TO CLT OR QUALIFIED PERSONS: Homeowner may transfer the Home only to the CLT or an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers are to be completed only in strict compliance with this Article 10. Any purported transfer that does not follow the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, and shall be null and void.

“Income-Qualified Person” shall mean a person or group of persons whose household income does not exceed _____ percent (___%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 THE HOME MAY BE TRANSFERRED TO CERTAIN HEIRS OF HOMEOWNER: If Homeowner dies (or if the last surviving co-owner of the Home dies), the executor or personal representative of Homeowner's estate shall notify CLT within ninety (90) days of the date of the death. Upon receiving such notice CLT shall consent to a transfer of the Home and Homeowner's rights to the Leased Land to one or more of the possible heirs of Homeowner listed below as "a," "b," or "c," provided that a Letter of Agreement and a Letter of Attorney's Acknowledgment (as described in Article 1 above) are submitted to CLT to be attached to the Lease when it is transferred to the heirs.

- a) the spouse of the Homeowner; or
- b) the child or children of the Homeowner; or
- c) member(s) of the Homeowner's household who have resided in the Home for at least one year immediately prior to Homeowner's death.

Any other heirs, legatees or devisees of Homeowner, in addition to submitting Letters of Agreement and Attorney's Acknowledgment as provided above, must demonstrate to CLT's satisfaction that they are Income-Qualified Persons as defined above. If they cannot demonstrate that they are Income-Qualified Persons, they shall not be entitled to possession of the Home but must transfer the Home in accordance with the provisions of this Article 10.

10.4 HOMEOWNER'S NOTICE OF INTENT TO SELL: In the event that Homeowner wishes to sell Homeowner's Property, Homeowner shall notify CLT in writing of such wish (the Intent-to-Sell Notice). This Notice shall include a statement as to whether Homeowner wishes to recommend a prospective buyer as of the date of the Notice.

10.5 AFTER RECEIVING NOTICE, CLT SHALL COMMISSION AN APPRAISAL: No later than ten (10) days after CLT's receipt of Homeowner's Intent-to-Sell Notice, CLT shall commission a market valuation of the Leased Land and the Home (The Appraisal) to be performed by a duly licensed appraiser who is acceptable to CLT and Homeowner. CLT shall pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Leased Land and Home were held in fee simple absolute by a single party, disregarding all of the restrictions of this Lease on the use, occupancy and transfer of the property. The Appraisal shall state the values contributed by the Leased Land and by the Home (consisting of improvements only) as separate amounts. Copies of the Appraisal are to be provided to both CLT and Homeowner.

10.6 CLT HAS AN OPTION TO PURCHASE THE HOME. Upon receipt of an Intent-to-Sell Notice from Homeowner, CLT shall have the option to purchase the Home at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Home for succeeding Income-Qualified Persons while taking fair account of the investment by the Homeowner.

If CLT elects to purchase the Home, CLT shall exercise the Purchase Option by notifying Homeowner, in writing, of such election (the Notice of Exercise of Option) within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given such notice, CLT may either proceed to purchase the Home directly or may assign the Purchase Option to an Income-Qualified Person.

The purchase (by CLT or CLT's assignee) must be completed within sixty (60) days of CLT's Notice of Exercise of Option, or Homeowner may sell the Home and Homeowner's rights to the Leased Land as provided in Section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of CLT and Homeowner.

Homeowner may recommend to CLT a prospective buyer who is an Income-Qualified Person and is prepared to submit Letters of Agreement and Attorney's Acknowledgement indicating informed acceptance of the terms of this Lease. CLT shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless CLT determines that its charitable mission is better served by retaining the Home for another purpose or transferring the Home to another party.

10.7 IF PURCHASE OPTION EXPIRES, HOMEOWNER MAY SELL ON CERTAIN TERMS: If the Purchase Option has expired or if CLT has failed to complete the purchase within the sixty-day period allowed by Section 10.6 above, Homeowner may sell the Home to any Income-Qualified Person for not more than the then applicable Purchase Option Price. If Homeowner has made diligent efforts to sell the Home for at least six months after the expiration of the Purchase Option (or six months after the expiration of such sixty-day period) and the Home still has not been sold, Homeowner may then sell the Home, for a price no greater than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Person.

10.8 AFTER ONE YEAR CLT SHALL HAVE POWER OF ATTORNEY TO CONDUCT SALE: If CLT does not exercise its option and complete the purchase of Homeowner's Property as described above, and if Homeowner (a) is not then residing in the Home and (b) continues to hold Homeowner's Property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the date of the Intent to Sell Notice, Homeowner does hereby appoint CLT its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purposes of this Lease, sell the property, and pay to the Homeowner the proceeds of sale, minus CLT's costs of sale and any other sums owed CLT by Homeowner.

10.9 PURCHASE OPTION PRICE EQUALS LESSER OF APPRAISED VALUE OR FORMULA PRICE: In no event may the Home be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the Home (consisting of improvements only) as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below (the Formula Price).

10.10 HOW THE FORMULA PRICE IS CALCULATED: The Formula Price shall be equal to Homeowner's Base Price, as stated below, plus 25% of the increase in market value of the Home, if any, calculated in the way described below.

Homeowner's Base Price: The parties agree that the Homeowner's Base Price for Homeowner's Property as of the signing of this Lease is \$ _____.

Initial Appraised Value: The parties agree that the appraised value of the Home at the time of Homeowner's purchase (the Initial Appraised Value) is \$ _____, as documented by the appraiser's report attached to this Lease as Exhibit INITIAL APPRAISAL.

Increase in Market Value: The increase in market value of the Home equals the appraised value of the Home at time of sale, calculated according to Section 10.5 above, minus the Initial Appraised Value.

Homeowner's share of Increase in Market Value: Homeowner's share of the increase in the market value of the Home equals twenty-five percent (25%) of the increase in market value as calculated above.

Summary of Formula Price: The Formula Price equals Homeowner's Base Price plus Homeowner's Share of Increase in Market Value.

b. Monitoring Parameters (Post-Purchase Stewardship):

The SNCLT's post-purchase stewardship function is what distinguishes the CLT model from other affordable homeownership programs. Of necessity, a CLT has an essential, ongoing, long-term stewardship role with regard to the owner-occupied homes on its land. Even if at some point it has ceased acquiring property, its commitment to stewarding previously acquired property should not waiver.

Basic Stewardship Goals and Necessary Activities

In its stewardship role a CLT has three basic goals:

- To preserve the affordability of its homes, for the intended income level, from one owner to the next -- and to see that only income-eligible owner-occupants benefit from this affordability;
- To see that the owners of those homes are secure -- that they are not displaced by foreclosure or other economic events;
- To see that the physical quality of those homes is preserved from one owner to the next.

In general, day-to-day, year-to-year activities fall into the following four categories:

- *Disclosure*: making sure that homeowners are given all the information necessary to understand their obligations and opportunities as lessee-homeowners.
- *Monitoring*: making sure that the CLT has adequate information about the homeowner's compliance with obligations and about her success as a homeowner.
- *Support*: helping homeowners succeed, through training, direct assistance when possible, or through referrals to other sources of help.
- *Approval*: reviewing all situations where a homeowner wants to take actions for which the CLT's approval is required, and deciding what is fair and appropriate.

COPY

Response to RFP #1011-204
Construction, Sale and Affordability Monitoring
Of
Single Family Residence
Located at
1180 Palo Verdi Drive
Carson City, Nevada
APN #004-141-05

By
Nevada Rural Housing, Inc.
3695 Desatoya Drive
Carson City, NV 89701
(775)887-1795
Fax (775)887-1838
Contact: Lisa Dayton, Project Manager
ldayton@nvrural.org

April 1, 2011

Nevada Rural Housing, Inc. (NRHI), a HUD approved Community Housing Development Organization is pleased to provide the following response to Carson City RFP #1011-204, Construction of Affordable Home.

Item 5.2.1 – Project Understanding

Carson City has identified a vacant, city-owned parcel that would be appropriate for the construction and sale of a single-family home that would remain affordable to buyers with household income at or below 80% of Area Median Income for a minimum of 50 years. Carson City will transfer ownership of this parcel to the Community Housing Development Organization (CHDO) that is selected through this RFP process to construct, sell and monitor affordability of the home.

Item 5.2.2 Project Approach

Construction

NRHI proposes to construct, at a minimum, a modest 3 bedroom, 2 bath, single story home, of approximately 1,241 square feet, on the parcel located at 1180 Palo Verde Drive, Carson City. A floorplan and elevation drawing are attached to this proposal (Attachment A). NRHI would contract with a licensed and insured General Contractor to construct the home. Specifications for the home would include the installation of Energy Star rated windows, appliances, light fixtures, water heater and furnace. Attic insulation would be increased to R-46 and interior honeycomb style insulated window shades installed for privacy and solar control. Sustainable interior finishes would be selected to promote green building practices and reduce interior volatile organic compounds.

NRHI would pay for all construction related expenses except for plan review, building permit fees and sewer and water connection fees. NRHI would ask Carson City to donate or waive city building fees in an effort to lower overall construction costs and further promote affordable housing.

Should market conditions and construction costs at the time of construction allow for a larger home with more amenities, NRHI may consider alternates plans.

Long-Term Affordability

In order to protect the subsidy of donated land that has been offered to promote affordable housing, NRHI will transfer the land to Nevada Land Trust, an affordable housing program of Nevada Rural Housing Authority (NRHA). The land will remain in the

Nevada Land Trust in perpetuity. The buyer who purchases the home constructed on the site will be granted a Leaseholder Deed which provides for ownership of improvements on leased land. The buyer will also enter into a Ground Lease with Nevada Land Trust wherein the buyer leases the parcel on a 99-year renewable lease for an affordable monthly fee. The Ground Lease clearly identifies the resale restrictions that preserve the affordability of the home and details the calculation used to determine a resale price. The presence of a Ground Lease prevents the inadvertent future sale of the home to a homebuyer that is not income-qualified or aware of the affordability restrictions that accompany the home. A copy of the Ground Lease is attached to this proposal (Attachment B).

Marketing & Sale

NRHI will immediately, upon start of construction, initiate marketing efforts to advertise the home for sale and begin to compile a waiting list for the home. Marketing efforts will clearly state household income maximums and long-term affordability requirements as defined in NRHA Land Trust Marketing & Community Outreach Policies and Procedures (Attachment C). Should there be interest from more than one qualified buyer, NRHI will follow the Nevada Land Trust Homebuyer Selection Policies and Procedures (Attachment D) when selecting a buyer.

Item 5.2.3 Organizational Capacity

In 2007 Nevada Rural Housing Authority (NRHA) sponsored the formation of a HUD-approved 501(c)3 Community Housing Development Organization, Nevada Rural Housing, Inc. dba Desert Winds Development, to further promote their efforts in the development of affordable housing. NRHI workforce is supplied by NRHA staff as both organizations work in tandem to fulfill similar missions. In 2009, NRHI and NRHA partnered in the development and construction of 48 new, affordable apartment units and the remodel of 100 existing apartment units in Carson City. In order to preserve the long-term affordability of this 148-unit complex, NRHI placed the property in the Nevada Land Trust. The Nevada Land Trust, formed in 2009 as a program of NRHA, was the nation's first and largest statewide land trust.

NRHA is a non-profit quasi governmental agency that was created in 1973 administering the Section 8 program and has owned and managed rental properties in rural Nevada. The Authority has achieved high-performer status 5 out of the last 6 years, received Public Housing Authority of the Year for mid-size Authorities in 2010 and has received a special allocation of Veterans Affairs Supportive Housing the past two years.

NRHA started a first time home buyers program (Home-at-Last) in 2006 and has helped over 800 families purchase homes. The Home-at-Last program was funded through issuance of private activity bonds. This first time home buyer program currently offers a thirty year fixed mortgage with a 4.99% rate and a 3% down payment assistance grant.. A mortgage credit

certificate program in place since 2009 provides tax relief to approximately 150 of our customers.

In the past, NRHA managed a United States Department of Agriculture 523 Mutual Housing Self Help program working with 9 families to help build their own homes. This program has been put on hold as we search for an appropriate land site. We believe this project demonstrates our ability to manage new construction projects.

NRHA manages a weatherization program that has helped approximately 778 families in the past three years. Our weatherization team won an award at the Energy Out West Conference for innovative thinking (Out of the Box Award) for using custom window inserts to preserve the historic nature of homes in Virginia City, Nevada while improving energy efficiency. We are currently working with the Nevada Housing Division to implement the SERC program, an innovative program testing non-traditional weatherization solutions like solar panels, solar water heaters, and wind turbines.

NRHA has helped 7 families transition from the Section 8 rentals into homeownership using Section 8 vouchers to offset mortgage payments. We continue to recruit qualified applicants for this program as this program hits the heart of our mission—to use housing as a force to improve people's lives.

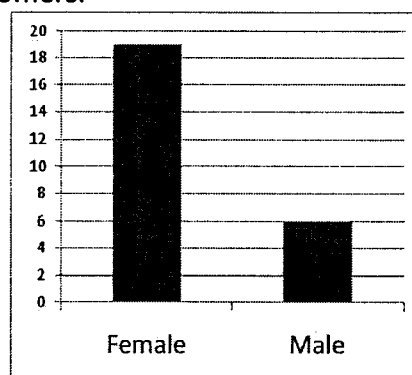
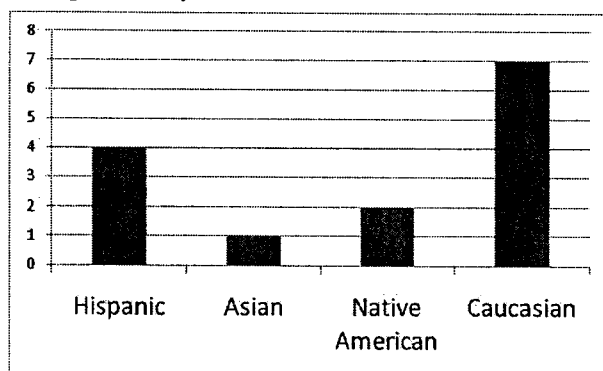
The Nevada Rural Housing Authority (NRHA) currently owns 187 units of low- to moderate income apartments located at five sites in rural Nevada. The majority of these units were acquired and rehabilitated throughout the years; however in 2009 we rehabilitated 100 units and built 48 additional units at the Southgate Apartment complex.

During the 2010 Low Income Housing Tax Credit (LIHTC) round NRHA was awarded credits to build the first 30 units of a planned 60 unit Senior Independent Living apartment complex in Winnemucca Nevada. These apartments are being built with support from the Humboldt Development Authority, City Council of Winnemucca and the Senior Citizens of Humboldt County (SCHC). The land was donated by the City of Winnemucca and many support services will be offered by the SCHC. The SCHC is a non-profit organization that manages the Senior Center located next to the planned new construction and NRHA owned Winnemucca Manor Apartments. Together, the City of Winnemucca, NRHA and SCHC will create a senior campus that includes housing for 80 seniors, a perimeter walking trail, community gardens, shared parking, various support services, exercise programs, a library and computer lab.

Experience – HUD Green Retrofit Program: Recently HUD awarded NRHA a Green Retrofit Grant totaling \$986,935; including matching funds from NRHA. The 52 unit Yerington Manor family complex was upgraded with energy efficient doors, windows, furnaces, water heaters, air conditioners, lighting, low-flow faucets and toilets, attic insulation, ventilation and water-conserving drip irrigated landscape. Building preservation projects such as roof replacement and kitchen and bath remodels were included in the scope of work. All projects were completed utilizing green building techniques, recycling of construction debris, and Low- or No-

VOC building materials. These improvements were completed over a seven month period and with NRHA staff acting as the general contractor. The project was completed on time and under budget. The initial application was accepted on the first submission without any change requests. This application was reviewed and approved on the first OAHP committee review and was considered one of the best submissions received for this program. Considering the project was delivered under budget, the contingency fund of \$83,986 was not needed and these excess proceeds were awarded back to NRHA to complete additional green energy retrofit projects as approved by HUD.

The Nevada Rural Housing Authority team consists of 25 very capable people. This diverse group of mission driven individuals takes pride in creating and managing efficient and high quality programs. The majority of the team is women and a diverse group of ethnic backgrounds provides a broad world view to our customers.



5.2.4 – Proposed Schedule/Timeline

Carson City, like many communities in Nevada, is faced with more available homes on the market than buyers. The current “buyer’s market” has driven prices of existing homes to values well below what it would currently cost to build the same home. Given these circumstances, it makes little sense to rush to build a home that has affordability restrictions and that would sell for more than the average cost to purchase an existing home in the same neighborhood. It does make good sense to preserve the opportunity to offer a brand new, affordably priced home to a qualified family when the market has recovered and lower income households are once again priced out of the housing market. Identifying when this shift in the housing market will occur is tricky, and expert opinions vary. For this reason, NRHA would like to float a construction timeline that would allow for a construction start anywhere between March 2012 to March 2013. With an estimated construction duration of 6-9 months, the floating construction start date could bring a completed home to market as early as September 2012 or as late as December 2013.

5.2.5 – Key Personnel

The construction of this affordable home in Carson City would be overseen by NRHA’s Real Estate Division. This department is made up of the following personnel:

Dave Craig, Real Estate Director
Lisa Dayton, Project Manager
Michael Hynick, Construction Coordinator
Judy Lyons, Administrative Assistant

Daily oversight of the Carson City single-family construction project would be handled as follows:

Lisa Dayton, Project Manager
Responsibilities: Project Design, Funding, Land Trust Administration

Michael Hynick, Construction Coordinator
Responsibilities: Construction Management

Judy Lyons, Administrative Assistant
Responsibilities: Construction Bids & Costing

Resumes for the above named staff are attached. (Attachment F)

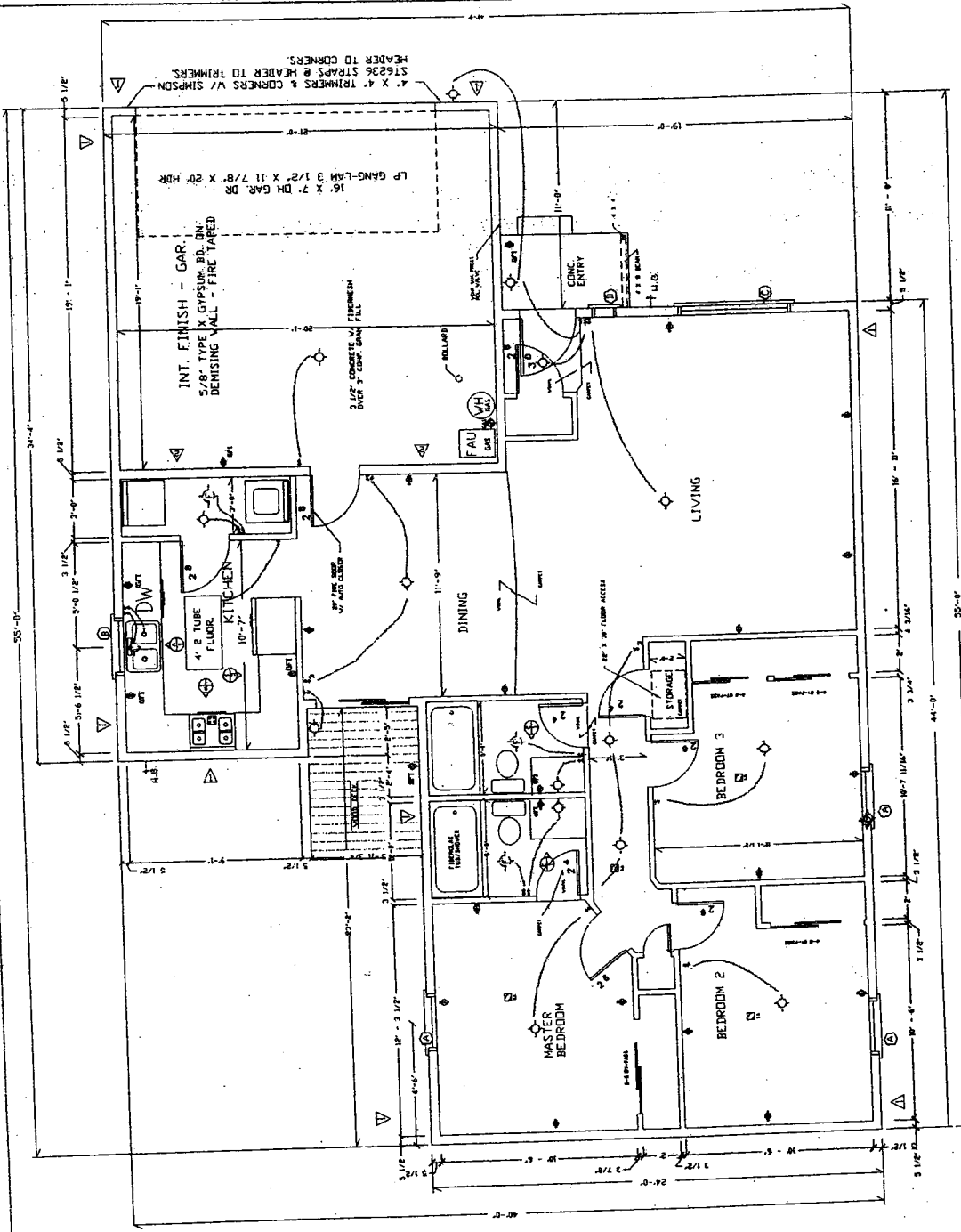
NRHA Real Estate Division staff offer a combined experience of over 50 years in residential and/or commercial construction and development. Staff is dedicated to a high level of project management and commitment to bringing projects to completion on time and on budget. Staff resumes are attached for your review.

5.2.6 – CHDO Documentation

The following items are attached (Attachment G):

- 501(c)3 Letter
- Incorporation Certificate
- Current Organization Chart
 - Staff
 - Board
- 2010 Federal Tax Return

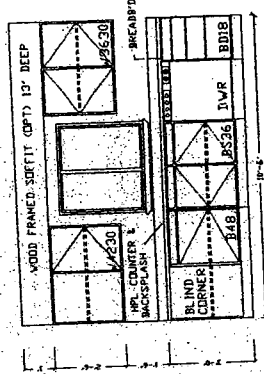
Attachment A
Floorplan and Elevation
Single Family Residence



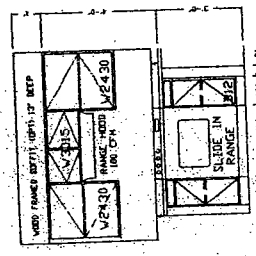
ALL EXT. WALLS 1/2" CDX PLYWOOD OR
 7/16" OSB OR 7/16" APA RATED SIDING @
 4" OC - EDGES (BKD) - 8" OC. FIELD
 GARAGE COMMON WALL TO ROOF PLYWOOD 1/2"
 CDX OR 7/16" OSB @ 4" OC. EDGES (BKD) - 8" OC. FIELD

1/4" = 1' - 0"

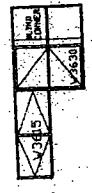
WINDOW SCHEDULE			
SIZE	TYPE	GLASS	U-VALUE
A 3' X 5'	VINYL-SINGLE HUNG	3/4" INSULATING	.43
B 3' X 3'	SLIDER		
C 6' X 5'	FIXED		
D 1' X 5'	SL. GL. DR.		TEMP'D
E 5' X 6'	SL. GL. DR.		TEMP'D



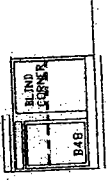
KITCHEN



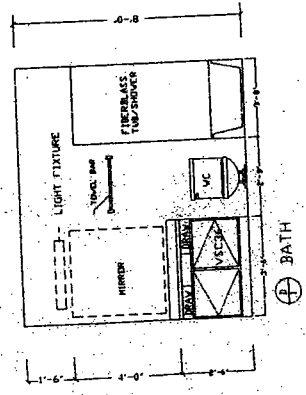
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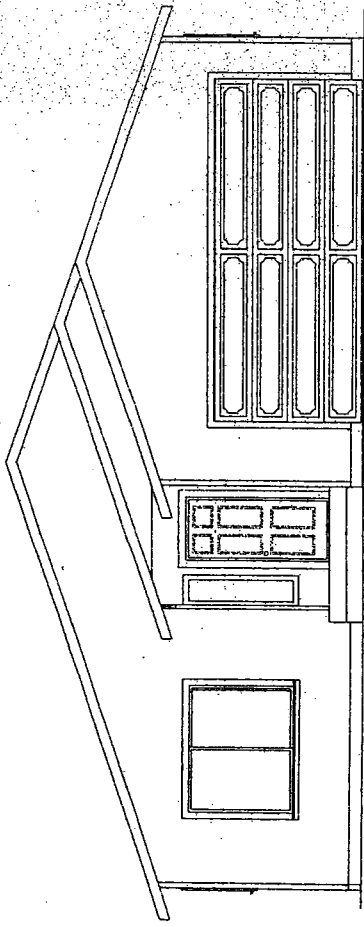
RETRIG. AREA



KITCHEN



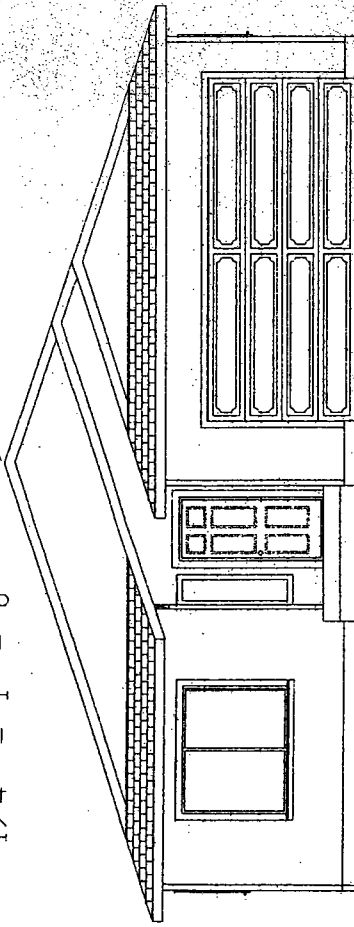
BATH



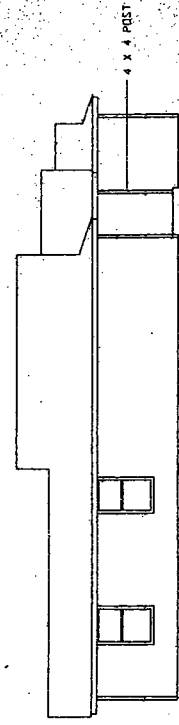
OPTION 'A' FRONT ELEVATION

CONTINUOUS RIDGE VENT

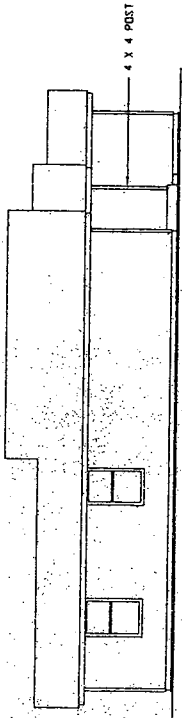
1/4" = 1' - 0"



OPTION 'B' FRONT ELEVATION

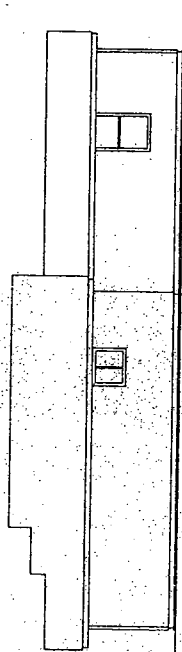


OPTION 'B' LEFT ELEVATION



OPTION 'A' LEFT ELEVATION

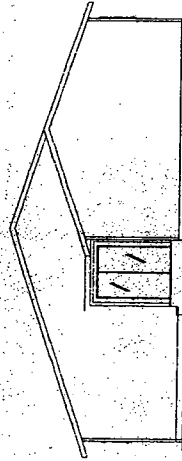
4 x 4 POST



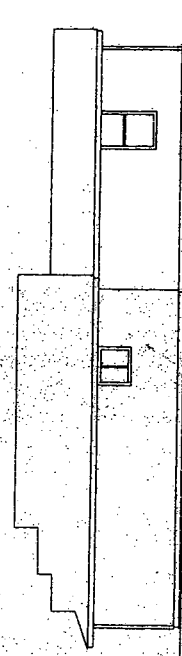
OPTION 'A' RIGHT ELEVATION

1/8" = 1' - 0"

4/12 (TYP)



OPTIONS 'A' & 'B' REAR ELEVATION



OPTION 'B' RIGHT ELEVATION

4 x 4 POST

Attachment B
Nevada Land Trust Ground Lease

NEVADA RURAL HOUSING AUTHORITY GROUND LEASE

THIS LEASE ("this Lease" or "the Lease") made and entered into this _____ day of _____, 20____, by and between Nevada Rural Housing Authority ("NRHA" or "Lessor" or "the Lessor") and _____ ("Lessee" or "the Lessee").

WHEREAS, NRHA is organized exclusively for charitable purposes, including: the development and preservation of decent, affordable housing and the creation of homeownership opportunities for low and moderate income people who otherwise would be denied such opportunities because of limited financial resources; and

WHEREAS, a goal of NRHA is to stimulate the conveyance of decent, affordable housing among low and moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Leased Premises described in this Lease have been acquired and are being leased by NRHA in furtherance of these charitable purposes; and

WHEREAS, the Lessee shares the purposes and goals of NRHA and has agreed to enter into this Lease not only to obtain those benefits to which the Lessee is entitled under this Lease, but also to further the charitable purposes of the Lessor; and

WHEREAS, Lessor and Lessee recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by Lessor and Lessee that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of Lessor and Lessee, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

ARTICLE 1: Letters of Stipulation and Acknowledgment

Attached as Exhibit LETTERS OF STIPULATION AND ACKNOWLEDGMENT and made part of this Lease by reference are (a) a Letter of Stipulation of Lessee, and (b) a Letter of Acknowledgment of legal counsel of Lessee, setting forth their respective review and understanding of this Lease (in particular, Article 10, regarding the transfer, sale or disposition of the Improvements) and related documents for this transaction.

ARTICLE 2: Demise of Leased Premises

2.1 PREMISES: The Lessor, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and leave unto Lessee, and Lessee does hereby take and hire from Lessor, the property (referred to in this Lease as the "Leased Premises") described in the attached Exhibit PREMISES. Lessor has furnished to Lessee a copy of the most current, if any, title report previously obtained by Lessor for the Premises, and Lessee accepts title to the Leased Premises in their condition "as is" as of the execution of this Lease.

2.2 RESERVATION OF MINERAL RIGHTS: Lessor reserves to itself all the minerals and other extractive resources of the Leased Premises. This reservation shall not diminish the right of the Lessee under this Lease to occupy and freely use the Leased Premises. Any eventual extraction by the Lessor of minerals or other extractive resources shall be carried out with as little disruption to the Lessee as is reasonably possible. In instances requiring a material disruption of the Lessee's right of use and occupancy of the Leased Premises, the Lessor shall not make such extraction without the consent of the Lessee.

ARTICLE 3: Duration of Lease

3.1 PRINCIPAL TERM: The term of this Lease shall be 99 years, commencing on the ___ day of _____, 20___, and terminating on the _____ day of _____, 20___, unless terminated sooner or extended as provided below.

3.2 LESSEE'S OPTION TO EXTEND: Lessee may extend the principal term of this Lease for one (1) additional period of 99 years, subject to all of the provisions of this Lease; provided that Lessor may make changes to the terms of the Lease for the renewal period prior to the beginning of such renewal period but only if these changes do not materially and adversely impair Lessee's rights under the Lease. Not more than 365 nor less than 180 days before the last day of the current term, Lessor shall give Lessee written notice, stating the date of expiration of the Lease, describing any changes that Lessor intends to make to the terms of the Lease as permitted above, and reiterating the conditions for renewal as set forth immediately below ("the Expiration Notice").

Lessee's right to exercise the option to extend is subject to the following conditions: (a) within 60 days of receipt of the Expiration Notice, Lessee shall give Lessor written notice, irrevocably exercising the option to extend ("the Extension Notice"); (b) this Lease shall be in effect at the time the Extension Notice is given and on the last day of the term, and (c) there shall not be an Event of Default by Lessee under this Lease or under any loan documents between Lessee and any Permitted Mortgagee at the time the Extension Notice is given and on the last day of the term.

When Lessee has rightfully exercised the option to extend, each party shall execute a memorandum, in mutually agreeable recordable form, acknowledging the fact that the option has been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease, and such memorandum or notice of lease shall be recorded in

accordance with the requirements of law on or promptly after the commencement of such renewal period of the Lease.

3.3 CHANGE OF LESSOR; LESSEE'S RIGHT TO PURCHASE: In the event that ownership of the land comprising the Leased Premises (The Land") is conveyed or transferred (whether voluntarily or involuntarily) by Lessor to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event Lessor desires or attempts to convey the Land to any person or entity other than a non-profit corporation, charitable trust, governmental agency or other similar entity sharing the goals described in the Recitals above (or as security for a mortgage loan), the Lessee shall have a right of first refusal to purchase the Land. This right shall be as specified in the attached Exhibit FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Premises

4.1 RESIDENTIAL USE ONLY: Lessee shall use, and shall cause all occupants to use, the Leased Premises and Improvements only for residential purposes and any incidental activities related to residential use that are currently permitted by applicable zoning law as indicated in the attached Exhibit ZONING. [In addition, use of the Leased Premises shall be further limited by the restrictions set forth in the attached Exhibit RESTRICTIONS.]

4.2 RESPONSIBLE USE AND COMPLIANCE WITH LAW: Lessee shall use the Leased Premises in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Lessee shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 RESPONSIBLE FOR OTHERS: Lessee shall be responsible for the use of the Leased Premises by all residents and their families, friends and visitors and anyone else using the Leased Premises with their consent and shall make all such people aware of the spirit, intent and appropriate terms of this Lease.

4.4 OCCUPANCY: Lessee shall occupy the Leased Premises for at least eight (8) months of each year of this Lease, unless otherwise agreed by Lessor. Occupancy by children or other immediate family members or dependents of Lessee shall be considered occupancy by Lessee.

4.5 INSPECTION: Lessor may inspect any portion of the Leased Premises including the interior(s) of Lessee's Improvements, at any reasonable time, but not more than two times in a single calendar year, and in any reasonable manner, upon at least 72 hours oral notice to Lessee. In the event of emergency, Lessor may inspect any portion of the Leased Premises including the interior(s) of Lessee's Improvements without notice provided the Lessor shall have made reasonable efforts to give advance notice to Lessee.

4.6 LESSEE'S RIGHT TO PEACEFUL ENJOYMENT: Lessee has the right to undisturbed enjoyment of the Leased Premises, and Lessor has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Lessee, subject to the provisions of this Lease.

ARTICLE 5: Ground Lease Fee

5.1 GROUND LEASE FEE: In consideration of the possession, continued use and occupancy of the Leased Premises, Lessee shall pay to Lessor a monthly ground lease fee (the "Ground Lease Fee") of twenty-five dollars (\$25.00).

5.2 PAYMENT OF GROUND LEASE FEE: The Ground Lease Fee shall be payable to Lessor, at the address specified in this Lease as Lessor's address, on the first day of each month for as long as this Lease remains in effect, unless, with Lessor's consent, the Ground Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee. If the Lease commences on a day other than the first of the month, a pro-rata portion of the Ground Lease Fee shall be paid for the balance of the month at the time the Lease is executed.

In the event that any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold and the Lease is terminated or assigned to another party, the amount of payable Ground Lease Fee shall be paid to Lessor out of any proceeds from the sale of the Improvements otherwise due to Lessee at the time of such sale.

5.3 CALCULATION OF GROUND LEASE FEE: The Ground Lease Fee specified in Section 5.1 above has been calculated as follows. First, an amount approximating the monthly fair rental value of the Leased Premises has been established, current as of the commencement of the lease term, recognizing that use of the Leased Premises is restricted by some of the provisions of the Lease. Then the affordability of this monthly amount for the Lessee has been analyzed and, if necessary, the amount has been reduced to yield the amount stated in Section 5.1 above, which has been determined to be affordable for Lessee.

5.4 REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: Lessor may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of assuring affordable monthly housing costs for the Lessee. Any such reduction, delay or waiver must be in writing and signed by Lessor before being effective.

5.5 ADJUSTMENT OF GROUND LEASE FEE: The Ground Lease Fee stated in Section 5.1 above, as adjusted in the way provided below, shall be applicable during the term of this Lease. However, in the event that, for any reason, the provisions of Article 10 or Article 11 regarding transfers of the Improvements or Section 4.4 regarding occupancy 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 Lessor to equal the fair rental value of the Leased Premises for use not restricted by the provisions of the suspended portions of the Lease, but

initially an amount not to exceed \$_____. In such event, Lessor shall notify Lessee of the amount calculated in this way, and the Ground Lease Fee shall then be this amount.

In order to keep the Ground Lease Fee reasonably current, the amount specified in Section 5.1 (and the maximum amount specified in the preceding paragraph) shall be recalculated every fifth (5th) year during the term of the Lease. At such intervals, the amount shall be recalculated through such reasonable process as the Lessor shall choose, based upon the standards set forth in Section 5.3 above. Lessor shall notify Lessee promptly upon recalculation of the new Ground Lease Fee amount, and if Lessee does not state objections to the recalculated amount within thirty (30) days after receipt of this notice, the Ground Lease Fee shall then be as stated by Lessor in the notice. If Lessee does state objections to the recalculated Ground Lease Fee, and Lessor and Lessee are then unable to agree on a recalculated Ground Lease Fee within fifteen (15) days of Lessor's receipt of Lessee's objection, the dispute shall be resolved according to the arbitration process set forth in Article 13 below, except that the arbitrators chosen by each party shall be ones with experience in the valuation of real estate. Upon the final determination of the recalculated Ground Lease Fee in accordance with the terms of this section, Lessor shall maintain in its file a notarized certification of the amount of such recalculated Ground Lease Fee and the process by which it was determined.

ARTICLE 6: Taxes and Assessments

6.1 TAXES AND ASSESSMENTS: Lessee shall be responsible for payment of all taxes and governmental assessments that relate to the Improvements and the Leased Premises. Lessee shall also pay directly, when due, all other service bills, utilities charges, or other governmental assessments charged against the Leased Premises.

6.2 TAXES ON LEASED PREMISES: In the event that the local taxing authority bills Lessor for the taxes on the Leased Premises, Lessor shall pass the responsibility for this expense to Lessee and Lessee shall promptly pay this bill.

6.3 LESSEE'S RIGHT TO CONTEST: Lessee shall have the right to contest the amount or validity of any taxes relating to the Improvements and Leased Premises. Lessor shall, upon written request by Lessee, join in any such proceedings if Lessee reasonably determines that it is necessary or convenient for Lessor to do so. All other costs and expenses of such proceedings shall be paid by Lessee.

6.4 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Lessee fails to pay the taxes or other charges specified in Section 6.1 above, Lessor may increase, but shall not be obligated to increase, Lessee's Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements and Leased Premises. Upon collecting any such amount, Lessor shall pay the amount collected to the taxing authority in a timely manner.

6.5 PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

ARTICLE 7: Improvements

7.1 OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by the Lessee or constructed or placed by the Lessee on any part of the Leased Premises at any time during the term of this Lease (the "Improvements") shall be property of the Lessee. Title to such Improvements shall be and remain vested in the Lessee. However, Lessee's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by the Lessee and the Lessor's option to purchase the Improvements. In addition, Lessee shall not sever or move the Improvements from the Land.

7.2 PURCHASE OF IMPROVEMENTS BY LESSEE: Lessee is simultaneously purchasing the Improvements now located on the Leased Premises and described in the Deed, the form of which is annexed to this Lease as Exhibit DEED.

7.3 CONSTRUCTION AND ALTERATION: Any post-purchase construction on the Leased Premises requiring issuance of a building permit, including addition of a new building, expansion of an existing building, or the alteration of existing Improvements, is subject to the following conditions: (a) Lessee shall furnish to Lessor a copy of any plans and all building permits for such construction prior to commencing construction; and (b) such construction shall not commence without the prior written consent of Lessor. All post-purchase construction on the Leased Premises are subject to the following conditions: (a) all costs shall be borne and paid for by the Lessee; (b) all construction shall be performed in a workerlike manner and shall comply with all applicable laws and regulations; and (c) all construction shall be consistent with the permitted uses set forth in Article 4.

7.4 PROHIBITION OF LIENS: No lien of any type shall attach to the Lessor's title to the Land or to Lessor's interest in the Leased Premises or to any other property owned by the Lessor. Lessee shall not permit any statutory or similar lien to be filed against the Premises, the Improvements, or any interest of Lessor or Lessee which remains more than sixty (60) days after it has been filed. Lessee shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Lessee fails to cause such lien to be discharged within the sixty-day period, then, in addition to any other right or remedy, Lessor may, but shall not be obligated to, discharge the lien by paying the amount in question. Lessee may, at Lessee's expense, contest the validity of any such asserted lien, provided Lessee has furnished a bond in an amount sufficient to

Nevada Rural Housing Authority Land Trust Ground Lease

release the Leased Premises from such lien. Any amounts paid by Lessor to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Lessee upon demand.

7.5 MAINTENANCE AND SERVICES: Lessee shall, at Lessee's sole expense, maintain the Leased Premises and all Improvements as required by Section 4.2 above. Lessor shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Leased Premises or Improvements, and Lessee hereby assumes the sole responsibility for furnishing all services or facilities.

7.6 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Lessee shall surrender the Improvements together with the Leased Premises to the Lessor. Ownership of the Improvements shall thereupon revert to Lessor, provided, however, that Lessor shall promptly pay to Lessee as consideration for the Improvements an amount equal to Lessor's Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this Lease.

ARTICLE 8: Financing

8.1 PERMITTED MORTGAGE: Lessee may mortgage the Leased Premises only with the written consent of Lessor. Not less than thirty (30) days prior to the date on which Lessee (or a prospective Lessee who has contracted to purchase the Improvements) requests Lessor's consent to a mortgage to be effective, Lessee (or prospective Lessee) shall furnish to Lessor copies of every document to be executed in connection with the transaction represented by such mortgage. Lessor may choose to consent to any mortgage, and in so doing shall designate such mortgage as a "Permitted Mortgage." However, Lessor shall be required to consent to a mortgage only if (a) at the time such copies of documents are submitted and at the time proposed by Lessee (or prospective Lessee) for the execution of such documents, no default is then outstanding; and (b) The mortgage so submitted is a Standard Permitted Mortgage as defined in the attached Exhibit PERMITTED MORTGAGES. Lessee shall pay to Lessor at Lessor's option, as additional Ground Lease Fee, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lessor in connection with any Permitted Mortgage.

8.2 RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage (Permitted Mortgagee) shall without requirement of consent by the Lessor have the rights identified and defined in the attached Exhibit PERMITTED MORTGAGES.

8.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, Sections 10.1 through 10.11 shall be

deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred;

8.4 LESSOR'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE:

The parties recognize that it would be contrary to the fundamental concept of this agreement and an incentive to abuse Lessee's authorization to encumber its leasehold interest with a Permitted Mortgage if Lessee could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly Lessee hereby irrevocably assigns to Lessor any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Lessee, to the extent such net proceeds exceed the net proceeds that Lessee would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Lessor. In the event that, for any reason, such excess proceeds are paid to Lessee, Lessee hereby agrees to promptly pay the amount of such excess proceeds to Lessor.

8.5 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 LESSEE'S LIABILITY: Lessee assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy and use of the Leased Premises.

9.2 INDEMNIFICATION OF LESSOR: Lessee shall defend, indemnify and hold Lessor harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises. Lessee waives all claims against Lessor for such injury or damage. However, Lessor shall remain liable (and Lessee shall not indemnify and defend Lessor against such liability or waive such claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of Lessor or Lessor's agents or employees.

9.3 PAYMENT BY LESSOR: In the event the Lessor shall be required to pay any sum that is the Lessee's responsibility or liability, the Lessee shall reimburse the Lessor for such payment and for reasonable expenses caused thereby.

9.4 INSURANCE: Lessee shall, at Lessee's sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Improvements.

Nevada Rural Housing Authority Land Trust Ground Lease

Lessee shall, at Lessee's sole expense, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than _____ dollars (\$_____) for injury to or death of any one person; and _____ dollars (\$_____) for injury to or death of any number of persons in one occurrence; and _____ dollars (\$_____) for property damage. The dollar amounts of this coverage shall be adjusted at two-year intervals, beginning on the date this Lease is signed, or upon Lessor's demand given not more often than annually, upon 30 days notice to Lessee. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Premises are located, or, if none, for urban areas the size of (insert index relevant to geographic location of property), or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor. Such insurance shall specifically insure Lessee against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure Lessor as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for Lessor and Lessee.

Lessee shall provide Lessor with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days prior written notice to Lessor. Lessor shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 DAMAGE OR DESTRUCTION: Except as provided below, in the event of fire or other damage to the Improvements, Lessee shall take all steps necessary to assure the repair of such damage and the restoration of the Improvements to their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Lessee shall also promptly take all steps necessary to assure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

If Lessee, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration, (provided Lessee has fulfilled all of the hazard insurance requirements set forth in Section 9.4 above), then Lessee may terminate this Lease by written notice to Lessor given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until forty-five (45) days after the date upon which the notice is received by Lessor. During this forty-five-day period Lessor may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least eighty percent of the cost of repair and restoration. If successful in securing such adjustment, Lessor may render Lessee's termination notice null and void by written notice to Lessee within such forty-five-day day period. If Lessor fails to nullify the termination notice in this way, then this

Nevada Rural Housing Authority Land Trust Ground Lease

Lease shall terminate at the expiration of the forty-five-day period, and any insurance proceeds payable to Lessee on account of such damage shall be paid as provided below.

The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Lessee (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable Lessor's Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to Lessor.

9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Lessee is required to give up possession of the Leased Premises or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to Lessor.

In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, the Lessor may in its discretion allocate some or all of the monetary compensation to enable Lessee to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises.

Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this Section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or lessee of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 REASSESSMENT OF RENTAL VALUE: In the event of any taking that reduces the size of the Leased Premises but does not result in the termination of the Lease, Lessor shall reassess the fair rental value of the remaining Premises and shall adjust the Ground Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the premises for use as restricted by the Lease.

9.8 RELOCATION OF LESSEE: In the event of a termination of this Lease as a result of damage, destruction or taking, Lessor shall take reasonable steps to grant Lessee a leasehold interest, similar to the interest created by this Lease, in another tract that it owns, if such other

tract can reasonably be made available. In accepting such a leasehold interest, Lessee agrees to contribute any proceeds or award received by Lessee to purchase or develop Improvements on such tract. Lessor's failure to supply such a leasehold interest shall not give rise to any cause of action by Lessee against Lessor.

ARTICLE 10: Transfer, Sale or Disposition of Improvements

10.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower income households and expand access to homeownership opportunities for such households.

10.2 TRANSFERS TO INCOME-QUALIFIED PERSONS: Lessee may transfer its interest in the Leased Premises or the Improvements only to Lessor or an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers shall be subject to Lessor's review and purchase option rights set forth in this Article 10. Any purported transfer done without following the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

"Income-Qualified Person" shall mean a person or group of persons whose household income does not exceed (insert project specific factor not to exceed 120%) percent (___%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 TRANSFER TO LESSEE'S HEIRS: Upon receipt of notice from the executor of the decedent's estate given within ninety (90) days of the death of Lessee (or the last surviving co-owner of the Improvements) Lessor shall, unless for good cause shown, consent to a transfer of the Improvements and an assumption of this Lease to and by one or more of the possible heirs of Lessee listed below as "a," "b," or "c," provided that a Letter of Stipulation and a Letter of Acknowledgment of legal counsel (similar to those described in Article 1 of this Lease), setting forth the heirs' review, understanding and acceptance of the terms of the Lease, are submitted to Lessor to be attached to the Lease when it is transferred to the heirs.

- a) the spouse of the Lessee; or
- b) the child or children of the Lessee; or
- c) member(s) of the Lessee's household who have resided upon the Premises for at least one year immediately prior to Lessee's death.

Any other heirs, legatees or devisees of Lessee must, in addition to submitting Letters of Stipulation and Acknowledgment as provided above, demonstrate to Lessor's reasonable satisfaction that they are Income-Qualified Persons as defined above, or, if unable to do so, shall not be entitled to possession of the Leased Premises but must transfer the Leased Premises in accordance with the provisions of this Article 10.

10.4 LESSEE'S NOTICE OF INTENT TO SELL: In the event that Lessee wishes to assign its interest in the Leased Premises and sell the Improvements, Lessee shall notify Lessor, in writing, of such wish (the Intent-to-Sell Notice). Such Notice shall include a statement as to whether Lessee wishes to recommend a prospective buyer as of the date of the Notice.

10.5 APPRAISAL: No later than ten (10) days after Lessor's receipt of Lessee's Intent-to-Sell Notice, a market valuation of the Leased Premises and the Improvements (The Appraisal) shall be commissioned to be performed by a mutually acceptable and duly licensed appraiser. Lessor shall commission and pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Land and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Improvements. The Appraisal shall state the values contributed by the Land and by the Improvements as separate amounts. Copies of the Appraisal are to be provided to both Lessor and Lessee.

10.6 LESSOR'S PURCHASE OPTION. Upon receipt of an Intent to Sell Notice from Lessee, Lessor shall have the option to purchase the Improvements (the Purchase Option) at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Improvements for succeeding Income-Qualified Persons while taking fair account of the investment by the Lessee.

If Lessor elects to purchase the Improvements, Lessor shall exercise the Purchase Option by notifying Lessee, in writing, of such election (the Notice of Exercise of Option) within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given such notice, Lessor may either proceed to exercise the Purchase Option directly by purchasing the Improvements, or may assign the Purchase Option to an income-qualified person.

The purchase (by Lessor or Lessor's assignee) must be completed within sixty (60) days of Lessor's Notice of Exercise of Option, or Lessee may sell the Improvements as provided in Section 10.7 below.. The time permitted for the completion of the purchase may be extended by mutual agreement of Lessor and Lessee.

Lessee may recommend to Lessor a prospective buyer who is an Income-Qualified Person and is prepared to submit Letters of Stipulation and Acknowledgement indicating informed acceptance of the terms of this Lease. Lessor shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless Lessor determines that its charitable mission is better served by retention of the Improvements for another purpose or transfer of the Improvements to another party.

10.7 IF PURCHASE OPTION EXPIRES: If the Purchase Option has expired or if Lessor has failed to complete the purchase within the sixty-day period allowed by Section 10.6 above, Lessee may sell the Improvements and assign the Lease to any Income-Qualified Person, for not more than the then applicable Purchase Option Price. If, six months after the expiration of the Purchase Option or the expiration of said sixty-day period, the Improvements still have

not been sold, Lessee may sell the Improvements and assign the Lease, for not more than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Person.

10.8 LESSOR'S POWER OF ATTORNEY TO CONDUCT SALE: In the event Lessor does not exercise its option and complete the purchase of the Improvements as set forth above, and Lessee (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Lessee does hereby appoint Lessor its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease, sell the property, and distribute proceeds of sale, minus Lessor's costs of sale and reletting and any other sums owed Lessor by Lessee.

10.9 PURCHASE OPTION PRICE: In no event may the Improvements be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the Improvements as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below (the Formula Price).

10.10 CALCULATION OF THE FORMULA PRICE: The Formula Price shall be calculated as follows. A market valuation of the Leased Premises and the Improvements shall be conducted in accordance with the instructions set forth in 10.5 above (the Current Appraised Value).

Lessee's Purchase Price: The parties agree that the Lessee's Purchase Price for the Improvements existing on the Leased Premises as of the commencement of the term of this Lease is \$_____.

Initial Appraised Value: The parties agree that on or about the date of Lessee's acquisition of the Improvements, a market valuation of the Leased Premises and Improvements was conducted by analysis and comparison of comparable properties as though title to the Leased Premises and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Leased Premises and the transfer of the Improvements. The parties agree that the appraised value of the Leased Premises and the Improvements at the time of Lessee's purchase (the Initial Appraised Value) is \$_____.

Lessee's Price to Value Ratio. The parties agree that Lessee's Purchase Price, as stated above, represents _____ percent (__%) of the Initial Appraised Value as stated above (the Purchase Price-to-Value Ratio).

Calculation of Market Value Appreciation of the Leased Premises and the Improvements.

For the purpose of determining the Formula Price, Market Value Appreciation of the Leased Premises and Improvements shall be determined by subtracting the Initial

Nevada Rural Housing Authority Land Trust Ground Lease

Appraised Value from the Current Appraised Value. If this calculation returns a positive number, the result shall be the "Market Value Appreciation." If this calculation returns a negative number, the Market Value Appreciation shall be zero (\$0). Following is a table for calculating Market Value Appreciation of the Leased Premises and Improvements:

1. Current Appraised Value	\$
2. Minus Initial Appraised Value	- \$
3. Equals Market Value Appreciation of the Leased Premises and Improvements [note: if line 1 minus line 2 is negative, enter zero.]	= \$

Calculation of Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements.

For the purpose of determining the Formula Price, Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements shall be determined by first multiplying the Market Value Appreciation of the Leased Premises and the Improvements by the Purchase Price-to-Value Ratio and then multiplying the product by twenty-five percent (25%) (the "Shared Appreciation Factor "). Following is a table for calculating Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements:

1. Market Value Appreciation of the Leased Premises and the Improvements	\$
2. Multiplied by the Purchase Price-to-Value Ratio	x .
3. Multiplied by the Shared Appreciation Factor	x .
4. Equals the Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements	= \$

Calculation of Formula Price.

The Formula Price shall be determined by adding Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements to Lessee's Purchase Price. Following is a table for calculating the Formula Price:

1. Lessee's Purchase Price	\$
2. Plus Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements	+ \$
3. Equals Formula Price	= \$

10.11 QUALIFIED PURCHASER'S CHOICE OF NEW LEASE OR ASSIGNMENT OF EXISTING LEASE: An income qualified person who purchases the Improvements in accordance with the provisions of this Article 10 shall have the option of receiving either an assignment of this Lease from the seller, with the approval of Lessor, or a new Lease from Lessor, which new Lease shall be substantially the same as this Lease in the rights, benefits and obligations assigned to Lessee and Lessor.

ARTICLE 11: ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article 8 (including Exhibit PERMITTED MORTGAGES) and Article 10, Lessee shall not assign, sublease, sell or otherwise convey any of Lessee's rights under this Lease without the prior written consent of the Lessor. Lessee agrees that Lessor shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease shall be subject to the following conditions.

- a) Any such assignment or sublease shall be subject to all of the terms of this Lease.
- b) In the case of a sublease, the rental or occupancy fee charged the sublessee shall not be more than that amount charged the Lessee by the Lessor, plus an amount approved by Lessor to cover costs to Lessee for the Improvements.
- c) In the case of an assignment, the total consideration for such assignment and the related sale or transfer of the Improvements shall not exceed the Purchase Option Price as calculated in accordance with Article 10 above.

ARTICLE 12: DEFAULT

12.1 MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to pay the Ground Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Lessee or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, if Lessee shall make a good faith partial payment of at least two-thirds (2/3) of the amount owed during such initial 30 day period, then such period shall be extended one additional 30-day period.

12.2 NON-MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to abide by any other material term or condition in this Lease, and such failure is not cured by Lessee or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, in the case where the Lessee or Permitted Mortgagee has commenced to cure such default within such 60-day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3 DEFAULT BY LESSEE RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Lessee is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Lessee for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 TERMINATION: In the case of any of the events of default described above, Lessor may terminate this Lease and initiate summary proceedings against Lessee. Pursuant to such proceedings, without demand or notice, Lessor may enter any part of the Leased Premises and repossess the entire Leased Premises, and expel Lessee and those claiming rights through Lessee and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by Lessor, or if Lessor re-enters the Leased Premises pursuant to an Event of Default, the Lessee agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with such termination or re-entry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lessor in pursuit of its remedies under this Lease.

If Lessor elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Lessee's interest in the Leased Premises by foreclosure of its mortgage or otherwise.

12.5 DEFAULT BY LESSOR: Lessor shall in no event be in default in the performance of any of its obligations under the Lease unless and until Lessor has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Lessee to Lessor properly specifying Lessor's failure to perform any such obligation.

ARTICLE 13: ARBITRATION

13.1 ARBITRATION PROCESS: Should any grievance or dispute arise between Lessor and Lessee concerning the terms of this Lease which cannot be resolved by normal interaction, the following arbitration procedure shall be used.

Lessor or Lessee shall give written notice to the other of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice.

Nevada Rural Housing Authority Land Trust Ground Lease

These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within fifteen days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing Lessor and Lessee shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than fifteen days after the hearing, the arbitration panel shall make a written report to the Lessor and Lessee of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final.

ARTICLE 14: GENERAL PROVISIONS

14.1 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to Lessor: _____ (name of NRHA)
with a copy to: _____ (NRHA's attorney)

If to Lessee: _____ (name of Lessee)

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.2 NO BROKERAGE: Lessee warrants that it has not dealt with any broker other than _____ in connection with the consummation of this Lease, and in the event any claim is made against Lessor relative to dealings with brokers other than _____, Lessee shall defend the claim against Lessor with counsel of Lessor's selection and save harmless and indemnify Lessor on account of loss, cost or damage which may arise by reason of any such claim.

14.3 SEVERABILITY AND DURATION OF: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Lessee or Lessor against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and such options and other rights shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such

option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons:

NOTE: List an identifiable group of small children, e.g., the children living as of the date of this Lease of any of the directors or employees of a specified corporation.

14.4 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, Lessor shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Lessee. Such right shall be as specified in Exhibit FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.5 WAIVER: The waiver by Lessor at any given time of any term or condition of this Lease, or the failure of Lessor to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. Lessor may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by Lessor before being effective.

The subsequent acceptance of Ground Lease Fee payments by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term or condition of this Lease, other than the failure of the Lessee to pay the particular Ground Lease Fee so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.6 LESSOR'S RIGHT TO PROSECUTE OR DEFEND: Lessor shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Lessee's name, any actions or proceedings appropriate to the protection of its title to, and Lessee's interest in the Leased Premises. Whenever requested by Lessor, Lessee shall give Lessor all reasonable aid in any such action or proceeding.

14.7 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.8 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.9 PARTIES BOUND: This Lease sets forth the entire agreement between Lessor and Lessee with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by Lessor and Lessee or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

Nevada Rural Housing Authority Land Trust Ground Lease

14.10 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of Nevada. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Lessor or Lessee.

14.11 RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a so-called Memorandum of Ground Lease in form recordable and complying with applicable law and reasonably satisfactory to Lessor's attorneys. In no event shall such document set forth the rent or other charges payable by Lessee under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

IN WITNESS WHEREOF, the parties have executed this lease at _____ on the day and year first above written.

_____ (NRHA)

Witness

By: _____
Its duly authorized agent

Witness

Lessee: _____

State of Nevada

County of _____

This instrument was acknowledged before me on

_____ by _____
Date Name of Signer

Signature of Notary officer (Notary Stamp)

This letter is given to the NRHA to become an exhibit to a Lease between the NRHA and me. I will be leasing a parcel of land from the NRHA and will be buying the home that sits on that parcel of land. I will therefore become what is described here as a "NRHA homeowner."

My legal counsel, _____, has explained to me the terms and conditions of the 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 NRHA homeowner, now and in the future.

In particular I understand and agree with the following points.

Nevada Rural Housing Authority Land Trust Ground Lease

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

The terms and conditions of my Lease will keep my home affordable for future "income-qualified persons" (as defined in the lease). If and when I want to sell my home, the lease requires that I sell it either to the NRHA or to another income-qualified person. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such income-qualified persons.

It is also a goal of the NRHA to promote resident ownership of NRHA homes. For this reason, my Lease requires 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 Lease, or they can sell it on the terms permitted by the Lease.

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

Sincerely

Letter of Acknowledgment

I, _____, have been independently employed by _____ (hereinafter "the Client") who intends to purchase a house and other improvements on land to be leased from Community Land Trust. The house and land are located at _____.

In connection with the contemplated purchase of the house and other improvements and leasing of the land, I reviewed with the Client the following documents relating to the transaction:

- a) this Letter of Acknowledgment and a letter of stipulation from the Client;
- b) a proposed Deed conveying the house and other improvements to the Client;
- c) a proposed Ground Lease conveying the "Leased Premises" to the Client;
- d) other written materials provided by the NRHA.

The Client has received full and complete information and advice regarding this conveyance and the foregoing documents. My advice and review has been given 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 her own judgment and upon her investigation of the facts. The full and complete advice and information provided by me was an integral element of such investigation.

Name

Date

Title

Firm/Address

Exhibit DEED

Warranty Deed

Between

COMMUNITY LAND TRUST ("the NRHA"), a not-for-profit instrumentality of the state having its principal offices at 3695 Desatoya Drive, Carson City, Nevada, and

_____, residing at _____,
_____. (complete address)

Witnesseth

That the NRHA, in consideration of one dollar and other good and valuable consideration paid by _____, does hereby grant and release unto _____, his/her heirs, or successors and assigns forever,

THE BUILDINGS AND IMPROVEMENTS ONLY, as presently erected on the premises described in Schedule "A" attached hereto and made a part hereof.

It is the intention of the parties that the real property underlying the buildings and improvements conveyed herein remain vested in the NRHA and that this warranty deed convey only such buildings and improvements as are presently erected upon the subject premises.

In witness whereof, as authorized agent of the NRHA, I hereunto set my hand this ____ day of _____, A.D. 20__.

signature

State of Nevada
County of _____

This instrument was acknowledged before me on

_____ by _____

Date

Name of Signer

(Notary Stamp)

Signature of Notary officer

Exhibit PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A) **STANDARD PERMITTED MORTGAGE:** A "Standard Permitted Mortgage," as identified in Section 8.1 of the Lease to which this Exhibit is attached shall be a mortgage that meets the following requirements.

1) Such Mortgage shall run in favor of either (a) a so-called "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a "community development financial institution" as certified by the U.S. Department of the Treasury, or similar non-profit lender to housing projects for low and moderate income persons.

2) Such Mortgage shall be a first lien on all or any of the Improvements and the Lessee's interest in the Leased Premises (the "Security").

3) Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor's obligations thereunder, the holder of such Mortgage shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

4) Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

5) Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Lessee's interest in the Leased Premises by the Permitted Mortgagee, the Permitted Mortgagee shall give the Lessor written notice of such acquisition and the Lessor shall have an option to purchase the Improvements and acquire the Lessee's interest in the Leased Premises from the

Nevada Rural Housing Authority Land Trust Ground Lease

Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that the Lessor gives written notice to the Permitted Mortgagee of the Lessor's intent to purchase the Improvements and acquire the Lessee's interest in the Leased Premises within thirty (30) days following the Lessor's receipt of the Permitted Mortgagee's notice of such acquisition of the Improvements and Lessee's interest; further provided that Lessor shall complete the purchase of the Improvements and acquisition of Lessee's interest in the Leased Premises within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the Lessor does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Lessee's interest in the Leased Premises to another person;

6) Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the _____ (insert geographic location of property) _____ area by institutional mortgagees.

7) Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering Lessor or any subsequent holder of the Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

8) Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to Lessor or Lessor's interest in the Leased Premises, but will look solely to Lessee, Lessee's interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that Lessor's consent to such Mortgage shall be without any liability on the part of Lessor for any deficiency judgement).

9) Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of ARTICLE 9 hereof.

10) Such Mortgage and related documentation shall contain nothing that obligates Lessor to execute an assignment of the Ground Lease Fee or other rent payable by Lessee under the terms of this Lease.

B) RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage (Permitted Mortgagee) as referenced under Section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below.

1) A Permitted Mortgagee shall without requirement of consent by the Lessor have the right, but not the obligation, to:

a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Lessee;

Nevada Rural Housing Authority Land Trust Ground Lease

b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and

c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

2) Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Lessee under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3) In the event that title to the estates of both Lessor and Lessee shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Lessee under the Lease as condition to the forbearance by Lessor in the exercise of Lessor's remedies as provided in the Lease.

4) If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to Lessor's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Lessor for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Lessor, Lessee and the Permitted Mortgagee.

Nevada Rural Housing Authority Land Trust Ground Lease

5) The Lessor shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6) In the event that Lessor sends a notice of default under the Lease to Lessee, Lessor shall also send a notice of Lessee's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to Lessor by a written notice to Lessor sent in the manner set forth in said Section 14.2 of the Lease.

Exhibit FIRST REFUSAL

Whenever any party under the Ground Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Ground Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

a) Offering Party shall give written notice of such offer ("the Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("the Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("the Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.

b) If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.

c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Ground Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.

Other Exhibits to be Attached as Appropriate

Exhibit PREMISES [Correct legal description of area of Leased Premises and appurtenant title rights and obligations.]

Exhibit ZONING [Setting forth applicable zoning restrictions as of the commencement of the Lease]

Exhibit RESTRICTIONS [To be attached when necessary to stipulate use restrictions not included under Zoning]

Exhibit INITIAL APPRAISAL [To be attached if Lease contains an “appraisal-based” resale formula]

Exhibit COMMUNITY LAND TRUST GROUND LEASE RIDER [To be attached when necessary to meet Fannie Mae lending guidelines.]

Exhibit MEMORANDUM OF GROUND LEASE [Alternative, short form recordable document]

**Attachment C
NRHA Land Trust
Marketing & Community Outreach Policies and Procedures**

NEVADA LAND TRUST

MARKETING & COMMUNITY OUTREACH POLICIES & PROCEDURES

I. OVERVIEW

This policy paper is intended to guide the development and implementation of Nevada Land Trust Marketing & Community Outreach policies and procedures. This policy shall be reviewed from time to time for effectiveness in guiding the Nevada Land Trust in the pursuit of its mission. This policy may be amended by a majority of the Board.

II. GOALS

The goals of the NRHA Land Trust that these policies are intended to support are:

- A. To educate and expose community leaders to the land trust model.
- B. To expose potential homebuyers in rural Nevada to the concept of owning a Nevada Land Trust home.
- C. To obtain preliminary, qualifying information from potential homebuyers in the areas served by Nevada Rural Housing Authority.
- D. To generate public awareness of available Nevada Land Trust properties.

III. MARKETING PLAN

The Nevada Land Trust Marketing Plan is designed to support the goals as outlined above.

A. Community Orientation

It is recognized by NRHA that, in order for a land trust to be successful, it must first have the support of the community where it plans to reside. This support would stem from an understanding of the land trust model and the need it addresses within the community. A Community Orientation presentation would be conducted on an as needed basis and used to reach those members of the community who, by giving us their support, facilitate our efforts in the community as well as help to diffuse objections based on myths and misconceptions.

Typical Audience for Community Orientation

- 1. Western Nevada Home Consortium
- 2. Planning Departments
- 3. Community Advisory Boards
- 4. Board of Supervisors
- 5. School District
- 6. Charitable Foundations (United Way)
- 7. Churches

Community Presentation Overview

1. A Power Point presentation would be used to convey the following information:
2. The Land Trust model as stewards of grant funds.
3. Challenges presented to low- to moderate-income first time homebuyers in purchasing market priced homes.
4. Land Trust homeownership as a step-up to conventional homeownership.
5. Perpetual Affordability represented as a comparison to the cost of market driven homeownership.
6. Non-escalating funding represented as a comparison between gap funds needed today and anticipated funding required in the future.
7. References to other successful land trusts showing a variety of community profiles
8. References to land trust studies, websites and published material.
9. The Homebuyer Presentation as outlined below (III.B.2)

B. Homebuyer Orientation

Many low- to moderate-income households in rural Nevada may assume that homeownership is out of their reach and therefore not actively pursue a path to purchasing their own home. In order to accomplish our goal of exposing potential homebuyers to the prospect of owning a NRHA Land Trust home, we would actively seek opportunities and venues to conduct a Homebuyer Orientation.

Homebuyer Orientation Venues

1. Community Centers/Organizations
2. Local Employers
3. Adult Education Classes
4. Community Events, i.e. fairs

Homebuyer Presentation Overview

A PowerPoint presentation that engages the attendee and summarizes:

1. What is the NRHA Land Trust?
2. What does it mean to be a NRHA Land Trust Homeowner?
3. How does it compare to renting?
4. How does it compare to purchasing a market priced home?
5. How is the purchase price kept affordable?
6. Who is eligible?
7. A presentation of homes currently available in areas of relevant interest.
8. Opportunity for Question & Answer
9. Homebuyer Pre-application Worksheet

Attendees of the Homebuyer Orientation would be offered the opportunity to complete a Homebuyer Pre-application Worksheet. Nevada Land Trust staff would be available to offer assistance if needed. This worksheet would be used by NRHA Land Trust staff to create a contact list of potential homebuyers and would identify:

1. Homebuyer Contact Information
2. Homebuyer's age (must be 18 to obtain a mortgage)
3. Household size and dynamics
4. Number of children, age and gender
5. Number of adults
6. Special needs
7. Neighborhoods/town/school districts of interest
8. Household income
9. Calculation to determine percent of Area Median Income
10. Calculation to determine affordable monthly house payment

IV. NRHA ACTION REQUIRED: NRHA Land Trust staff would review all Pre-application worksheets to identify potential homebuyers who may meet eligibility requirements. Potential homebuyers would be sent an Applicant Packet that includes the following:

1. A letter informing the candidate that their stated income indicates they may be eligible to purchase a NRHA Land Trust property.
2. An outline of the steps involved in purchasing a Land Trust home.
3. Land Trust staff contact information.
4. NRHA Land Trust Application
5. Documentation requirements

V. MARKETING AVAILABLE NEVADA LAND TRUST HOMES

Marketing of available Land Trust properties serves both the interests of the Nevada Land Trust and its established Homeowners.

1. Supports Nevada Land Trust's Marketing & Community Outreach goal to generate public awareness of available affordable properties.
2. Serves our obligation to provide post-purchase support in helping a current homeowner find an eligible buyer when they choose to sell their home. (See Post-Purchase Policies & Procedures.)

Advertising Available Nevada Land Trust Homes

Information on Nevada Land Trust properties that are available for purchase would be presented as an advertisement or web posting and would contain sufficient information to generate interest from low- to moderate-income homebuyers within a reasonable geographic area of the available property. A Nevada Land Trust "Home for Sale" sign would also be posted at the site.

Advertisement & Posting Locations

1. Nevada Land Trust website
2. Printed posting at NRHA Locations
3. Emailed to Local Employer Contacts for posting
4. 'Homes for Sale' section of local newspaper(s)
5. Hispanic Newspapers

6. Hispanic Radio Stations
7. Northern Nevada Center for Independent Living
Reno: nncil27@sbcglobal.net
Elko: elkonncil2@citlink.net
Fallon: nncilf@cccomm.net

Advertisement & Posting Content

1. Color photograph of the property
2. Address
3. Purchase price
4. Number of bedrooms/bathrooms
5. Square Footage
6. Garage size
7. Eligibility restrictions
8. Contact owner to arrange for showing at: (owner's contact information)
9. NRHA Land Trust contact information
10. Equal Housing Opportunity logo

For Sale Sign

1. "HOUSE FOR SALE"
2. Contact owner to arrange for showing at: (area for owners contact information).
3. Nevada Land Trust contact information
4. Equal Housing Opportunity logo
5. Flier box

VI. NRHA ACTION REQUIRED:

1. NRHA Land Trust staff will make responding to property inquiries a high priority (within 24 hours if possible).
2. If the inquiry is made by an individual who is currently not in the NRHA Land Trust database of qualified buyers, then NRHA Land Trust staff would offer to provide the caller with a Pre-Application Worksheet or take enough information over the phone to determine the caller's eligibility.
3. Interested and potentially eligible candidates would be sent an Application Packet.

Attachment D
Nevada Land Trust
Homebuyer Selection Policies and Procedures

NEVADA LAND TRUST

HOMEBUYER SELECTION POLICIES & PROCEDURES

I. OVERVIEW

A. This policy paper is intended to guide the development and implementation of both general and project-specific homebuyer selection procedures administered by the Nevada Land Trust. This policy shall be reviewed from time to time for effectiveness in guiding the Nevada Land Trust in the pursuit of its mission. This policy may be amended by a majority of the Board.

II. GOALS

The goals of the Nevada Land Trust that these policies are intended to support are:

- A. To provide as wide a range of opportunities as possible for low and moderate income people to secure housing that is decent, safe and affordable;
- B. To insure the preservation of the quality and affordability of housing for future low and moderate income residents of the community;
- C. To preserve and encourage economic diversity throughout Nevada;
- D. To find the best match within a housing unit that is the right price and the right size.

III. SELECTION CRITERIA

A. THRESHHOLD SELECTION CRITERIA

The following criteria reflect the Nevada Land Trust's goal to reasonably match household size to unit size and household income to housing costs. [Note: some funding sources which the NRHA Land Trust may rely on to develop its housing opportunities establish maximum eligible incomes of between 50% to 80% of the area median

1. Majority Age – must be 18 years of age in Nevada to qualify for a mortgage.
2. Citizen of USA or registered alien
3. Completed Nevada Land Trust Application: Applicant is provided with an application form to complete and return to NRHA Land Trust staff. Assistance with filling out application will be provided by staff on an as-needed basis. Application is reviewed by staff in comparison to established threshold and secondary criteria. Staff determines whether applicant is likely to qualify for currently available housing units (or for the general waiting list, as the case may be).
4. Income Eligibility/Maximum Income: Each Land Trust home may have income restrictions related to eligibility that are dependent upon the HUD statistical area in which the home is located; and/or there may be restrictions related to subsidy funding sources. To be considered for selection, a household must have an annual income which does not exceed 120 percent of the median income of households of equal size (120% AMI) residing in the statistical area (as defined by the U.S. Department of Housing and Urban Development or its successor agency) within which the housing unit is located. There is, however, the exception for households at any income level who wish

to place land which they own in the Nevada Land Trust and agree to be bound by the land trust's resale restrictions.

5. **Creditworthiness:** In all cases, a household must be able to demonstrate a sense of ownership of its financial obligations, and a history of responsible effort to meet them. The household must be "pre-qualified" through the Nevada Land Trust's application process to determine whether mortgage financing is likely to be obtained by the household based on the applicant's available cash resources and the known requirements of various mortgage programs for which the household may be eligible.

6. **Minimum Income:** To be considered for Nevada Land Trust homeownership opportunities, a household's monthly income, when multiplied by the appropriate debt-to-income ratio, must be sufficient to support the housing costs for the housing opportunity in question. In general, households that require a cosigner in order to obtain a mortgage will not be considered.

7. **Affordability** – (i.e. matching household income to housing cost). In general, affordable means that the monthly cost of occupying a particular housing unit (PITI) combined with all other household debt does not exceed 41%. Ultimately, affordability will depend on the applicable lender's guidelines.

8. **Assets** – Nevada Land Trust places no limit on assets held by a potential homebuyer.

9. **Down Payment** – The minimum down payment requirement for participation in the Nevada Land Trust is 1% of purchase price. This 1% must come from the homebuyers personal funds. In addition, any funds available as down payment assistance should be researched and noted as part of the credit worthiness review.

10. **Credit Score:** NRHA will obtain and calculate an average credit score from the three credit reporting agencies. This score will be reflected in the homebuyer's file as either "excellent" (scores from 750 to 850), "good" (scores from 620 to 749), or "poor" (scores from 500 to 619). Homebuyers with "poor" credit scores will not be "pre-qualified" for the NRHA Land Trust.

IV. **NRHA ACTION REQUIRED** - The Qualified Buyer will be notified in writing of his/her status and will be given 90 days to complete Homebuyer Education.

Failure to meet any of the Threshold Selection Criteria will prevent NRHA from including the applicant as a Qualified Buyer. The applicant will be notified in writing of such determination and invited to request additional information or counseling.

V. **Homebuyer Education:** To be considered for the NRHA Land Trust, a homebuyer must complete a Homebuyer Education Program through NRHA or an independent credit counseling service, as well as the Advanced Nevada Land Trust Homebuyer Orientation

A. The Homebuyer Education Program is designed to help the homebuyer establish a household budget, improve their credit worthiness and understand their future mortgage and housing related expenses.

B. The Advanced Nevada Land Trust Homebuyer Orientation reveals to the homebuyer the details of Nevada Land Trust homeownership. This would include homeowner responsibilities, capital improvement restrictions, equity calculation and land lease agreement.

VI. **Lender Pre-Approval:** The Qualified Buyer will be asked to meet with an NRHA Land Trust approved lender to apply for mortgage pre-approval.

VII. **NRHA ACTION REQUIRED** - Successful completion and completion date of Homebuyer Education will be noted in the Qualified Buyer's file. Applicant will also be asked to submit a copy of his/her lender's pre-approval letter within the same 90 day time period.

Failure to complete Homebuyer Education and/or Lender Pre-Approval within 90 days of being deemed a Qualified Buyer will result in NRHA identifying the applicant as an "Inactive Qualified Buyer". The applicant will be notified in writing of his/her inactive status and advised to notify NRHA of any future desire to return to active status.

VIII. **SECONDARY SELECTION CRITERIA**

The following circumstances, not necessarily in order of priority or importance will be considered in those instances when there are two or more households expressing interest in a particular unit and who meet the Threshold Eligibility Criteria outlined above and have completed Homebuyer Education and Lender Pre-Approval.

1. **Development Specific Priorities:** For land trust developments initiated to provide housing to a specified group such as school, mining or casino employees, faith-based organizations, or any organization where funding or land grants were received by Nevada Land Trust in exchange for offering first right of refusal to a specific class of homebuyer.
2. **Residency:** Residents of the community within which the housing unit is located, residents of the county, and residents of the state – in this order. Length of residency will be considered.
3. **Interview:** NRHA staff may schedule and conduct a personal interview with applicant household.
4. **Reference Check:** NRHA may request personal references from applicant.
5. **Community involvement:** Residents having demonstrated involvement with and commitment to the community as evidenced by organizational memberships and/or participation in, support for, or sponsorship of non-profit, church or civic groups/events, etc.
6. **Heirs:** If "heir property" is sold to the Nevada Land Trust, any heir of the former owner(s) that meets the Threshold Eligibility Criteria outlined above and have completed Homebuyer Education and Lender Pre-approval will be given special consideration.
7. **Need:** In general, Nevada Land Trust will give consideration to the lower-income household. The Nevada Land Trust will give special consideration to households facing immediate or near-term displacement, especially if children are involved.
8. **Seniority:** Length of time the applicant(s) has been on file as an "Active Qualified Buyer".
9. **Nevada Land Trust Membership:** The Nevada Land Trust wishes to link with other resale restricted housing organizations in other communities to provide the same kind of mobility within the "resale-restricted" housing market as exists in the unrestricted housing marketplace. In other words, NRHA Land Trust desires to enable land trust homeowners to convert their "limited" equity stake in one community into

another such home ownership option in another community. Thus, length of membership in the Nevada Land Trust, length of membership in other land trusts, in this order, will be considered. Involvement in the Nevada Land Trust's operation and general activities will also be considered.

10. First-time homebuyers: Defined as someone who has not owned a principal residence in the past three years; or a single parent who may have owned a home with a former spouse in the past three years but now no longer resides there.

11. First come, first served.

12. Appropriate Size – (i.e. matching household size to unit size). In general, households consisting of the number of persons appropriate for the unit size will be given preference as follows, based on a 2-person per bedroom +1 formula:

Unit Size	Household Size
0 – BR	1-2 persons
1 – BR	1-3 persons
2 – BR	2-5 persons
3 – BR	3-7 persons
4 – BR	4-9 persons
5 – BR	5-11 persons

IX. SELECTION PROCESS

The selection process for each housing opportunity may vary depending on the number of eligible and qualified persons on the waiting list relative to the number of housing opportunities available at a particular time and in a particular area. In general the selection process will be conducted according to the steps outline below.

A. WHO MAKES THE DECISION

1. Regarding Threshold and Secondary Eligibility Criteria – A Selection Committee shall be appointed by the NRHA Board of Directors, consisting of at least 2 staff persons and one board member or board-appointed community advisor. The Selection Committee will approve each Land Trust sale transaction.

a) The Selection Committee may, at its discretion, and on a case by case basis, elect to either rank the Secondary Eligibility Criteria, or conduct a lottery among those eligible and qualified applicant households meeting one or more of the Secondary Selection Criteria.

B. Regarding Credit Risk and Overall Creditworthiness: The mortgage underwriting guidelines of the lending programs available to the Nevada Land Trust's qualified home buyers shall be the deciding factors regarding credit risk and the overall creditworthiness of a particular applicant.

X. NRHA ACTION REQUIRED – Nevada Land Trust staff would request findings of Selection Committee and notify the selected Qualified Buyer that a housing opportunity is available that meets their needs as stated in their NRHA Land Trust Application. The applicant would be notified by phone

that he/she has 48 hours to schedule a walk-thru of the property and an additional 48 hours to submit an Offer to Purchase.

Failure to express interest in the available housing opportunity within 5 business days of being contacted by NRHA Land Trust staff will prompt Nevada Land Trust staff to notify Qualified Buyer in writing that their non-response has moved them to second position and to please notify NRHA if they are no longer interested in a Land Trust property. NRHA will then request and pursue a new buyer from the Selection Committee.

XI. PURCHASE

A. Completion of Offer & Acceptance: The selected Qualified Buyer prepares an Offer to purchase the Land Trust Home at the stated price and an "on or before" closing date is set for no more than 60 days from date of Acceptance. NRHA accepts the buyer's offer and forwards the completed Offer & Acceptance to the Title Company.

B. Earnest Money: If applicant has sufficient assets, such as stated down payment funds, Nevada Land Trust staff may request \$500 Earnest Money accompany Buyer's Offer.

C. Independent Legal Review: Applicant must retain, at applicant's expense, an attorney who reviews all the Nevada Land Trust legal documents, including the Land Lease Agreement, on behalf of applicant and who provides independent advice and counsel regarding the transaction. All signed Land Trust legal documents will be forwarded to Title Company.

D. Mortgage Application Processing: Applicant moves through the mortgage application and approval process.

XII. NRHA ACTION REQUIRED: Nevada Land Trust staff will monitor the closing process, schedule structural and pest inspections as needed, and accommodate access needed by appraiser and inspectors. NRHA will review inspections and appraisal and follow-up on any required repairs to property prior to closing date.

Should the transaction fail to close by the "on or before" date as specified in the Offer & Acceptance, and this failure is not due to any delay caused by NRHA staff, Nevada Land Trust has the right to claim buyer's earnest money as compensation for their efforts and seek a new buyer. If the transaction fails to close by the "on or before" date due to complications outside the buyer's control, NRHA and buyer may extend the closing date another 30 days.

XIII. CLOSING & FINAL WALKTHROUGH

A. A Nevada Land Trust representative will attend buyer's closing.

B. A Nevada Land Trust representative will schedule a walkthrough of the property with the buyer within the 24 hours prior to recording of documents.

**Attachment F
Staff Resumes**

PROFESSIONAL RESUME

David R. Craig

3695 Desatoya Drive
Carson City, NV 89701
(775) 887-1178

EMPLOYMENT HISTORY:

Nevada Rural Housing Authority

Position: Real Estate Director – September 2009 to Present

- Management of new business development throughout rural Nevada, including creation development concepts – emphasis on affordable and workforce projects
- Design and implementation of mixed-finance project funding packages that integrate diverse local, state and federal economic programs, including Low Income Housing Tax Credits
- Formation and oversight of project development teams; project feasibility analysis, packaging and management including but not limited to site identification and assembly, contract negotiations, construction management, marketing, sales, leasing, management and disposition
- Creation and oversight of revenue, expense and cash flow projections for Real Estate Division operations
- Oversight and administration of Real Estate Division operations as Director to the Executive Director

Infin@ty Partners, LLC

Position: Managing Member/Investor – June 2002 to Present

- Acquisition and rehabilitation of two apartment complexes located on Como Street in Carson City, Nevada. Repositioned projects to upgrade the local area and influenced rehabilitation of surrounding apartments.
- Creation and oversight of revenue, expense and cash flow projections for the company

The Badger Group, LLC

Position: Managing Member/Investor – June 2004 to Present

- Acquisition and rehabilitation of a 52 unit low income apartment complexes located In north Douglas County, Nevada. Repositioned projects to upgrade the local area and influenced rehabilitation of surrounding apartments.
- Creation and oversight of revenue, expense and cash flow projections for the company

Western Highland Management Company, Inc.

Position: President/Investor – June 2004 to Present

- Establish and oversee all operations and policies of this property management company
- Creation and oversight of revenue, expense and cash flow projections for the company
- Actively participates in property management

Professional Experience

- 20 years of Commercial & Residential Design/Project Management
- Development & Implementation of GIS Revenue Tracking System for Gaming Industry
- 10+ years as Private Business Owner & Entrepreneur

Relevant Skills and Experience

- ✓ Rental Property Acquisition
- ✓ Rental Property Rehab & Management
- ✓ CAD Drawing
- ✓ Affordable Housing Counseling
- ✓ Geographic Information System Development
- ✓ Facilities Management
- ✓ Interior Design & Specification

Summarized Professional Experience

As Project Manager for Nevada Rural Housing Authority, Ms. Dayton brings a variety of experiences from the for-profit world in the design and management of both residential and large-scale commercial design projects.

After several months working as a designer in the gaming industry, she combined her knowledge of casino floor design with casino revenue data and, utilizing GIS technology, created a much needed graphic performance analysis tool. This application converted columns of numbers to a birds-eye performance picture allowing management to make decisions in minutes rather than hours.

Aside from managing her own consulting business, Ms. Dayton has managed the family landscape design business and overseen the acquisition and rehab of their own rental property portfolio.

She brings to NRHA a desire to assist in all matters related to workforce housing. Major projects include Yerington Manor Green Retrofit (\$900,000 rehab of 52 apartment units), Winnemucca Senior Apartment (\$6M new construction of 30 units), and rehabilitation of scattered site foreclosed rural properties.

Education

Bachelor of Science, Interior Design & Housing, University of Nevada, Reno
Aperture GIS Advanced Training
Fair Housing
Community Land Trust
Homebuyer Education

MICHAEL L. HYNICK

PO Box 443

VIRGINIA CITY NV. 89440

(775) 847.7139

E-MAIL: 4LEGGEDFRIENDS@ATT.NET

OBJECTIVE

To work for a progressive employer where my offsite and onsite development managerial skills, construction abilities and experience will allow me to create a long-term, mutually beneficial relationship.

SUMMARY OF QUALIFICATIONS

- 24 years in the building industry
- 12 years onsite superintendent
- 12 years offsite commercial and residential development management
 - Certified Construction/Development Manager
 - 14 years experience in geology and soils engineering and identification
 - State Certified in building diagnostic testing and inspection.
 - E.P.A. certified lead renovator.
- Knowledgeable in policies and procedures involving local governing agencies including Clark the cities of Las Vegas, North Las Vegas, and Henderson, Washoe County, Douglas County, Lyon County, and Cities of Reno, Sparks, Carson, and Dayton.

EDUCATION

- Sunny Hills High School 1983 Fullerton, CA
- Cypress College 1984-1986 Cypress, CA
- Community College of Southern Nevada 1998-2000
- Officially Certified by the National Homebuilders Institute

-
- Have a strong relationship with key inspectors in Washoe, Storey, Douglas & Carson Counties as well as the cities in each. Good relationship with all utility companies such as Charter, AT&T, Sierra Pacific.
 - Have a strong relationship with the City of Reno inspectors. Good relationship with the City of Reno & Sparks, Washoe County Public Works Department.
 - Holds Clark County Health Card
 - Attended and passed courses in construction management and building codes
 - Certified OSHA Hazard Recognition Inspector
 - Strong relationship with Washoe County Division of Air Quality Management and Environmental Protection.

AWARDS RECEIVED

- Outstanding achievements in customer service and quality control.
- Team sales and project closeout awards.
- Excellent attendance

JUDITH A. LYONS

714 Lassen Way, Gardnerville, NV 89460 Home: (775) 265-1012 Mobile (775) 741-0512

Email: judylyons@frontier.com

PROFILE

Positive, results oriented individual with a proven ability to successfully adapt to multiple tasks and environments. Over fifteen years of experience in administration, design, purchasing and construction management.

Outstanding time and organizational skills and self-motivational abilities. Capable of managing a variety of time sensitive events simultaneously. Coordinates diverse activities and effectively shifts manpower/material assets to accomplish tasks. Capable of resolving conflict and confrontation, manage change, and negotiate effectively.

PROFESSIONAL EXPERIENCE

Purchasing/Construction Management

Provide administrative support to Director of Construction, including, but not limited to: updating calendar, coordinating meetings, conferencing and maintenance of complex and confidential files. Efficiently negotiate cost-effective labor and material pricing. Generate and maintain detailed project budgets from start to finish. Prepare Contracts and Specifications. Manage insurance compliance per corporate requirements. Directly interface with subcontractors, vendors and suppliers in all aspects of job performance to meet or exceed jobsite results.

Product Development/Design

Review and edit blueprints for accuracy in early stages of design. Maintain critical interface between architects, engineers, and design team to keep projects on schedule and within budget. Personally select and coordinate building materials and finishes to achieve innovative and desirable product.

Special focus on communication with all internal departments and field representation to ensure product details and marketing materials are accurate and current. Coordinate and present preliminary plans, design features, color boards, and project details to public and Planning Commission. Organize weekly staff meetings; transcribe and distribute detailed minutes. Direct association with Community Development and Fire District for permit acquisition.

Attachment G
Community Housing Development Organization
Documentation



Kenny Guinn
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
HOUSING DIVISION

1535 Old Hot Springs Road, Suite 50
Carson City, Nevada 89706
Tel.: (775) 687-2041 or (800) 227-4960
Fax: (775) 687-4040
www.nvhousing.state.nv.us

Sidney H. Wickliffe, C.P.A.
Director

Charles L. Horsey, III
Administrator

October 17, 2006

Nevada Rural Housing, Inc
Attn: Gary Longaker
3696 Desatoya Drive
Carson City NV 89701

Dear Mr. Longaker

After reviewing the CHDO checklist that was submitted to the Division, it is with pleasure that the State of Nevada has certified Nevada Rural Housing, Inc. as a Community Housing Development Organization.

If you have any questions, please feel free to contact me.

Sincerely,

NEVADA HOUSING DIVISION

A handwritten signature in cursive script that reads "Debbie Parra".

Debbie Parra
HOME Program Manager



LYON COUNTY COMPTROLLER
LYON COUNTY HUMAN RESOURCES
COMPUTER INFORMATION SYSTEMS
RISK MANAGEMENT / SAFETY

27 South Main Street
Yerington, Nevada 89447
PHONES: (775) 463-6508 • (775) 463-6509 • (775) 463-6510
FAX: (775) 463-6500

JOSHUA D. FOLI
Comptroller

STEVE ENGLERT
Human Resources

December 1, 2006

Ms. Lynn Gondorcin
Nevada Rural Housing, Inc.
3695 Desatoya Dr.
Carson City, NV. 89701

Re: Approval notification of CHDO status

Dear Lynn:

On September 5, 2006, the Western Nevada Home Consortium Board voted to approve Nevada Rural Housing, Inc. as a designated Community Housing Development Organization (CHDO) serving our seven county region. If you have any questions concerning this letter, please do not hesitate to call me. Good luck and we look forward to working with you in the future.

Sincerely,

Josh Foli
Lyon County as Lead Agency for the
Western Nevada HOME Consortium

COPY

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

MAY 12 2005

NEVADA RURAL HOUSING INC
3695 DESATOYA DR
CARSON CITY, NV 89701

Employer Identification Number:
20-1594213
DLN:
17053272096004
Contact Person:
LYNN A BRINKLEY ID# 31435
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
May 21, 2004
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
June 30, 2009

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

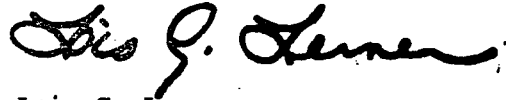
Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

If you distribute funds to individuals, you should keep case histories showing the recipient's name and address; the purpose of the award; the manner of selection; and the relationship of the recipient to any of your officers, directors, trustees, members, or major contributors.

Letter 1045 (DO/CG)

NEVADA RURAL HOUSING INC

Sincerely,

A handwritten signature in cursive script, reading "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)

NEVADA RURAL HOUSING INC

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTION 501(c)(3)

WHERE TO GET FORMS AND HELP

Forms and instructions may be obtained by calling toll free 1-800-829-3676, through the Internet Web Site at www.irs.gov, and also at local tax assistance centers.

Additional information about any topic discussed below may be obtained through our customer service function by calling toll free 1-877-829-5500 between 8:30 a.m. - 5:30 p.m. Eastern time.

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE Customer Account Services Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve your organization, provide the Customer Account Services Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. Form 990 (or Form 990-EZ) is filed with the Ogden Submission Processing Center, Ogden UT 84201-0027.

You are required to file a Form 990 only if your gross receipts are normally more than \$25,000.

If your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000, you may file Form 990-EZ. If your gross receipts are over \$100,000, or your total assets are over \$250,000, you must file the complete Form 990. The Form 990 instructions show how to compute your "normal" receipts.

Form 990 Schedule A is required for both Form 990 and Form 990-EZ.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to timely file a complete return. For additional information on penalties, see Form 990 instructions or call our toll free number.

If your receipts are below \$25,000, and we send you a Form 990 Package, follow the instructions in the package on how to complete the limited return to advise us that you are not required to file.

If your exemption letter states that you are not required to file Form 990, you

Letter 1045 (DO/CG)

NEVADA RURAL HOUSING INC

are exempt from these requirements.

UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. There are several exceptions to this tax.

1. Income you receive from the performance of your exempt activity is not unrelated business income.
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, is not unrelated business income.
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends is usually not unrelated business income.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

FUNDRAISING

Contributions to you are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

CONTRIBUTIONS OF \$250 OR MORE

Donors must have written substantiation from the charity for any charitable contribution of \$250 or more. Although it is the donor's responsibility to obtain written substantiation from the charity, you can assist donors by

NEVADA RURAL HOUSING INC

providing a written statement listing any cash contribution or describing any donated property.

This written statement must be provided at the time of the contribution. There is no prescribed format for the written statement. Letters, postcards and electronic (e-mail) or computer-generated forms are acceptable.

The donor is responsible for the valuation of donated property. However, your written statement must provide a sufficient description to support the donor's contribution. For additional information regarding donor substantiation, see Publication 1771, Charitable Contributions - Substantiation and Disclosure Requirements. For information about the valuation of donated property, see Publication 561, Determining the Value of Donated Property.

CONTRIBUTIONS OF MORE THAN \$75 AND
CHARITY PROVIDES GOODS OR SERVICES

You must provide a written disclosure statement to donors who receive goods or services from you in exchange for contributions in excess of \$75.

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fundraising events such as benefit dinners, shows, membership drives, etc., where something of value is received, you are required to provide a written statement informing donors of the fair market value of the specific items or services you provided in exchange for contributions of more than \$75.

You should provide the written disclosure statement in advance of any event, determine the fair market value of any benefit received, determine the amount of the contribution that is deductible, and state this information in your fundraising materials such as solicitations, tickets, and receipts. The amount of the contribution that is deductible is limited to the excess of any money (and the value of any property other than money) contributed by the donor less the value of goods or services provided by the charity. Your disclosure statement should be made, no later than, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fundraising circumstances where each complete payment, including the contribution portion, exceeds \$75. For additional information, see Publication 1771 and Publication 526, Charitable Contributions.

EXCESS BENEFIT TRANSACTIONS

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(3) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction involving your organization, you should report the transaction on Form 990 or 990-EZ. Additional information can be

NEVADA RURAL HOUSING INC

found in the instructions for Form 990 and Form 990-EZ, or you may call our toll free number to obtain additional information on how to correct and report this transaction.

EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee. Organizations described in section 501(c)(3) of the Code are not required to pay Federal Unemployment Tax (FUTA).

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

CHURCHES

Churches may employ both ministers and church workers. Employees of churches or church-controlled organizations are subject to income tax withholding, but may be exempt from FICA taxes. Churches are not required to pay FUTA tax. In addition, although ministers are generally common law employees, they are not treated as employees for employment tax purposes. These special employment tax rules for members of the clergy and religious workers are explained in Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers. Churches should also consult Publications 15 and 15-A. Publication 1828, Tax Guide for Churches and Religious Organizations, also discusses the various benefits and responsibilities of these organizations under Federal tax law.

PUBLIC CHARITY STATUS

Every organization that qualifies for tax-exemption as an organization described in section 501(c)(3) is a private foundation unless it falls into one of the categories specifically excluded from the definition of that term [referred to in section 509(a)(1), (2), (3), or (4)]. In effect, the definition divides these organizations into two classes, namely private foundations and public charities.

Public charities are generally those that either have broad public support or actively function in a supporting relationship to those organizations.

Public charities enjoy several advantages over private foundations. There are certain excise taxes that apply to private foundations but not to public charities. A private foundation must also annually file Form 990-PF, Return of Private Foundation, even if it had no revenue or expenses.

NEVADA RURAL HOUSING INC

The Code section under which you are classified as a public charity is shown in the heading of your exemption letter. This determination is based on the information you provided and the request you made on your Form 1023 application. Please refer to Publication 557 for additional information about public charity status.

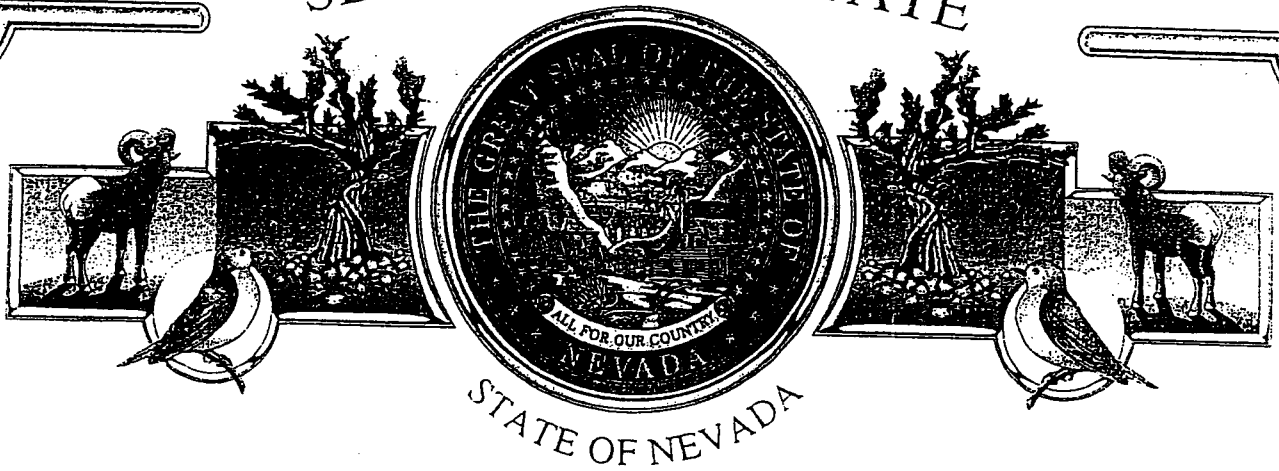
GRANTS TO INDIVIDUALS

The following information is provided for organizations that make grants to individuals. If you begin an individual grant program that was not described in your exemption application, please inform us about the program.

Funds you distribute to an individual as a grant must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should keep adequate records and case histories that demonstrate that grants to individuals serve your charitable purposes. For example, you should be in a position to substantiate the basis for grants awarded to individuals to relieve poverty or under a scholarship or education loan program. Case histories regarding grants to individuals should show names, addresses, purposes of grants, manner of selection, and relationship (if any) to members, officers, trustees, or donors of funds to you.

For more information on the exclusion of scholarships from income by an individual recipient, see Publication 520, Scholarships and Fellowships.

SECRETARY OF STATE



CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that **NEVADA RURAL HOUSING, INC.** did on **May 21, 2004** file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.

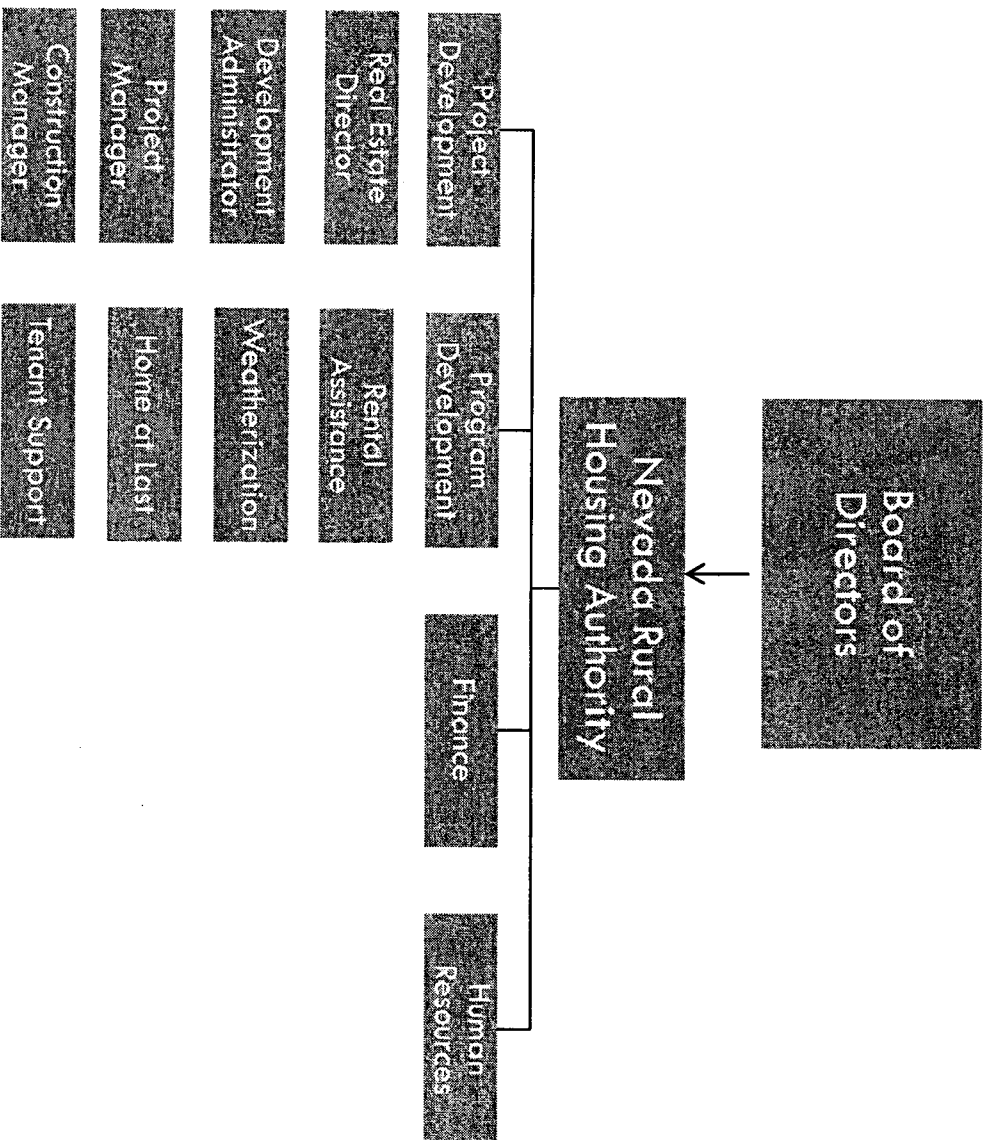
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on **May 24, 2004**.

DEAN HELLER
Secretary of State

By

Certification Clerk

Desert Winds Development Group



**Desert Winds Development Group
Board of Directors**

Tom Cook, President

March 2007 - present
1525 Hussman Avenue
Gardnerville, Nevada 89410
(775) 782-4626
tcook4626@charter.net

Ellis Ferguson, Vice President

March 2008 - present
2155 Barnes Boulevard
Reno, Nevada 89509
(775) 332-1443
Cell (775) 225-1147
ellis.ferguson@prospectmtg.com

Eddie Hult, Secretary/Treasurer

November 2009 - present
9480 Double Diamond Parkway, Ste 200
Reno, Nevada 89521-5842
(775) 352-7800
ehult@tecreno.com

Perry Comeaux

February 2011 - present
2533 Watt Road
Carson City, Nevada 89706
(775) 883-2791
Cell (775) 762-1105
pcomeaux@msn.com

Tony Muscarella

August 2007 - present
1900 California St, Apt #120
Carson City, Nevada 89701
(775) 772-3221

NRS 244.287 Conveyance of property to nonprofit organization for development of affordable housing: Application; public hearing; conditions; annual list of property conveyed; subordination of interest in property conveyed.

1. A nonprofit organization may submit to a board of county commissioners an application for conveyance of property that is owned by the county if the property was:

- (a) Received by donation for the use and benefit of the county pursuant to NRS 244.270.
- (b) Purchased by the county pursuant to NRS 244.275.

2. Before the board of county commissioners makes a determination on such an application for conveyance, it shall hold at least one public hearing on the application. Notice of the time, place and specific purpose of the hearing must be:

- (a) Published at least once in a newspaper of general circulation in the county.

(b) Mailed to all owners of record of real property which is located not more than 300 feet from the property that is proposed for conveyance.

- (c) Posted in a conspicuous place on the property that is proposed for conveyance.

➤ The hearing must be held not fewer than 10 days but not more than 40 days after the notice is published, mailed and posted in accordance with this subsection.

3. The board of county commissioners may approve such an application for conveyance if the nonprofit organization demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing for families whose income at the time of application for such housing does not exceed 80 percent of the median gross income for families residing in the same county, as that percentage is defined by the United States Department of Housing and Urban Development. If the board of county commissioners receives more than one application for conveyance of the property, the board must give priority to an application of a nonprofit organization that demonstrates to the satisfaction of the board that the organization or its assignee will use the property to develop affordable housing for persons who are disabled or elderly.

4. If the board of county commissioners approves an application for conveyance, it may convey the property to the nonprofit organization without consideration. Such a conveyance must not be in contravention of any condition in a gift or devise of the property to the county.

5. As a condition to the conveyance of the property pursuant to subsection 4, the board of county commissioners shall enter into an agreement with the nonprofit organization that requires the nonprofit organization or its assignee to use the property to provide affordable housing for at least 50 years. If the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement, the board of county commissioners may take reasonable action to return the property to use as affordable housing, including, without limitation:

- (a) Repossessing the property from the nonprofit organization or its assignee.

(b) Transferring ownership of the property from the nonprofit organization or its assignee to another person or governmental entity that will use the property to provide affordable housing.

6. The agreement required by subsection 5 must be recorded in the office of the county recorder of the county in which the property is located and must specify:

- (a) The number of years for which the nonprofit organization or its assignee must use the property to provide affordable housing; and

(b) The action that the board of county commissioners will take if the nonprofit organization or its assignee fails to use the property to provide affordable housing pursuant to the agreement.

7. A board of county commissioners that has conveyed property pursuant to subsection 4 shall:

(a) Prepare annually a list which includes a description of all property that was conveyed to a nonprofit organization pursuant to this section; and

- (b) Include the list in the annual audit of the county which is conducted pursuant to NRS 354.624.

8. If, 5 years after the date of a conveyance pursuant to subsection 4, a nonprofit organization or its assignee has not commenced construction of affordable housing, or entered into such contracts as are necessary to commence the construction of affordable housing, the property that was conveyed automatically reverts to the county.

9. A board of county commissioners may subordinate the interest of the county in property conveyed pursuant to subsection 4 to a first or subsequent holder of a mortgage on that property to the extent the board deems necessary to promote investment in the construction of affordable housing.

10. As used in this section, unless the context otherwise requires, "nonprofit organization" means an organization that is recognized as exempt pursuant to 26 U.S.C. § 501(c)(3).

(Added to NRS by 1997, 1735; A 1999, 3535)

City Property for Potential Disposal
1104 Palo Verde Drive



MILLS PARK

PALO VERDE



PRATT

MESQUITE

ROBINSON

HARBIN



**Sierra Nevada Community Land Trust
P.O. Box 2109
Minden, Nevada 89423**

**Response to the Carson City
RFP # 1011-204**

**Anje A. deKnijf
775-721-5229
Fax- 775-782-7998
Email-anje@snclt.org**



Sierra Nevada Community Land Trust (SNCLT) is pleased to respond to the Carson City "Request For Proposal" for the construction, sale and monitoring of a single-family residence at 1104 Palo Verde Drive.

Sierra Nevada Community Land Trust seeks to provide permanent, long-term affordable housing for low-to-moderate income employed persons within the community. SNCLT plans to achieve this goal by securing property, rehabilitating it as necessary, and offering it for sale at below-market prices to income-qualified individuals through the use of Ground Lease agreements whereby the homebuyer purchases only the home and SNCLT maintains ownership of the land in perpetuity. The Carson City property on Palo Verde Drive would enable us to build a single family home on the property and then sell the home at a reduced cost to a low to moderate income individual. When homebuyers sell their homes, they do so under the Ground Lease that requires them to sell only to other income-qualified individuals and with a limit on the appreciated value of the home. By limiting the amount of appreciation that may be added to the homes' selling price, SNCLT ensures a continuously renewable stock of affordable housing.

SNCLT was formed as a nonprofit organization to create opportunities for employed families and individuals in our region to secure and occupy affordable housing within the community they serve. Our mission is based on the evidence that there is a growing gap between the median household income and the median sales price of a home, making it increasingly difficult for those who serve and work in our community to secure housing in the community. This difficulty is compounded by several factors that result from long commutes as well as decreased time with family, etc.

Our mission is to bridge the gap created by these economic realities through a community land trust that secures property, permanently reduces the cost of housing, finds buyers for homes and manages the properties that we own. We will also serve our clients by offering low-cost (or free) educational services that ensure their financial health and success, such as:

- Financial management classes
- Counseling services
- Drug and alcohol prevention and recovery classes
- Home maintenance workshops

We also strive to uphold the following values:

- Providing quality services to all of our clients, regardless of age, gender, race, color, religion, national origin, sexual orientation, or mental and physical disabilities.
- Making every neighborhood we inhabit a better place to live.
- Involving volunteers in community improvement and appreciating their contribution.
- Communicating with regularity and respect to our donors and other stakeholders.
- Being accountable and responsive to the donors, contractors, government officials, developers and others with whom we partner.
- Offering a fulfilling work experience and professional development for our employees.

Sierra Nevada Community Land Trust will be a leader in the nonprofit sector and a positive contributor to the constant improvement of our community. The primary region to be served by SNCLT includes Douglas County, Carson City and Lyon County. The efforts of SNCLT are not limited to this region, but this is the primary service area.

RFP Requirements

5.2.1 A statement of project understanding

We understand that Carson City desires to convey the parcel at 1104 Palo Verde Drive to a Nonprofit Organization for the development of affordable housing. As such, the selected non profit shall enter into an agreement with Carson City to provide affordable housing for at least 50 years. (The SNCLT Ground Lease provides for a 99 year lease that is renewable). In addition the selected non profit shall construct a single family residence in conformance with the Carson City Single Family 6,000 zoning standards and other Carson City building codes and requirements. After completion of the residence, it must be made available to a family with a household income of less than 80% of the Carson City median family income per HUD income limits. The sale of the house will include a deed restriction (SNCLT Ground Lease) requiring the house to be used as a primary residence and not as rental property. The SNCLT Ground Lease contains a provision that establishes a subsequent sales price that limits home appreciation with a Resale Formula. Through the use of this Resale Formula, the home remains affordable to other income-qualified (i.e. less than 80% of median income) families in perpetuity. SNCLT shall monitor the property and future sale of the property to insure compliance with the specified income guidelines. The SNCLT Ground Lease provides for a monthly lease fee payable to SNCLT which enables us to monitor the property. We also have a right to inspect the property to ensure it's condition and upkeep.

5.2.2 Proposed project approach, including construction, sale and monitoring the affordable house.

SNCLT proposes to build a 1250 square foot, 3 bedroom, 2 bath, single family home with a 2 car garage on the subject property. After analyzing comparable properties in the surrounding area, market value for this home has been estimated at \$125,000. SNCLT will sell this home to a qualified applicant for \$100,000 which makes it affordable to a family of four earning \$28,600 which is 44% of median income for Carson City, using HUD guide lines. The home will incorporate as many energy saving features as possible/practical to reduce energy costs to the homeowner. Features such as energy efficient landscaping, roofing, upgraded insulation, Energy Star lighting fixtures and windows, as well as a 95% efficient furnace will be strongly considered. We feel that the energy efficiency of the completed home will be at least 50% better than existing homes in the area. Where practical, recycled content will be used and low VOC products utilized. SNCLT is aware that it will have to drive building costs down towards the sale price and/or have the market rebound to a point where the price of a new home can compete with the existing residential homes that are for sale in the area.

SNCLT will procure a qualified buyer for this home prior to the commencement of construction. Public notice that SNCLT is accepting applications for the home will be given in accordance with HUD fair housing practices and procedures. Once a pool of applicants has been obtained, the buyer will be selected by our Community Advisory Board Homeowner Selection Committee. SNCLT anticipates the selection process to be completed approximately 90 days from its inception.

Construction on the home would commence upon the following conditions:

- Selection and approval of a qualified buyer by SNCLT.
- Approval, if required, of qualified buyer by Carson City.
- Buyer's procurement of construction and permanent financing.
- Buyer's signed ground lease contract with SNCLT (blank contract attached).
- Receipt of all required permits.
- Approval of all required applications.

Notice of completion on the home is anticipated to be filed approximately 120 days from the commencement of construction.

Upon completion and occupation of the home, SNCLT will assume all responsibility for monitoring the home for continuing compliance with SNCLT's ground lease contract and the resale agreement. These documents insure that upon resale, this home will be made available only

to Buyers that meet the SNCLT income restricted eligibility requirements. The ability to maintain affordability, in perpetuity, is the hallmark of the land trust model. (See Appendix D)

5.2.3 Organization capacity for completing the project and ensuring the continued use of the home as a primary residence for income-qualifying families.

We will have a project manager that will oversee the construction of the residence (See Appendix A). The ground lease agreement that the buyer signs has a deed restriction that requires the seller to sell only to income-qualifying families to ensure that the home is only sold to income-qualifying families and will remain affordable in perpetuity. In addition, there is a limited equity realization to the seller to keep the sales price of the house affordable. The ground lease will be reviewed by the buyer and their attorney so that they are aware of the resale restrictions. Also, the SNCLT will have to approve all subsequent buyers so we can ensure that the property is sold to an income-qualifying buyer. (See Appendix D)

5.2.4 Proposed schedule or time line for completion of the project.

Please see Appendix B for the schedule/time line for completing the project

5.2.5 Key Personnel information, including

A. Key staff, including project manager information

Key Staff for this project will include the SNCLT Executive Director who will oversee the applicant selection process, mortgage application and approval process as well as coordinating efforts that may be needed from the Board of Directors. Key individuals from our Community Advisory Board are committed to the success of this project and include Peter Beekhof who will oversee the construction process and will serve as project manager during construction. See Appendix A for details regarding the qualifications of our project manager.

B. Relevant Experience

Anje de Knijf – Serves as Executive Director, SNCLT. Anje graduated from San Diego State University and began a career in real estate in 1980. She has had her broker's license since 1985. She has been a Carson Valley resident since 1986.

John Hamer – Board Member - John has a strong real estate background that started in 1979 when he obtained his real estate license. He acquired his broker's license in 1983 and was General Manager of

Coldwell Banker ITILDO INC., for 20 years. John has experience in residential, commercial, land acquisition and development, investment property and 1031 exchanges. He is a Carson Valley resident for over 30 years and a past member of the Gardnerville Town Board, former Chair of the Professional Standards Committee, Board of Realtors, Rotary Member and past President and Director.

Bill Merrill – Member of the SNCLT Community Advisory Board, Building Contractor and co-owner of a development company and has built over 300 homes in Carson Valley.

Peter Beekhof - Member of the SNCLT Community Advisor Board. See Appendix A for project manager relevant experience.

C. Demonstrated commitment and availability to the project.

As a 501(c)3 non-profit public benefit corporation, we are committed to developing affordable housing solutions for those individuals and families of low to moderate incomes.

5.2.6 Proof of nonprofit status, including a copy of the IRS tax exempt 501(c)(3) letter, proof of incorporation certificate from the Secretary of State, current organization chart with names of staff members, list of current Board of Directors with terms of office, and a copy of the organization's most recently submitted federal tax return (Form 990 or 990EX.)

See Appendix C for the requested documents.

Appendix A

March 23, 2011

**WEST RIDGE HOMES, INC.
1170 SAWMILL ROAD
GARDNERVILLE, NV 89410
775.782.2884
FAX 775.782-2815**

OWNED & OPERATED BY PETER M. BEEKHOF, JR.

I started working part time in the building trade in my early teens, took construction classes in high school and at Cabrillo Jr. College in Santa Cruz, California where I grew up amongst the giant Sequoias.

I moved to Gardnerville in 1980 and worked for a local contractor for two years. In 1982 I obtained my contractor's license and started my career as a contractor. In November 1986 West Ridge Homes, Inc. was conceived.

The majesty of the Giant Redwoods that surrounded our home in Santa Cruz has helped to keep me aware of my environment and how the balance of nature is always in jeopardy. West Ridge Homes is constantly looking for ways to save on natural resources in our building practices.

The Number One priority in my personal life is my wife, Allison, and three children and one grandchild Amanda and her husband Dart along with grandson Logan, Ashley, and Chance. When we are not working we all love to scuba dive. The family and I also love just about any type of water sport, boating, skiing (water and snow), camping, and hiking. Chance and I also enjoy motorcycles and he is also leaning the construction trade and works on the jobs when not in school.

Associations:

**Past President of the Douglas County Building Industry Association
for 3 years**

**Currently Vice President of the Douglas County Building Industry
Association**

Current member of the Builder's Association of Western Nevada

Projects:

**The Meadows (56 units) Carson City, Nevada
Empire Estates (86 units) Carson City, Nevada
Ranchos Units 6 & 7 (400 homes) Gardnerville, Nevada
Ranchos Unit 5 (170 homes) Gardnerville, Nevada
SunBurst Estates (22 homes) Gardnerville, Nevada
Chichester Estates Phases 1 – 11 (350 homes) Gardnerville, Nevada
PineView Estates Phase 3 22 homes)
PineView Estates Phases 4 - 15 (29 homes) Gardnerville, Nevada
Pebble Creek Apartments (50 units) Gardnerville, Nevada
Austin's Children's Home 5000 sq. ft. – Minden, Nevada
1641 Mono – Commercial Bldg Revised from residential to
commercial – Minden, Nevada
1528 Hwy 395 – 12,000 sq. ft. Office Building – Tenant Improvements
and building revisions – Gardnerville, Nevada
1170 Sawmill Rd – Develop 38-acre commercial property –
Gardnerville, Nevada
Appaloosa Court – Developed 8 acre residential development
Gardnerville, Nevada
611 Dark Horse – Develop seven-acre residential property -
Gardnerville, Nevada**

**Over the years not listed we have built approximaty 30-40 custom homes in
the Carson Valley, Carson City, Reno, Silver Springs, Fallon, Dayton, Smith
Valley and Yerrington**

Our most current works are list below.

2009-2010

**17240 NorthStar Truckee Cal Compleat half build duplex town homes three
story building with approximately 3,600 sq ft, Estimated cost of
construction \$345,000. Owner Western Highland Mortgage, Contact Paul
Sullavan 530-577-5050**

2010

**1234 Sawmill Rd Gardnerville, NV. Construct one 40'x60x 16' RV/Shop
Owner Dave and Sandy 775-782-6686**

2010-2011

**1028 Cobble Stone Dr Gardnerville, NV
Custom built Single family home, 3,000 plus sq ft, single story home cost
\$268,000. Owner Bob Coker 916-539-1987**

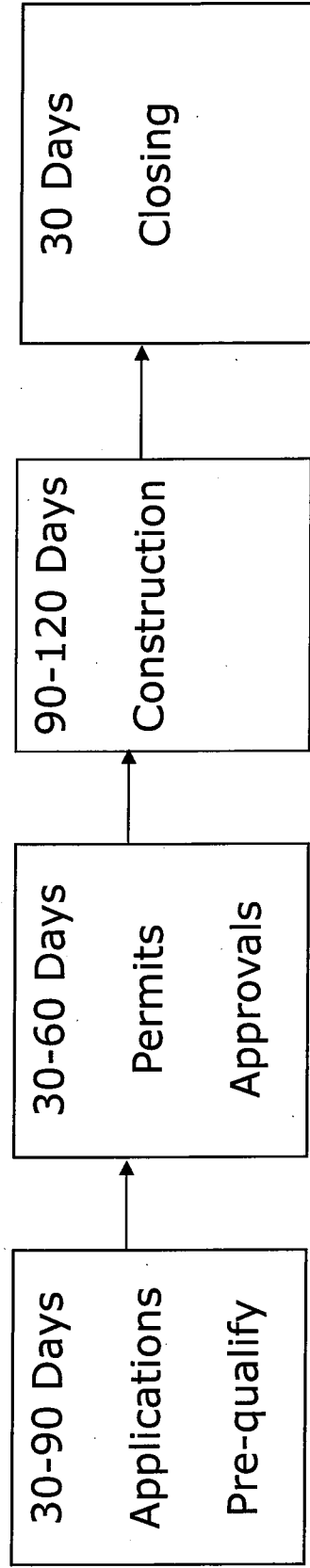
**1100 Modoc South Lake Tahoe CA.
Construct one approximately 3,000 sq ft custom home two story Cost
\$300,000. Owner Western Highland Mortgage, Contact Kelly 530-577-5050**

Sincerely,


**Peter M. Beekhof, Jr.
President**

Appendix B

TIME LINE FLOW CHART



INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

Appendix C

DEPARTMENT OF THE TREASURY

Date **MAR 21 2008**

SIERRA NEVADA COMMUNITY LAND TRUST
PO BOX 2109
MINDEN, NV 89423

Employer Identification Number:
20-8838856
DLN:
17053283308037
Contact Person:
KAREN T HOOD ID# 75069
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
509(a)(2)
Form 990 Required:
Yes
Effective Date of Exemption:
March 30, 2007
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
June 30, 2011
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

SIERRA NEVADA COMMUNITY LAND TRUST

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi". The signature is fluid and cursive, with the first name "Robert" written in a larger, more prominent script than the last name "Choi".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC
Statute Extension



ROSS MILLER
 Secretary of State
 204 North Carson Street, Ste 1
 Carson City, Nevada 89701-4299
 (775) 684 5708
 Website: secretaryofstate.biz

Filed in the office of Ross Miller Secretary of State State of Nevada	Document Number 20080164410-06
	Filing Date and Time 03/05/2008 7:16 AM
	Entity Number E0246632007-2

**Nonprofit Amendment
 (After First Meeting)
 (PURSUANT TO NRS 81 AND 82)**

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

**Certificate of Amendment to Articles of Incorporation
 For Nonprofit Corporations
 (NRS Chapters 81 and 82 - After First Meeting of Directors)**

1. Name of corporation:

SIERRA NEVADA COMMUNITY HOUSING

2. The articles have been amended as follows (provide article numbers, if available):

1. NAME OF CORPORATION: SIERRA NEVADA COMMUNITY LAND TRUST
 (NOTE TO SECRETARY OF STATE: This corporation is authorized to use the word "TRUST" in its name, pursuant to NRS 669.095(2)(e), as amended in 2007, in that the corporation is "doing business solely as a community land trust.")

3. The directors (or trustees) and the members, if any, and such other persons or public officers, if any, as may be required by the articles have approved the amendment. The vote by which the amendment was adopted by the directors and members, if any, is as follows: directors and members .*

4. Officer Signature (Required):

Signature

Gary Williams, President
 Title

*A majority of a quorum of the voting power of the members or as may be required by the articles, must vote in favor of the amendment. If any proposed amendment would alter or change any preference or any relative or other right given to any class of members, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of a majority of a quorum of the voting power of each class of members affected by the amendment regardless of limitations or restrictions on their voting power. An amendment pursuant to NRS 81.21 0 requires approval by a vote of 2/3 of the members.

FILING FEE: \$50.00

IMPORTANT: Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

(NONPROFIT) ANNUAL LIST OF OFFICERS, DIRECTORS AND REGISTERED AGENT OF

FILE NUMBER

SIERRA NEVADA COMMUNITY LAND TRUST

E0246632007-2

(Name of Corporation)

FOR THE FILING PERIOD OF 3/2010

TO 3/2011

The corporation's duly appointed registered agent in the State of Nevada in whom process can be served is:

SULLIVAN LAW OFFICES, A P.C. (Commercial Registered Agent)
1625 HIGHWAY 88 STE 401
MINDEN, NV 89423 USA

CHECK BOX IF YOU REQUIRE A FORM TO UPDATE YOUR REGISTERED AGENT INFORMATION

(This document was filed electronically.)
THE ABOVE SPACE IS FOR OFFICE USE ONLY

Important: Read instructions before completing and returning this form.

1. Print or type names and addresses, either residence or business for all officers and directors. A President, Secretary, Treasurer, or equivalent of and all Directors must be named. There must be at least one director. An officer must sign the form. **FORM WILL BE RETURNED IF UNSIGNED**
 2. If there are additional directors attach a list of them to this form.
 3. Return the completed form with the \$25.00 filing fee, if no capitalization. A \$50.00 penalty must be added for failure to file this form by the deadline. An annual list received more than 90 days before its due date shall be deemed an amended list for the previous year.
 4. Make your check payable to the Secretary of State. Your cancelled check will constitute a certificate to transact business. To receive a certified copy, enclose an additional \$30.00 and appropriate instructions.
 5. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, NV 89701-4201, (775) 684-5708
- * Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties.

FILING FEE \$25 00 IF NO CAPITALIZATION LATE PENALTY \$50 00

NAME	TITLE(S)		
GARY WILLIAMS	PRESIDENT (OR EQUIVALENT OF)		
ADDRESS	CITY	ST	ZIP
C/O SULLIVAN LAW OFFICES 1650 N. LUCERNE, NO. 201, USA	MINDEN	NV	89423
NAME	TITLE(S)		
JOHN HAMER	SECRETARY (OR EQUIVALENT OF)		
ADDRESS	CITY	ST	ZIP
1650 N. LUCERNE, # 201 , USA	MINDEN	NV	89423
NAME	TITLE(S)		
JOHN CRESSATY	TREASURER (OR EQUIVALENT OF)		
ADDRESS	CITY	ST	ZIP
1650 N. LUCERNE, NO. 201 , USA	MINDEN	NV	89423
NAME	TITLE(S)		
JD SULLIVAN	DIRECTOR		
ADDRESS	CITY	ST	ZIP
C/O SULLIVAN LAW OFFICES 1650 LUCERNE, NO. 201	MINDEN	NV	89423

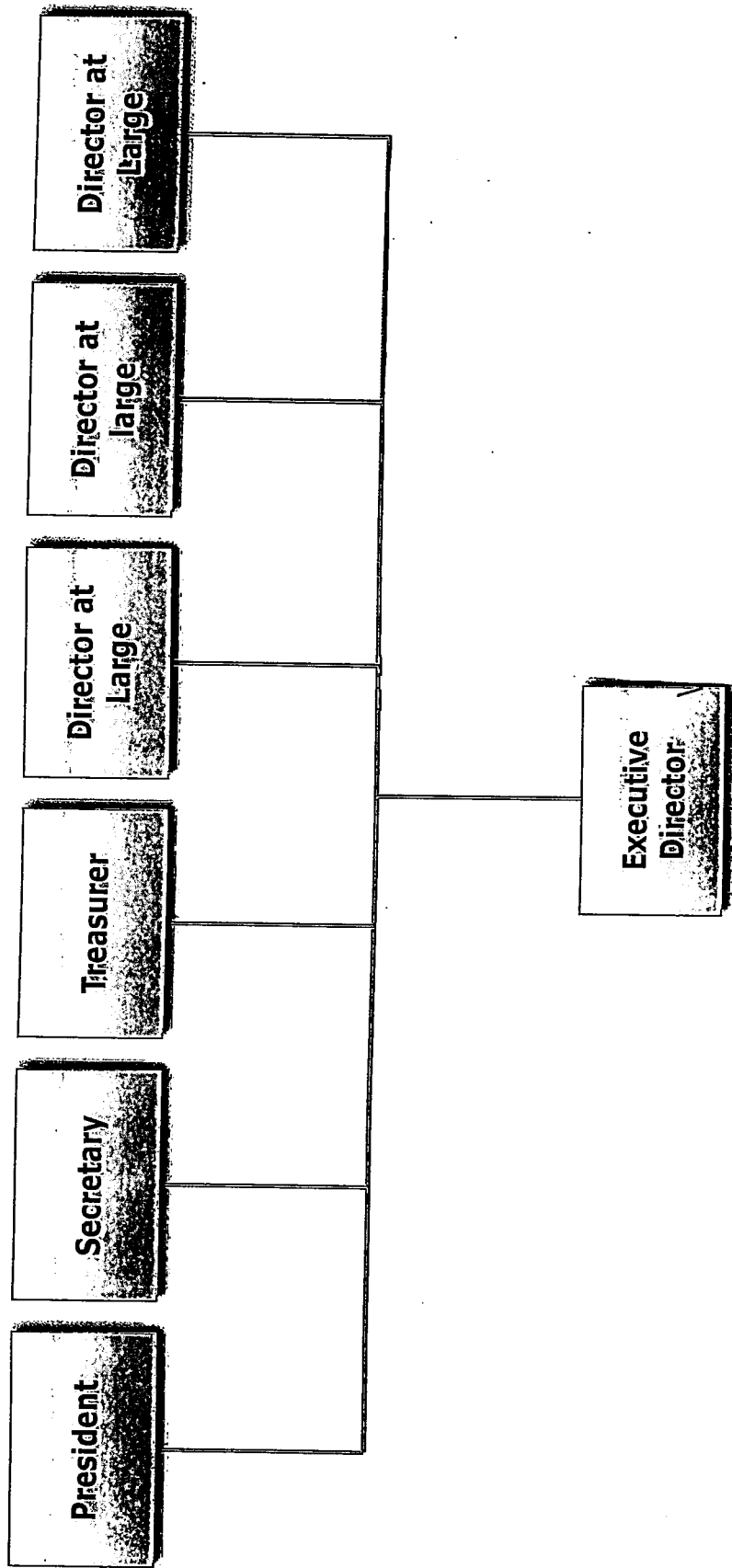
I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of NRS 360.780 and acknowledge that pursuant to NRS 239,330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X Signature of Officer JOHN CRESSATY

Title TREASURER

Date 3/11/2010 9:41:56 AM

ORGANIZATION CHART
THE SIERRA NEVADA COMMUNITY LAND TRUST



Sierra Nevada Community Land Trust

P.O. Box 2109, Minden, NV 89423

info@snclt.org ~ www.snclt.org

Board of Directors

Gary Williams
President

Tom Mcphail
Secretary

John Cressaty
Treasurer

John Hamer

Ted Nagel

Reen Tisinger

Executive Director

Anje de Knijf
775-721-5229

General Counsel

J.D. Sullivan

Community

Advisory Board

Pete Beekhof

Gerald Bing

Mark Chase

Roger Falcke

Dennis Freitas

Bob Hadfield

Lloyd Higuera

Brent Holderman

Helaine Jesse

Leo Kruger

Renea Louie

Larry Martin

Bill Merrill

Greg Painter

Pam Pugliese

Doug Sonnemann

Suzy Stockdale

Bobby Wartgow

Darcy Worms

March 12, 2011

Our current board of directors is comprised of:

Gary Williams, President
Tom McPhail, Secretary
John Cressaty, Treasurer
John Hamer, Director at Large
Reen Tisinger, Director at Large
Ted Nagel, Director at Large

Of these board members Reen Tisinger and Ted Nagel are the members that are representatives from the low-income community. No one on the board is a public official or employee. Per the Articles of Incorporation there are indefinite terms for all board members. They can resign at will.

Anje de Knijf
Executive Director



Form 990-N (e-Postcard) Submitted

SIERRA NEVADA COMMUNITY HOUSING

20-8838856

2009 IRS Form 990-N (e-Postcard)

7/1/2009 - 6/30/2010

Congratulations, your Form 990-N (e-Postcard) has been submitted to the IRS.

Once the IRS receives and processes your e-Postcard (usually within 30 minutes), you will receive an email indicating whether your e-Postcard was accepted or rejected. If accepted, you are done for the year. If rejected, the e-filing receipt email will contain instructions on how to correct the problem.

[Log out](#)

[Go To Filing Status Page](#)

Questions or problems regarding this web site should be directed to [Tech Support](#)

Concerned about your privacy? Please view our [privacy](#) policy.

This website is best viewed with Microsoft Internet Explorer 5.5+ or Mozilla Firefox with a screen resolution of 1024 X 768.

Last modified: October 7, 2010.

Mark Chase

From: epostcard@urban.org
Sent: Tuesday, February 08, 2011 12:35 PM
To: Mark Chase
Subject: Form 990-N E-filing Receipt - IRS Status: Accepted

Organization: SIERRA NEVADA COMMUNITY HOUSING
EIN: 20-8838856
Submission Type: Form 990-N
Year: 2009
Submission ID: 7800582011039di72555
e-File Postmark: 2/8/2011 3:29:13 PM
Accepted Date: 2/8/2011

The IRS has accepted the e-Postcard described above. Please save this receipt for your records.

Thank you for filing.

e-Postcard technical support
Phone: 866-255-0654 (toll free)
email: ePostcard@urban.org

SIERRA NEVADA COMMUNITY HOUSING
% Gary Williams
PO Box 2109
Minden, NV 89423

Exhibit D

Excerpts from the Sierra Nevada Community Land Trust Ground Lease

a. Resale Formula:

ARTICLE 10: Transfer of the Home

10.1 INTENT OF THIS ARTICLE IS TO PRESERVE AFFORDABILITY: Homeowner and CLT agree that the provisions of this Article 10 are intended to preserve the affordability of the Home for lower income households and expand access to homeownership opportunities for such households.

10.2 HOMEOWNER MAY TRANSFER HOME ONLY TO CLT OR QUALIFIED PERSONS: Homeowner may transfer the Home only to the CLT or an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers are to be completed only in strict compliance with this Article 10. Any purported transfer that does not follow the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, and shall be null and void.

“Income-Qualified Person” shall mean a person or group of persons whose household income does not exceed _____ percent (___%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 THE HOME MAY BE TRANSFERRED TO CERTAIN HEIRS OF HOMEOWNER: If Homeowner dies (or if the last surviving co-owner of the Home dies), the executor or personal representative of Homeowner's estate shall notify CLT within ninety (90) days of the date of the death. Upon receiving such notice CLT shall consent to a transfer of the Home and Homeowner's rights to the Leased Land to one or more of the possible heirs of Homeowner listed below as "a," "b," or "c," provided that a Letter of Agreement and a Letter of Attorney's Acknowledgment (as described in Article 1 above) are submitted to CLT to be attached to the Lease when it is transferred to the heirs.

- a) the spouse of the Homeowner; or
- b) the child or children of the Homeowner; or
- c) member(s) of the Homeowner's household who have resided in the Home for at least one year immediately prior to Homeowner's death.

Any other heirs, legatees or devisees of Homeowner, in addition to submitting Letters of Agreement and Attorney's Acknowledgment as provided above, must demonstrate to CLT's satisfaction that they are Income-Qualified Persons as defined above. If they cannot demonstrate that they are Income-Qualified Persons, they shall not be entitled to possession of the Home but must transfer the Home in accordance with the provisions of this Article 10.

10.4 HOMEOWNER'S NOTICE OF INTENT TO SELL: In the event that Homeowner wishes to sell Homeowner's Property, Homeowner shall notify CLT in writing of such wish (the Intent-to-Sell Notice). This Notice shall include a statement as to whether Homeowner wishes to recommend a prospective buyer as of the date of the Notice.

10.5 AFTER RECEIVING NOTICE, CLT SHALL COMMISSION AN APPRAISAL: No later than ten (10) days after CLT's receipt of Homeowner's Intent-to-Sell Notice, CLT shall commission a market valuation of the Leased Land and the Home (The Appraisal) to be performed by a duly licensed appraiser who is acceptable to CLT and Homeowner. CLT shall pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Leased Land and Home were held in fee simple absolute by a single party, disregarding all of the restrictions of this Lease on the use, occupancy and transfer of the property. The Appraisal shall state the values contributed by the Leased Land and by the Home (consisting of improvements only) as separate amounts. Copies of the Appraisal are to be provided to both CLT and Homeowner.

10.6 CLT HAS AN OPTION TO PURCHASE THE HOME. Upon receipt of an Intent-to-Sell Notice from Homeowner, CLT shall have the option to purchase the Home at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Home for succeeding Income-Qualified Persons while taking fair account of the investment by the Homeowner.

If CLT elects to purchase the Home, CLT shall exercise the Purchase Option by notifying Homeowner, in writing, of such election (the Notice of Exercise of Option) within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given such notice, CLT may either proceed to purchase the Home directly or may assign the Purchase Option to an Income-Qualified Person.

The purchase (by CLT or CLT's assignee) must be completed within sixty (60) days of CLT's Notice of Exercise of Option, or Homeowner may sell the Home and Homeowner's rights to the Leased Land as provided in Section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of CLT and Homeowner.

Homeowner may recommend to CLT a prospective buyer who is an Income-Qualified Person and is prepared to submit Letters of Agreement and Attorney's Acknowledgement indicating informed acceptance of the terms of this Lease. CLT shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless CLT determines that its charitable mission is better served by retaining the Home for another purpose or transferring the Home to another party.

10.7 IF PURCHASE OPTION EXPIRES, HOMEOWNER MAY SELL ON CERTAIN TERMS: If the Purchase Option has expired or if CLT has failed to complete the purchase within the sixty-day period allowed by Section 10.6 above, Homeowner may sell the Home to any Income-Qualified Person for not more than the then applicable Purchase Option Price. If Homeowner has made diligent efforts to sell the Home for at least six months after the expiration of the Purchase Option (or six months after the expiration of such sixty-day period) and the Home still has not been sold, Homeowner may then sell the Home, for a price no greater than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Person.

10.8 AFTER ONE YEAR CLT SHALL HAVE POWER OF ATTORNEY TO CONDUCT SALE: If CLT does not exercise its option and complete the purchase of Homeowner's Property as described above, and if Homeowner (a) is not then residing in the Home and (b) continues to hold Homeowner's Property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the date of the Intent to Sell Notice, Homeowner does hereby appoint CLT its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purposes of this Lease, sell the property, and pay to the Homeowner the proceeds of sale, minus CLT's costs of sale and any other sums owed CLT by Homeowner.

10.9 PURCHASE OPTION PRICE EQUALS LESSER OF APPRAISED VALUE OR FORMULA PRICE: In no event may the Home be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the Home (consisting of improvements only) as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below (the Formula Price).

10.10 HOW THE FORMULA PRICE IS CALCULATED: The Formula Price shall be equal to Homeowner's Base Price, as stated below, plus 25% of the increase in market value of the Home, if any, calculated in the way described below.

Homeowner's Base Price: The parties agree that the Homeowner's Base Price for Homeowner's Property as of the signing of this Lease is \$ _____.

Initial Appraised Value: The parties agree that the appraised value of the Home at the time of Homeowner's purchase (the Initial Appraised Value) is \$ _____, as documented by the appraiser's report attached to this Lease as Exhibit INITIAL APPRAISAL.

Increase in Market Value: The increase in market value of the Home equals the appraised value of the Home at time of sale, calculated according to Section 10.5 above, minus the Initial Appraised Value.

Homeowner's share of Increase in Market Value: Homeowner's share of the increase in the market value of the Home equals twenty-five percent (25%) of the increase in market value as calculated above.

Summary of Formula Price: The Formula Price equals Homeowner's Base Price plus Homeowner's Share of Increase in Market Value.

b. Monitoring Parameters (Post-Purchase Stewardship):

The SNCLT's post-purchase stewardship function is what distinguishes the CLT model from other affordable homeownership programs. Of necessity, a CLT has an essential, ongoing, long-term stewardship role with regard to the owner-occupied homes on its land. Even if at some point it has ceased acquiring property, its commitment to stewarding previously acquired property should not waiver.

Basic Stewardship Goals and Necessary Activities

In its stewardship role a CLT has three basic goals:

- To preserve the affordability of its homes, for the intended income level, from one owner to the next -- and to see that only income-eligible owner-occupants benefit from this affordability;
- To see that the owners of those homes are secure -- that they are not displaced by foreclosure or other economic events;
- To see that the physical quality of those homes is preserved from one owner to the next.

In general, day-to-day, year-to-year activities fall into the following four categories:

- *Disclosure*: making sure that homeowners are given all the information necessary to understand their obligations and opportunities as lessee-homeowners.
- *Monitoring*: making sure that the CLT has adequate information about the homeowner's compliance with obligations and about her success as a homeowner.
- *Support*: helping homeowners succeed, through training, direct assistance when possible, or through referrals to other sources of help.
- *Approval*: reviewing all situations where a homeowner wants to take actions for which the CLT's approval is required, and deciding what is fair and appropriate.

COPY

Response to RFP #1011-204
Construction, Sale and Affordability Monitoring
Of
Single Family Residence
Located at
1180 Palo Verdi Drive
Carson City, Nevada
APN #004-141-05

By
Nevada Rural Housing, Inc.
3695 Desatoya Drive
Carson City, NV 89701
(775)887-1795
Fax (775)887-1838
Contact: Lisa Dayton, Project Manager
ldayton@nvrural.org

April 1, 2011

Nevada Rural Housing, Inc. (NRHI), a HUD approved Community Housing Development Organization is pleased to provide the following response to Carson City RFP #1011-204, Construction of Affordable Home.

Item 5.2.1 – Project Understanding

Carson City has identified a vacant, city-owned parcel that would be appropriate for the construction and sale of a single-family home that would remain affordable to buyers with household income at or below 80% of Area Median Income for a minimum of 50 years. Carson City will transfer ownership of this parcel to the Community Housing Development Organization (CHDO) that is selected through this RFP process to construct, sell and monitor affordability of the home.

Item 5.2.2 Project Approach

Construction

NRHI proposes to construct, at a minimum, a modest 3 bedroom, 2 bath, single story home, of approximately 1,241 square feet, on the parcel located at 1180 Palo Verde Drive, Carson City. A floorplan and elevation drawing are attached to this proposal (Attachment A). NRHI would contract with a licensed and insured General Contractor to construct the home. Specifications for the home would include the installation of Energy Star rated windows, appliances, light fixtures, water heater and furnace. Attic insulation would be increased to R-46 and interior honeycomb style insulated window shades installed for privacy and solar control. Sustainable interior finishes would be selected to promote green building practices and reduce interior volatile organic compounds.

NRHI would pay for all construction related expenses except for plan review, building permit fees and sewer and water connection fees. NRHI would ask Carson City to donate or waive city building fees in an effort to lower overall construction costs and further promote affordable housing.

Should market conditions and construction costs at the time of construction allow for a larger home with more amenities, NRHI may consider alternates plans.

Long-Term Affordability

In order to protect the subsidy of donated land that has been offered to promote affordable housing, NRHI will transfer the land to Nevada Land Trust, an affordable housing program of Nevada Rural Housing Authority (NRHA). The land will remain in the

Nevada Land Trust in perpetuity. The buyer who purchases the home constructed on the site will be granted a Leaseholder Deed which provides for ownership of improvements on leased land. The buyer will also enter into a Ground Lease with Nevada Land Trust wherein the buyer leases the parcel on a 99-year renewable lease for an affordable monthly fee. The Ground Lease clearly identifies the resale restrictions that preserve the affordability of the home and details the calculation used to determine a resale price. The presence of a Ground Lease prevents the inadvertent future sale of the home to a homebuyer that is not income-qualified or aware of the affordability restrictions that accompany the home. A copy of the Ground Lease is attached to this proposal (Attachment B).

Marketing & Sale

NRHI will immediately, upon start of construction, initiate marketing efforts to advertise the home for sale and begin to compile a waiting list for the home. Marketing efforts will clearly state household income maximums and long-term affordability requirements as defined in NRHA Land Trust Marketing & Community Outreach Policies and Procedures (Attachment C). Should there be interest from more than one qualified buyer, NRHI will follow the Nevada Land Trust Homebuyer Selection Policies and Procedures (Attachment D) when selecting a buyer.

Item 5.2.3 Organizational Capacity

In 2007 Nevada Rural Housing Authority (NRHA) sponsored the formation of a HUD-approved 501(c)3 Community Housing Development Organization, Nevada Rural Housing, Inc. dba Desert Winds Development, to further promote their efforts in the development of affordable housing. NRHI workforce is supplied by NRHA staff as both organizations work in tandem to fulfill similar missions. In 2009, NRHI and NRHA partnered in the development and construction of 48 new, affordable apartment units and the remodel of 100 existing apartment units in Carson City. In order to preserve the long-term affordability of this 148-unit complex, NRHI placed the property in the Nevada Land Trust. The Nevada Land Trust, formed in 2009 as a program of NRHA, was the nation's first and largest statewide land trust.

NRHA is a non-profit quasi governmental agency that was created in 1973 administering the Section 8 program and has owned and managed rental properties in rural Nevada. The Authority has achieved high-performer status 5 out of the last 6 years, received Public Housing Authority of the Year for mid-size Authorities in 2010 and has received a special allocation of Veterans Affairs Supportive Housing the past two years.

NRHA started a first time home buyers program (Home-at-Last) in 2006 and has helped over 800 families purchase homes. The Home-at-Last program was funded through issuance of private activity bonds. This first time home buyer program currently offers a thirty year fixed mortgage with a 4.99% rate and a 3% down payment assistance grant.. A mortgage credit

certificate program in place since 2009 provides tax relief to approximately 150 of our customers.

In the past, NRHA managed a United States Department of Agriculture 523 Mutual Housing Self Help program working with 9 families to help build their own homes. This program has been put on hold as we search for an appropriate land site. We believe this project demonstrates our ability to manage new construction projects.

NRHA manages a weatherization program that has helped approximately 778 families in the past three years. Our weatherization team won an award at the Energy Out West Conference for innovative thinking (Out of the Box Award) for using custom window inserts to preserve the historic nature of homes in Virginia City, Nevada while improving energy efficiency. We are currently working with the Nevada Housing Division to implement the SERC program, an innovative program testing non-traditional weatherization solutions like solar panels, solar water heaters, and wind turbines.

NRHA has helped 7 families transition from the Section 8 rentals into homeownership using Section 8 vouchers to offset mortgage payments. We continue to recruit qualified applicants for this program as this program hits the heart of our mission—to use housing as a force to improve people's lives.

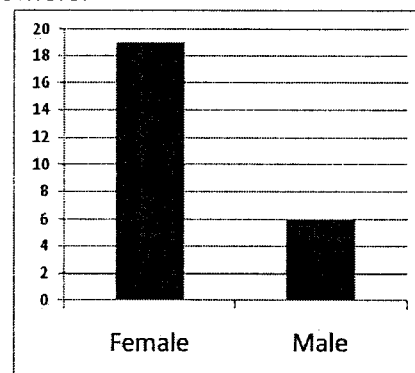
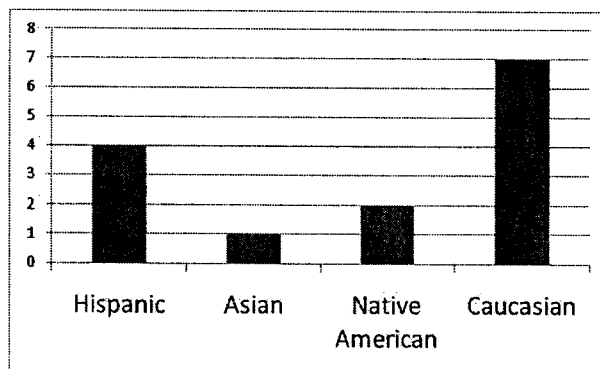
The Nevada Rural Housing Authority (NRHA) currently owns 187 units of low- to moderate income apartments located at five sites in rural Nevada. The majority of these units were acquired and rehabilitated throughout the years; however in 2009 we rehabilitated 100 units and built 48 additional units at the Southgate Apartment complex.

During the 2010 Low Income Housing Tax Credit (LIHTC) round NRHA was awarded credits to build the first 30 units of a planned 60 unit Senior Independent Living apartment complex in Winnemucca Nevada. These apartments are being built with support from the Humboldt Development Authority, City Council of Winnemucca and the Senior Citizens of Humboldt County (SCHC). The land was donated by the City of Winnemucca and many support services will be offered by the SCHC. The SCHC is a non-profit organization that manages the Senior Center located next to the planned new construction and NRHA owned Winnemucca Manor Apartments. Together, the City of Winnemucca, NRHA and SCHC will create a senior campus that includes housing for 80 seniors, a perimeter walking trail, community gardens, shared parking, various support services, exercise programs, a library and computer lab.

Experience – HUD Green Retrofit Program: Recently HUD awarded NRHA a Green Retrofit Grant totaling \$986,935; including matching funds from NRHA. The 52 unit Yerington Manor family complex was upgraded with energy efficient doors, windows, furnaces, water heaters, air conditioners, lighting, low-flow faucets and toilets, attic insulation, ventilation and water-conserving drip irrigated landscape. Building preservation projects such as roof replacement and kitchen and bath remodels were included in the scope of work. All projects were completed utilizing green building techniques, recycling of construction debris, and Low- or No-

VOC building materials. These improvements were completed over a seven month period and with NRHA staff acting as the general contractor. The project was completed on time and under budget. The initial application was accepted on the first submission without any change requests. This application was reviewed and approved on the first OAHP committee review and was considered one of the best submissions received for this program. Considering the project was delivered under budget, the contingency fund of \$83,986 was not needed and these excess proceeds were awarded back to NRHA to complete additional green energy retrofit projects as approved by HUD.

The Nevada Rural Housing Authority team consists of 25 very capable people. This diverse group of mission driven individuals takes pride in creating and managing efficient and high quality programs. The majority of the team is women and a diverse group of ethnic backgrounds provides a broad world view to our customers.



5.2.4 – Proposed Schedule/Timeline

Carson City, like many communities in Nevada, is faced with more available homes on the market than buyers. The current “buyer’s market” has driven prices of existing homes to values well below what it would currently cost to build the same home. Given these circumstances, it makes little sense to rush to build a home that has affordability restrictions and that would sell for more than the average cost to purchase an existing home in the same neighborhood. It does make good sense to preserve the opportunity to offer a brand new, affordably priced home to a qualified family when the market has recovered and lower income households are once again priced out of the housing market. Identifying when this shift in the housing market will occur is tricky, and expert opinions vary. For this reason, NRHA would like to float a construction timeline that would allow for a construction start anywhere between March 2012 to March 2013. With an estimated construction duration of 6-9 months, the floating construction start date could bring a completed home to market as early as September 2012 or as late as December 2013.

5.2.5 – Key Personnel

The construction of this affordable home in Carson City would be overseen by NRHA’s Real Estate Division. This department is made up of the following personnel:

Dave Craig, Real Estate Director
Lisa Dayton, Project Manager
Michael Hynick, Construction Coordinator
Judy Lyons, Administrative Assistant

Daily oversight of the Carson City single-family construction project would be handled as follows:

Lisa Dayton, Project Manager
Responsibilities: Project Design, Funding, Land Trust Administration

Michael Hynick, Construction Coordinator
Responsibilities: Construction Management

Judy Lyons, Administrative Assistant
Responsibilities: Construction Bids & Costing

Resumes for the above named staff are attached. (Attachment F)

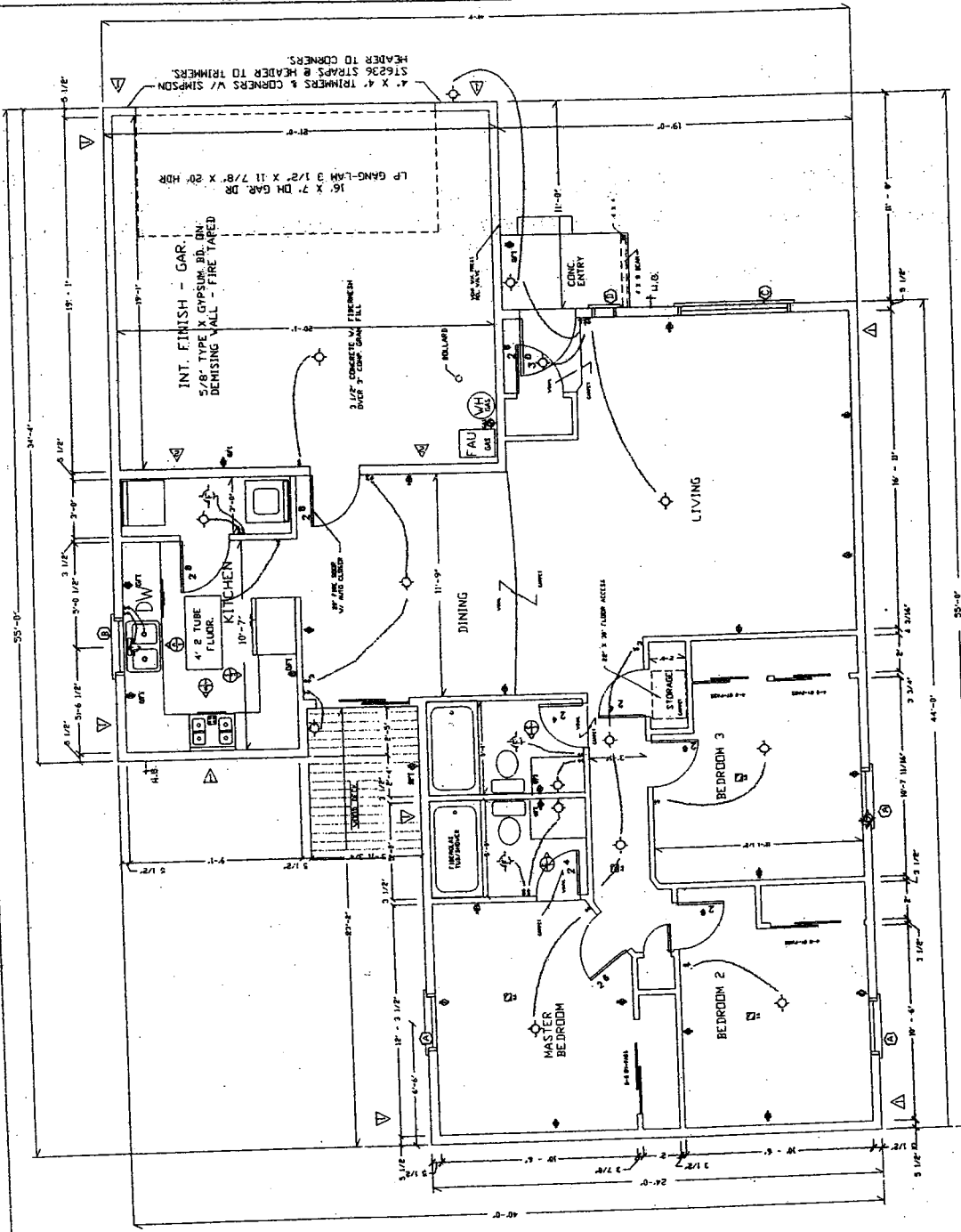
NRHA Real Estate Division staff offer a combined experience of over 50 years in residential and/or commercial construction and development. Staff is dedicated to a high level of project management and commitment to bringing projects to completion on time and on budget. Staff resumes are attached for your review.

5.2.6 – CHDO Documentation

The following items are attached (Attachment G):

- 501(c)3 Letter
- Incorporation Certificate
- Current Organization Chart
 - Staff
 - Board
- 2010 Federal Tax Return

Attachment A
Floorplan and Elevation
Single Family Residence

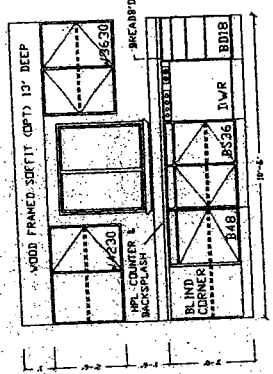


ALL EXT. WALLS 1/2" CDX PLYWOOD OR
 7/16" OSB OR 7/16" APA RATED SIDING @
 4" OC - EDGES (BKD) - 8" OC. FIELD
 GARAGE COMMON WALL TO ROOF PLYWOOD 1/2"
 CDX OR 7/16" OSB @ 4" OC. EDGES (BKD) - 8" OC. FIELD

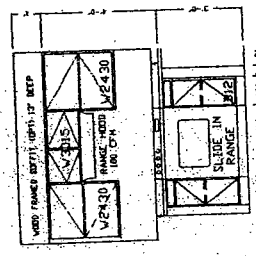
1/4" = 1' - 0"

WINDOW SCHEDULE

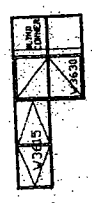
SIZE	TYPE	GLASS	U-VALUE
A 3' X 5'	VINYL-SINGLE HUNG	3/4" INSULATING	.43
B 3' X 3'	SLIDER		
C 6' X 5'	FIXED		
D 1' X 5'	SL. GL. DR.		TEMP'D
E 5' X 6'	SL. GL. DR.		TEMP'D



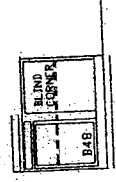
KITCHEN



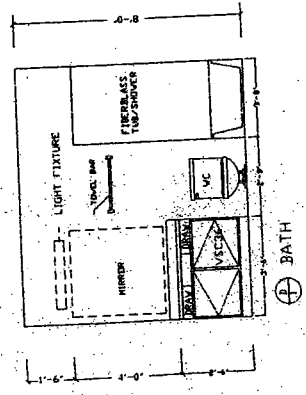
KITCHEN



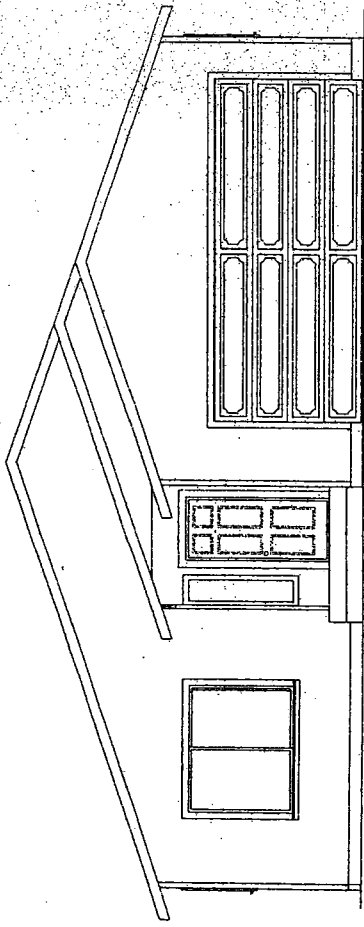
RETRIG. AREA



KITCHEN



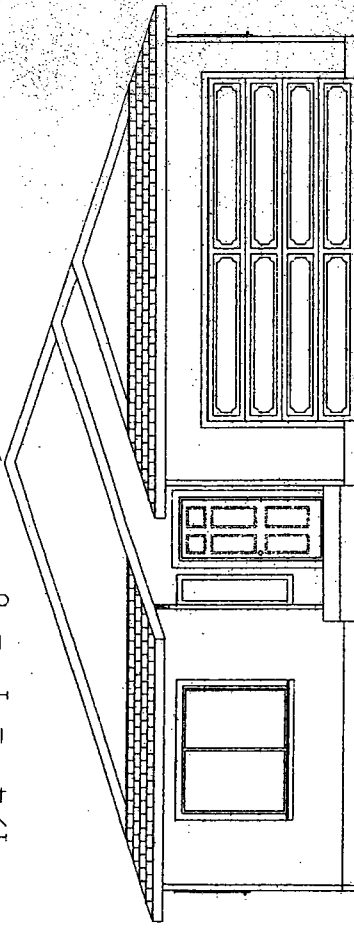
BATH



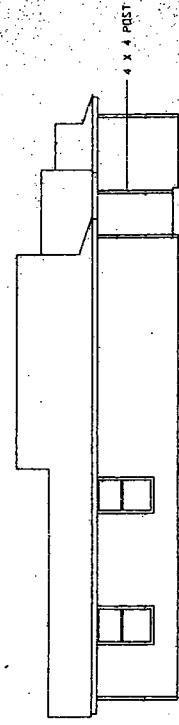
OPTION 'A' FRONT ELEVATION

CONTINUOUS RIDGE VENT

1/4" = 1' - 0"



OPTION 'B' FRONT ELEVATION

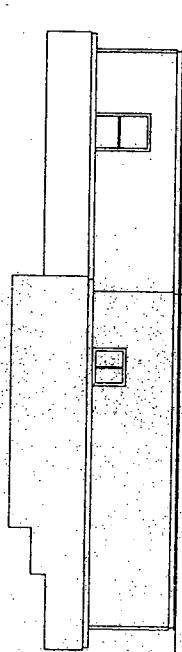


OPTION 'B' LEFT ELEVATION



OPTION 'A' LEFT ELEVATION

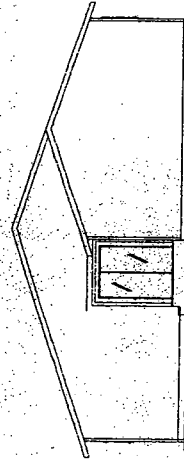
4 x 4 POST



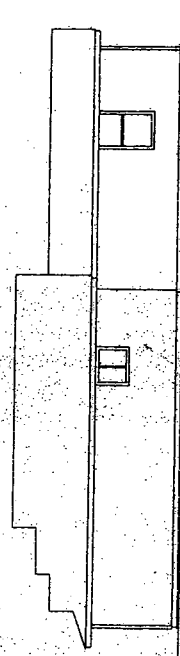
OPTION 'A' RIGHT ELEVATION

1/8" = 1' - 0"

4/12 (TYP)



OPTIONS 'A' & 'B' REAR ELEVATION



OPTION 'B' RIGHT ELEVATION

4 x 4 POST

Attachment B
Nevada Land Trust Ground Lease

NEVADA RURAL HOUSING AUTHORITY GROUND LEASE

THIS LEASE ("this Lease" or "the Lease") made and entered into this _____ day of _____, 20____, by and between Nevada Rural Housing Authority ("NRHA" or "Lessor" or "the Lessor") and _____ ("Lessee" or "the Lessee").

WHEREAS, NRHA is organized exclusively for charitable purposes, including: the development and preservation of decent, affordable housing and the creation of homeownership opportunities for low and moderate income people who otherwise would be denied such opportunities because of limited financial resources; and

WHEREAS, a goal of NRHA is to stimulate the conveyance of decent, affordable housing among low and moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Leased Premises described in this Lease have been acquired and are being leased by NRHA in furtherance of these charitable purposes; and

WHEREAS, the Lessee shares the purposes and goals of NRHA and has agreed to enter into this Lease not only to obtain those benefits to which the Lessee is entitled under this Lease, but also to further the charitable purposes of the Lessor; and

WHEREAS, Lessor and Lessee recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by Lessor and Lessee that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of Lessor and Lessee, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

ARTICLE 1: Letters of Stipulation and Acknowledgment

Attached as Exhibit LETTERS OF STIPULATION AND ACKNOWLEDGMENT and made part of this Lease by reference are (a) a Letter of Stipulation of Lessee, and (b) a Letter of Acknowledgment of legal counsel of Lessee, setting forth their respective review and understanding of this Lease (in particular, Article 10, regarding the transfer, sale or disposition of the Improvements) and related documents for this transaction.

ARTICLE 2: Demise of Leased Premises

2.1 PREMISES: The Lessor, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and leave unto Lessee, and Lessee does hereby take and hire from Lessor, the property (referred to in this Lease as the "Leased Premises") described in the attached Exhibit PREMISES. Lessor has furnished to Lessee a copy of the most current, if any, title report previously obtained by Lessor for the Premises, and Lessee accepts title to the Leased Premises in their condition "as is" as of the execution of this Lease.

2.2 RESERVATION OF MINERAL RIGHTS: Lessor reserves to itself all the minerals and other extractive resources of the Leased Premises. This reservation shall not diminish the right of the Lessee under this Lease to occupy and freely use the Leased Premises. Any eventual extraction by the Lessor of minerals or other extractive resources shall be carried out with as little disruption to the Lessee as is reasonably possible. In instances requiring a material disruption of the Lessee's right of use and occupancy of the Leased Premises, the Lessor shall not make such extraction without the consent of the Lessee.

ARTICLE 3: Duration of Lease

3.1 PRINCIPAL TERM: The term of this Lease shall be 99 years, commencing on the ___ day of _____, 20___, and terminating on the _____ day of _____, 20___, unless terminated sooner or extended as provided below.

3.2 LESSEE'S OPTION TO EXTEND: Lessee may extend the principal term of this Lease for one (1) additional period of 99 years, subject to all of the provisions of this Lease; provided that Lessor may make changes to the terms of the Lease for the renewal period prior to the beginning of such renewal period but only if these changes do not materially and adversely impair Lessee's rights under the Lease. Not more than 365 nor less than 180 days before the last day of the current term, Lessor shall give Lessee written notice, stating the date of expiration of the Lease, describing any changes that Lessor intends to make to the terms of the Lease as permitted above, and reiterating the conditions for renewal as set forth immediately below ("the Expiration Notice").

Lessee's right to exercise the option to extend is subject to the following conditions: (a) within 60 days of receipt of the Expiration Notice, Lessee shall give Lessor written notice, irrevocably exercising the option to extend ("the Extension Notice"); (b) this Lease shall be in effect at the time the Extension Notice is given and on the last day of the term, and (c) there shall not be an Event of Default by Lessee under this Lease or under any loan documents between Lessee and any Permitted Mortgagee at the time the Extension Notice is given and on the last day of the term.

When Lessee has rightfully exercised the option to extend, each party shall execute a memorandum, in mutually agreeable recordable form, acknowledging the fact that the option has been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease, and such memorandum or notice of lease shall be recorded in

accordance with the requirements of law on or promptly after the commencement of such renewal period of the Lease.

3.3 CHANGE OF LESSOR; LESSEE'S RIGHT TO PURCHASE: In the event that ownership of the land comprising the Leased Premises (The Land") is conveyed or transferred (whether voluntarily or involuntarily) by Lessor to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event Lessor desires or attempts to convey the Land to any person or entity other than a non-profit corporation, charitable trust, governmental agency or other similar entity sharing the goals described in the Recitals above (or as security for a mortgage loan), the Lessee shall have a right of first refusal to purchase the Land. This right shall be as specified in the attached Exhibit FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Premises

4.1 RESIDENTIAL USE ONLY: Lessee shall use, and shall cause all occupants to use, the Leased Premises and Improvements only for residential purposes and any incidental activities related to residential use that are currently permitted by applicable zoning law as indicated in the attached Exhibit ZONING. [In addition, use of the Leased Premises shall be further limited by the restrictions set forth in the attached Exhibit RESTRICTIONS.]

4.2 RESPONSIBLE USE AND COMPLIANCE WITH LAW: Lessee shall use the Leased Premises in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Lessee shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 RESPONSIBLE FOR OTHERS: Lessee shall be responsible for the use of the Leased Premises by all residents and their families, friends and visitors and anyone else using the Leased Premises with their consent and shall make all such people aware of the spirit, intent and appropriate terms of this Lease.

4.4 OCCUPANCY: Lessee shall occupy the Leased Premises for at least eight (8) months of each year of this Lease, unless otherwise agreed by Lessor. Occupancy by children or other immediate family members or dependents of Lessee shall be considered occupancy by Lessee.

4.5 INSPECTION: Lessor may inspect any portion of the Leased Premises including the interior(s) of Lessee's Improvements, at any reasonable time, but not more than two times in a single calendar year, and in any reasonable manner, upon at least 72 hours oral notice to Lessee. In the event of emergency, Lessor may inspect any portion of the Leased Premises including the interior(s) of Lessee's Improvements without notice provided the Lessor shall have made reasonable efforts to give advance notice to Lessee.

4.6 LESSEE'S RIGHT TO PEACEFUL ENJOYMENT: Lessee has the right to undisturbed enjoyment of the Leased Premises, and Lessor has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Lessee, subject to the provisions of this Lease.

ARTICLE 5: Ground Lease Fee

5.1 GROUND LEASE FEE: In consideration of the possession, continued use and occupancy of the Leased Premises, Lessee shall pay to Lessor a monthly ground lease fee (the "Ground Lease Fee") of twenty-five dollars (\$25.00).

5.2 PAYMENT OF GROUND LEASE FEE: The Ground Lease Fee shall be payable to Lessor, at the address specified in this Lease as Lessor's address, on the first day of each month for as long as this Lease remains in effect, unless, with Lessor's consent, the Ground Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee. If the Lease commences on a day other than the first of the month, a pro-rata portion of the Ground Lease Fee shall be paid for the balance of the month at the time the Lease is executed.

In the event that any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold and the Lease is terminated or assigned to another party, the amount of payable Ground Lease Fee shall be paid to Lessor out of any proceeds from the sale of the Improvements otherwise due to Lessee at the time of such sale.

5.3 CALCULATION OF GROUND LEASE FEE: The Ground Lease Fee specified in Section 5.1 above has been calculated as follows. First, an amount approximating the monthly fair rental value of the Leased Premises has been established, current as of the commencement of the lease term, recognizing that use of the Leased Premises is restricted by some of the provisions of the Lease. Then the affordability of this monthly amount for the Lessee has been analyzed and, if necessary, the amount has been reduced to yield the amount stated in Section 5.1 above, which has been determined to be affordable for Lessee.

5.4 REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: Lessor may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of assuring affordable monthly housing costs for the Lessee. Any such reduction, delay or waiver must be in writing and signed by Lessor before being effective.

5.5 ADJUSTMENT OF GROUND LEASE FEE: The Ground Lease Fee stated in Section 5.1 above, as adjusted in the way provided below, shall be applicable during the term of this Lease. However, in the event that, for any reason, the provisions of Article 10 or Article 11 regarding transfers of the Improvements or Section 4.4 regarding occupancy 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 Lessor to equal the fair rental value of the Leased Premises for use not restricted by the provisions of the suspended portions of the Lease, but

initially an amount not to exceed \$_____. In such event, Lessor shall notify Lessee of the amount calculated in this way, and the Ground Lease Fee shall then be this amount.

In order to keep the Ground Lease Fee reasonably current, the amount specified in Section 5.1 (and the maximum amount specified in the preceding paragraph) shall be recalculated every fifth (5th) year during the term of the Lease. At such intervals, the amount shall be recalculated through such reasonable process as the Lessor shall choose, based upon the standards set forth in Section 5.3 above. Lessor shall notify Lessee promptly upon recalculation of the new Ground Lease Fee amount, and if Lessee does not state objections to the recalculated amount within thirty (30) days after receipt of this notice, the Ground Lease Fee shall then be as stated by Lessor in the notice. If Lessee does state objections to the recalculated Ground Lease Fee, and Lessor and Lessee are then unable to agree on a recalculated Ground Lease Fee within fifteen (15) days of Lessor's receipt of Lessee's objection, the dispute shall be resolved according to the arbitration process set forth in Article 13 below, except that the arbitrators chosen by each party shall be ones with experience in the valuation of real estate. Upon the final determination of the recalculated Ground Lease Fee in accordance with the terms of this section, Lessor shall maintain in its file a notarized certification of the amount of such recalculated Ground Lease Fee and the process by which it was determined.

ARTICLE 6: Taxes and Assessments

6.1 TAXES AND ASSESSMENTS: Lessee shall be responsible for payment of all taxes and governmental assessments that relate to the Improvements and the Leased Premises. Lessee shall also pay directly, when due, all other service bills, utilities charges, or other governmental assessments charged against the Leased Premises.

6.2 TAXES ON LEASED PREMISES: In the event that the local taxing authority bills Lessor for the taxes on the Leased Premises, Lessor shall pass the responsibility for this expense to Lessee and Lessee shall promptly pay this bill.

6.3 LESSEE'S RIGHT TO CONTEST: Lessee shall have the right to contest the amount or validity of any taxes relating to the Improvements and Leased Premises. Lessor shall, upon written request by Lessee, join in any such proceedings if Lessee reasonably determines that it is necessary or convenient for Lessor to do so. All other costs and expenses of such proceedings shall be paid by Lessee.

6.4 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Lessee fails to pay the taxes or other charges specified in Section 6.1 above, Lessor may increase, but shall not be obligated to increase, Lessee's Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements and Leased Premises. Upon collecting any such amount, Lessor shall pay the amount collected to the taxing authority in a timely manner.

6.5 PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

ARTICLE 7: Improvements

7.1 OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by the Lessee or constructed or placed by the Lessee on any part of the Leased Premises at any time during the term of this Lease (the "Improvements") shall be property of the Lessee. Title to such Improvements shall be and remain vested in the Lessee. However, Lessee's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by the Lessee and the Lessor's option to purchase the Improvements. In addition, Lessee shall not sever or move the Improvements from the Land.

7.2 PURCHASE OF IMPROVEMENTS BY LESSEE: Lessee is simultaneously purchasing the Improvements now located on the Leased Premises and described in the Deed, the form of which is annexed to this Lease as Exhibit DEED.

7.3 CONSTRUCTION AND ALTERATION: Any post-purchase construction on the Leased Premises requiring issuance of a building permit, including addition of a new building, expansion of an existing building, or the alteration of existing Improvements, is subject to the following conditions: (a) Lessee shall furnish to Lessor a copy of any plans and all building permits for such construction prior to commencing construction; and (b) such construction shall not commence without the prior written consent of Lessor. All post-purchase construction on the Leased Premises are subject to the following conditions: (a) all costs shall be borne and paid for by the Lessee; (b) all construction shall be performed in a workerlike manner and shall comply with all applicable laws and regulations; and (c) all construction shall be consistent with the permitted uses set forth in Article 4.

7.4 PROHIBITION OF LIENS: No lien of any type shall attach to the Lessor's title to the Land or to Lessor's interest in the Leased Premises or to any other property owned by the Lessor. Lessee shall not permit any statutory or similar lien to be filed against the Premises, the Improvements, or any interest of Lessor or Lessee which remains more than sixty (60) days after it has been filed. Lessee shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Lessee fails to cause such lien to be discharged within the sixty-day period, then, in addition to any other right or remedy, Lessor may, but shall not be obligated to, discharge the lien by paying the amount in question. Lessee may, at Lessee's expense, contest the validity of any such asserted lien, provided Lessee has furnished a bond in an amount sufficient to

Nevada Rural Housing Authority Land Trust Ground Lease

release the Leased Premises from such lien. Any amounts paid by Lessor to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Lessee upon demand.

7.5 MAINTENANCE AND SERVICES: Lessee shall, at Lessee's sole expense, maintain the Leased Premises and all Improvements as required by Section 4.2 above. Lessor shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Leased Premises or Improvements, and Lessee hereby assumes the sole responsibility for furnishing all services or facilities.

7.6 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Lessee shall surrender the Improvements together with the Leased Premises to the Lessor. Ownership of the Improvements shall thereupon revert to Lessor, provided, however, that Lessor shall promptly pay to Lessee as consideration for the Improvements an amount equal to Lessor's Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this Lease.

ARTICLE 8: Financing

8.1 PERMITTED MORTGAGE: Lessee may mortgage the Leased Premises only with the written consent of Lessor. Not less than thirty (30) days prior to the date on which Lessee (or a prospective Lessee who has contracted to purchase the Improvements) requests Lessor's consent to a mortgage to be effective, Lessee (or prospective Lessee) shall furnish to Lessor copies of every document to be executed in connection with the transaction represented by such mortgage. Lessor may choose to consent to any mortgage, and in so doing shall designate such mortgage as a "Permitted Mortgage." However, Lessor shall be required to consent to a mortgage only if (a) at the time such copies of documents are submitted and at the time proposed by Lessee (or prospective Lessee) for the execution of such documents, no default is then outstanding; and (b) The mortgage so submitted is a Standard Permitted Mortgage as defined in the attached Exhibit PERMITTED MORTGAGES. Lessee shall pay to Lessor at Lessor's option, as additional Ground Lease Fee, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lessor in connection with any Permitted Mortgage.

8.2 RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage (Permitted Mortgagee) shall without requirement of consent by the Lessor have the rights identified and defined in the attached Exhibit PERMITTED MORTGAGES.

8.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, Sections 10.1 through 10.11 shall be

deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred;

8.4 LESSOR'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE:

The parties recognize that it would be contrary to the fundamental concept of this agreement and an incentive to abuse Lessee's authorization to encumber its leasehold interest with a Permitted Mortgage if Lessee could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly Lessee hereby irrevocably assigns to Lessor any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Lessee, to the extent such net proceeds exceed the net proceeds that Lessee would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Lessor. In the event that, for any reason, such excess proceeds are paid to Lessee, Lessee hereby agrees to promptly pay the amount of such excess proceeds to Lessor.

8.5 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 LESSEE'S LIABILITY: Lessee assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy and use of the Leased Premises.

9.2 INDEMNIFICATION OF LESSOR: Lessee shall defend, indemnify and hold Lessor harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises. Lessee waives all claims against Lessor for such injury or damage. However, Lessor shall remain liable (and Lessee shall not indemnify and defend Lessor against such liability or waive such claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of Lessor or Lessor's agents or employees.

9.3 PAYMENT BY LESSOR: In the event the Lessor shall be required to pay any sum that is the Lessee's responsibility or liability, the Lessee shall reimburse the Lessor for such payment and for reasonable expenses caused thereby.

9.4 INSURANCE: Lessee shall, at Lessee's sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Improvements.

Nevada Rural Housing Authority Land Trust Ground Lease

Lessee shall, at Lessee's sole expense, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than _____ dollars (\$_____) for injury to or death of any one person; and _____ dollars (\$_____) for injury to or death of any number of persons in one occurrence; and _____ dollars (\$_____) for property damage. The dollar amounts of this coverage shall be adjusted at two-year intervals, beginning on the date this Lease is signed, or upon Lessor's demand given not more often than annually, upon 30 days notice to Lessee. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Premises are located, or, if none, for urban areas the size of (insert index relevant to geographic location of property), or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor. Such insurance shall specifically insure Lessee against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure Lessor as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for Lessor and Lessee.

Lessee shall provide Lessor with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days prior written notice to Lessor. Lessor shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 DAMAGE OR DESTRUCTION: Except as provided below, in the event of fire or other damage to the Improvements, Lessee shall take all steps necessary to assure the repair of such damage and the restoration of the Improvements to their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Lessee shall also promptly take all steps necessary to assure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

If Lessee, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration, (provided Lessee has fulfilled all of the hazard insurance requirements set forth in Section 9.4 above), then Lessee may terminate this Lease by written notice to Lessor given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until forty-five (45) days after the date upon which the notice is received by Lessor. During this forty-five-day period Lessor may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least eighty percent of the cost of repair and restoration. If successful in securing such adjustment, Lessor may render Lessee's termination notice null and void by written notice to Lessee within such forty-five-day day period. If Lessor fails to nullify the termination notice in this way, then this

Nevada Rural Housing Authority Land Trust Ground Lease

Lease shall terminate at the expiration of the forty-five-day period, and any insurance proceeds payable to Lessee on account of such damage shall be paid as provided below.

The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Lessee (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable Lessor's Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to Lessor.

9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Lessee is required to give up possession of the Leased Premises or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to Lessor.

In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, the Lessor may in its discretion allocate some or all of the monetary compensation to enable Lessee to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises.

Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this Section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or lessee of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 REASSESSMENT OF RENTAL VALUE: In the event of any taking that reduces the size of the Leased Premises but does not result in the termination of the Lease, Lessor shall reassess the fair rental value of the remaining Premises and shall adjust the Ground Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the premises for use as restricted by the Lease.

9.8 RELOCATION OF LESSEE: In the event of a termination of this Lease as a result of damage, destruction or taking, Lessor shall take reasonable steps to grant Lessee a leasehold interest, similar to the interest created by this Lease, in another tract that it owns, if such other

tract can reasonably be made available. In accepting such a leasehold interest, Lessee agrees to contribute any proceeds or award received by Lessee to purchase or develop Improvements on such tract. Lessor's failure to supply such a leasehold interest shall not give rise to any cause of action by Lessee against Lessor.

ARTICLE 10: Transfer, Sale or Disposition of Improvements

10.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower income households and expand access to homeownership opportunities for such households.

10.2 TRANSFERS TO INCOME-QUALIFIED PERSONS: Lessee may transfer its interest in the Leased Premises or the Improvements only to Lessor or an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers shall be subject to Lessor's review and purchase option rights set forth in this Article 10. Any purported transfer done without following the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

"Income-Qualified Person" shall mean a person or group of persons whose household income does not exceed (insert project specific factor not to exceed 120%) percent (___%) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 TRANSFER TO LESSEE'S HEIRS: Upon receipt of notice from the executor of the decedent's estate given within ninety (90) days of the death of Lessee (or the last surviving co-owner of the Improvements) Lessor shall, unless for good cause shown, consent to a transfer of the Improvements and an assumption of this Lease to and by one or more of the possible heirs of Lessee listed below as "a," "b," or "c," provided that a Letter of Stipulation and a Letter of Acknowledgment of legal counsel (similar to those described in Article 1 of this Lease), setting forth the heirs' review, understanding and acceptance of the terms of the Lease, are submitted to Lessor to be attached to the Lease when it is transferred to the heirs.

- a) the spouse of the Lessee; or
- b) the child or children of the Lessee; or
- c) member(s) of the Lessee's household who have resided upon the Premises for at least one year immediately prior to Lessee's death.

Any other heirs, legatees or devisees of Lessee must, in addition to submitting Letters of Stipulation and Acknowledgment as provided above, demonstrate to Lessor's reasonable satisfaction that they are Income-Qualified Persons as defined above, or, if unable to do so, shall not be entitled to possession of the Leased Premises but must transfer the Leased Premises in accordance with the provisions of this Article 10.

10.4 LESSEE'S NOTICE OF INTENT TO SELL: In the event that Lessee wishes to assign its interest in the Leased Premises and sell the Improvements, Lessee shall notify Lessor, in writing, of such wish (the Intent-to-Sell Notice). Such Notice shall include a statement as to whether Lessee wishes to recommend a prospective buyer as of the date of the Notice.

10.5 APPRAISAL: No later than ten (10) days after Lessor's receipt of Lessee's Intent-to-Sell Notice, a market valuation of the Leased Premises and the Improvements (The Appraisal) shall be commissioned to be performed by a mutually acceptable and duly licensed appraiser. Lessor shall commission and pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Land and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Improvements. The Appraisal shall state the values contributed by the Land and by the Improvements as separate amounts. Copies of the Appraisal are to be provided to both Lessor and Lessee.

10.6 LESSOR'S PURCHASE OPTION. Upon receipt of an Intent to Sell Notice from Lessee, Lessor shall have the option to purchase the Improvements (the Purchase Option) at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Improvements for succeeding Income-Qualified Persons while taking fair account of the investment by the Lessee.

If Lessor elects to purchase the Improvements, Lessor shall exercise the Purchase Option by notifying Lessee, in writing, of such election (the Notice of Exercise of Option) within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given such notice, Lessor may either proceed to exercise the Purchase Option directly by purchasing the Improvements, or may assign the Purchase Option to an income-qualified person.

The purchase (by Lessor or Lessor's assignee) must be completed within sixty (60) days of Lessor's Notice of Exercise of Option, or Lessee may sell the Improvements as provided in Section 10.7 below.. The time permitted for the completion of the purchase may be extended by mutual agreement of Lessor and Lessee.

Lessee may recommend to Lessor a prospective buyer who is an Income-Qualified Person and is prepared to submit Letters of Stipulation and Acknowledgement indicating informed acceptance of the terms of this Lease. Lessor shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless Lessor determines that its charitable mission is better served by retention of the Improvements for another purpose or transfer of the Improvements to another party.

10.7 IF PURCHASE OPTION EXPIRES: If the Purchase Option has expired or if Lessor has failed to complete the purchase within the sixty-day period allowed by Section 10.6 above, Lessee may sell the Improvements and assign the Lease to any Income-Qualified Person, for not more than the then applicable Purchase Option Price. If, six months after the expiration of the Purchase Option or the expiration of said sixty-day period, the Improvements still have

not been sold, Lessee may sell the Improvements and assign the Lease, for not more than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-Qualified Person.

10.8 LESSOR'S POWER OF ATTORNEY TO CONDUCT SALE: In the event Lessor does not exercise its option and complete the purchase of the Improvements as set forth above, and Lessee (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Lessee does hereby appoint Lessor its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease, sell the property, and distribute proceeds of sale, minus Lessor's costs of sale and reletting and any other sums owed Lessor by Lessee.

10.9 PURCHASE OPTION PRICE: In no event may the Improvements be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the Improvements as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below (the Formula Price).

10.10 CALCULATION OF THE FORMULA PRICE: The Formula Price shall be calculated as follows. A market valuation of the Leased Premises and the Improvements shall be conducted in accordance with the instructions set forth in 10.5 above (the Current Appraised Value).

Lessee's Purchase Price: The parties agree that the Lessee's Purchase Price for the Improvements existing on the Leased Premises as of the commencement of the term of this Lease is \$_____.

Initial Appraised Value: The parties agree that on or about the date of Lessee's acquisition of the Improvements, a market valuation of the Leased Premises and Improvements was conducted by analysis and comparison of comparable properties as though title to the Leased Premises and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Leased Premises and the transfer of the Improvements. The parties agree that the appraised value of the Leased Premises and the Improvements at the time of Lessee's purchase (the Initial Appraised Value) is \$_____.

Lessee's Price to Value Ratio. The parties agree that Lessee's Purchase Price, as stated above, represents _____ percent (__%) of the Initial Appraised Value as stated above (the Purchase Price-to-Value Ratio).

Calculation of Market Value Appreciation of the Leased Premises and the Improvements.

For the purpose of determining the Formula Price, Market Value Appreciation of the Leased Premises and Improvements shall be determined by subtracting the Initial

Nevada Rural Housing Authority Land Trust Ground Lease

Appraised Value from the Current Appraised Value. If this calculation returns a positive number, the result shall be the "Market Value Appreciation." If this calculation returns a negative number, the Market Value Appreciation shall be zero (\$0). Following is a table for calculating Market Value Appreciation of the Leased Premises and Improvements:

1. Current Appraised Value	\$
2. Minus Initial Appraised Value	- \$
3. Equals Market Value Appreciation of the Leased Premises and Improvements [note: if line 1 minus line 2 is negative, enter zero.]	= \$

Calculation of Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements.

For the purpose of determining the Formula Price, Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements shall be determined by first multiplying the Market Value Appreciation of the Leased Premises and the Improvements by the Purchase Price-to-Value Ratio and then multiplying the product by twenty-five percent (25%) (the "Shared Appreciation Factor "). Following is a table for calculating Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements:

1. Market Value Appreciation of the Leased Premises and the Improvements	\$
2. Multiplied by the Purchase Price-to-Value Ratio	x .
3. Multiplied by the Shared Appreciation Factor	x .
4. Equals the Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements	= \$

Calculation of Formula Price.

The Formula Price shall be determined by adding Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements to Lessee's Purchase Price. Following is a table for calculating the Formula Price:

1. Lessee's Purchase Price	\$
2. Plus Lessee's Share of Market Value Appreciation of the Leased Premises and the Improvements	+ \$
3. Equals Formula Price	= \$

10.11 QUALIFIED PURCHASER'S CHOICE OF NEW LEASE OR ASSIGNMENT OF EXISTING LEASE: An income qualified person who purchases the Improvements in accordance with the provisions of this Article 10 shall have the option of receiving either an assignment of this Lease from the seller, with the approval of Lessor, or a new Lease from Lessor, which new Lease shall be substantially the same as this Lease in the rights, benefits and obligations assigned to Lessee and Lessor.

ARTICLE 11: ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article 8 (including Exhibit PERMITTED MORTGAGES) and Article 10, Lessee shall not assign, sublease, sell or otherwise convey any of Lessee's rights under this Lease without the prior written consent of the Lessor. Lessee agrees that Lessor shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease shall be subject to the following conditions.

- a) Any such assignment or sublease shall be subject to all of the terms of this Lease.
- b) In the case of a sublease, the rental or occupancy fee charged the sublessee shall not be more than that amount charged the Lessee by the Lessor, plus an amount approved by Lessor to cover costs to Lessee for the Improvements.
- c) In the case of an assignment, the total consideration for such assignment and the related sale or transfer of the Improvements shall not exceed the Purchase Option Price as calculated in accordance with Article 10 above.

ARTICLE 12: DEFAULT

12.1 MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to pay the Ground Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Lessee or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, if Lessee shall make a good faith partial payment of at least two-thirds (2/3) of the amount owed during such initial 30 day period, then such period shall be extended one additional 30-day period.

12.2 NON-MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to abide by any other material term or condition in this Lease, and such failure is not cured by Lessee or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, in the case where the Lessee or Permitted Mortgagee has commenced to cure such default within such 60-day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3 DEFAULT BY LESSEE RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Lessee is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Lessee for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 TERMINATION: In the case of any of the events of default described above, Lessor may terminate this Lease and initiate summary proceedings against Lessee. Pursuant to such proceedings, without demand or notice, Lessor may enter any part of the Leased Premises and repossess the entire Leased Premises, and expel Lessee and those claiming rights through Lessee and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by Lessor, or if Lessor re-enters the Leased Premises pursuant to an Event of Default, the Lessee agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with such termination or re-entry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lessor in pursuit of its remedies under this Lease.

If Lessor elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Lessee's interest in the Leased Premises by foreclosure of its mortgage or otherwise.

12.5 DEFAULT BY LESSOR: Lessor shall in no event be in default in the performance of any of its obligations under the Lease unless and until Lessor has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Lessee to Lessor properly specifying Lessor's failure to perform any such obligation.

ARTICLE 13: ARBITRATION

13.1 ARBITRATION PROCESS: Should any grievance or dispute arise between Lessor and Lessee concerning the terms of this Lease which cannot be resolved by normal interaction, the following arbitration procedure shall be used.

Lessor or Lessee shall give written notice to the other of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice.

Nevada Rural Housing Authority Land Trust Ground Lease

These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within fifteen days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing Lessor and Lessee shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than fifteen days after the hearing, the arbitration panel shall make a written report to the Lessor and Lessee of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final.

ARTICLE 14: GENERAL PROVISIONS

14.1 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to Lessor: _____ (name of NRHA)
with a copy to: _____ (NRHA's attorney)

If to Lessee: _____ (name of Lessee)

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.2 NO BROKERAGE: Lessee warrants that it has not dealt with any broker other than _____ in connection with the consummation of this Lease, and in the event any claim is made against Lessor relative to dealings with brokers other than _____, Lessee shall defend the claim against Lessor with counsel of Lessor's selection and save harmless and indemnify Lessor on account of loss, cost or damage which may arise by reason of any such claim.

14.3 SEVERABILITY AND DURATION OF: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Lessee or Lessor against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and such options and other rights shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such

option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons:

NOTE: List an identifiable group of small children, e.g., the children living as of the date of this Lease of any of the directors or employees of a specified corporation.

14.4 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, Lessor shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Lessee. Such right shall be as specified in Exhibit FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.5 WAIVER: The waiver by Lessor at any given time of any term or condition of this Lease, or the failure of Lessor to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. Lessor may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by Lessor before being effective.

The subsequent acceptance of Ground Lease Fee payments by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term or condition of this Lease, other than the failure of the Lessee to pay the particular Ground Lease Fee so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.6 LESSOR'S RIGHT TO PROSECUTE OR DEFEND: Lessor shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Lessee's name, any actions or proceedings appropriate to the protection of its title to, and Lessee's interest in the Leased Premises. Whenever requested by Lessor, Lessee shall give Lessor all reasonable aid in any such action or proceeding.

14.7 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.8 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.9 PARTIES BOUND: This Lease sets forth the entire agreement between Lessor and Lessee with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by Lessor and Lessee or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

Nevada Rural Housing Authority Land Trust Ground Lease

14.10 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of Nevada. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Lessor or Lessee.

14.11 RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a so-called Memorandum of Ground Lease in form recordable and complying with applicable law and reasonably satisfactory to Lessor's attorneys. In no event shall such document set forth the rent or other charges payable by Lessee under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

IN WITNESS WHEREOF, the parties have executed this lease at _____ on the day and year first above written.

_____ (NRHA)

Witness

By: _____
Its duly authorized agent

Witness

Lessee: _____

State of Nevada

County of _____

This instrument was acknowledged before me on

_____ by _____

Date

Name of Signer

Signature of Notary officer (Notary Stamp)

This letter is given to the NRHA to become an exhibit to a Lease between the NRHA and me. I will be leasing a parcel of land from the NRHA and will be buying the home that sits on that parcel of land. I will therefore become what is described here as a "NRHA homeowner."

My legal counsel, _____, has explained to me the terms and conditions of the 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 NRHA homeowner, now and in the future.

In particular I understand and agree with the following points.

Nevada Rural Housing Authority Land Trust Ground Lease

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

The terms and conditions of my Lease will keep my home affordable for future "income-qualified persons" (as defined in the lease). If and when I want to sell my home, the lease requires that I sell it either to the NRHA or to another income-qualified person. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such income-qualified persons.

It is also a goal of the NRHA to promote resident ownership of NRHA homes. For this reason, my Lease requires 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 Lease, or they can sell it on the terms permitted by the Lease.

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

Sincerely

Letter of Acknowledgment

I, _____, have been independently employed by _____ (hereinafter "the Client") who intends to purchase a house and other improvements on land to be leased from Community Land Trust. The house and land are located at _____.

In connection with the contemplated purchase of the house and other improvements and leasing of the land, I reviewed with the Client the following documents relating to the transaction:

- a) this Letter of Acknowledgment and a letter of stipulation from the Client;
- b) a proposed Deed conveying the house and other improvements to the Client;
- c) a proposed Ground Lease conveying the "Leased Premises" to the Client;
- d) other written materials provided by the NRHA.

The Client has received full and complete information and advice regarding this conveyance and the foregoing documents. My advice and review has been given 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 her own judgment and upon her investigation of the facts. The full and complete advice and information provided by me was an integral element of such investigation.

Name

Date

Title

Firm/Address

Exhibit DEED

Warranty Deed

Between

COMMUNITY LAND TRUST ("the NRHA"), a not-for-profit instrumentality of the state having its principal offices at 3695 Desatoya Drive, Carson City, Nevada, and

_____, residing at _____,
_____. (complete address)

Witnesseth

That the NRHA, in consideration of one dollar and other good and valuable consideration paid by _____, does hereby grant and release unto _____, his/her heirs, or successors and assigns forever,

THE BUILDINGS AND IMPROVEMENTS ONLY, as presently erected on the premises described in Schedule "A" attached hereto and made a part hereof.

It is the intention of the parties that the real property underlying the buildings and improvements conveyed herein remain vested in the NRHA and that this warranty deed convey only such buildings and improvements as are presently erected upon the subject premises.

In witness whereof, as authorized agent of the NRHA, I hereunto set my hand this ____ day of _____, A.D. 20__.

signature

State of Nevada
County of _____

This instrument was acknowledged before me on

_____ by _____

Date

Name of Signer

(Notary Stamp)

Signature of Notary officer

Exhibit PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A) **STANDARD PERMITTED MORTGAGE:** A "Standard Permitted Mortgage," as identified in Section 8.1 of the Lease to which this Exhibit is attached shall be a mortgage that meets the following requirements.

1) Such Mortgage shall run in favor of either (a) a so-called "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a "community development financial institution" as certified by the U.S. Department of the Treasury, or similar non-profit lender to housing projects for low and moderate income persons.

2) Such Mortgage shall be a first lien on all or any of the Improvements and the Lessee's interest in the Leased Premises (the "Security").

3) Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor's obligations thereunder, the holder of such Mortgage shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

4) Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

5) Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Lessee's interest in the Leased Premises by the Permitted Mortgagee, the Permitted Mortgagee shall give the Lessor written notice of such acquisition and the Lessor shall have an option to purchase the Improvements and acquire the Lessee's interest in the Leased Premises from the

Nevada Rural Housing Authority Land Trust Ground Lease

Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that the Lessor gives written notice to the Permitted Mortgagee of the Lessor's intent to purchase the Improvements and acquire the Lessee's interest in the Leased Premises within thirty (30) days following the Lessor's receipt of the Permitted Mortgagee's notice of such acquisition of the Improvements and Lessee's interest; further provided that Lessor shall complete the purchase of the Improvements and acquisition of Lessee's interest in the Leased Premises within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the Lessor does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Lessee's interest in the Leased Premises to another person;

6) Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the (insert geographic location of property) area by institutional mortgagees.

7) Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering Lessor or any subsequent holder of the Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

8) Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to Lessor or Lessor's interest in the Leased Premises, but will look solely to Lessee, Lessee's interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that Lessor's consent to such Mortgage shall be without any liability on the part of Lessor for any deficiency judgement).

9) Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of ARTICLE 9 hereof.

10) Such Mortgage and related documentation shall contain nothing that obligates Lessor to execute an assignment of the Ground Lease Fee or other rent payable by Lessee under the terms of this Lease.

B) RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage (Permitted Mortgagee) as referenced under Section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below.

1) A Permitted Mortgagee shall without requirement of consent by the Lessor have the right, but not the obligation, to:

a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Lessee;

Nevada Rural Housing Authority Land Trust Ground Lease

b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and

c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

2) Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Lessee under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3) In the event that title to the estates of both Lessor and Lessee shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Lessee under the Lease as condition to the forbearance by Lessor in the exercise of Lessor's remedies as provided in the Lease.

4) If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to Lessor's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Lessor for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Lessor, Lessee and the Permitted Mortgagee.

Nevada Rural Housing Authority Land Trust Ground Lease

5) The Lessor shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6) In the event that Lessor sends a notice of default under the Lease to Lessee, Lessor shall also send a notice of Lessee's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to Lessor by a written notice to Lessor sent in the manner set forth in said Section 14.2 of the Lease.

Exhibit FIRST REFUSAL

Whenever any party under the Ground Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Ground Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

a) Offering Party shall give written notice of such offer ("the Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("the Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("the Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.

b) If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.

c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Ground Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.

Other Exhibits to be Attached as Appropriate

Exhibit PREMISES [Correct legal description of area of Leased Premises and appurtenant title rights and obligations.]

Exhibit ZONING [Setting forth applicable zoning restrictions as of the commencement of the Lease]

Exhibit RESTRICTIONS [To be attached when necessary to stipulate use restrictions not included under Zoning]

Exhibit INITIAL APPRAISAL [To be attached if Lease contains an “appraisal-based” resale formula]

Exhibit COMMUNITY LAND TRUST GROUND LEASE RIDER [To be attached when necessary to meet Fannie Mae lending guidelines.]

Exhibit MEMORANDUM OF GROUND LEASE [Alternative, short form recordable document]

Attachment C
NRHA Land Trust
Marketing & Community Outreach Policies and Procedures

NEVADA LAND TRUST

MARKETING & COMMUNITY OUTREACH POLICIES & PROCEDURES

I. OVERVIEW

This policy paper is intended to guide the development and implementation of Nevada Land Trust Marketing & Community Outreach policies and procedures. This policy shall be reviewed from time to time for effectiveness in guiding the Nevada Land Trust in the pursuit of its mission. This policy may be amended by a majority of the Board.

II. GOALS

The goals of the NRHA Land Trust that these policies are intended to support are:

- A. To educate and expose community leaders to the land trust model.
- B. To expose potential homebuyers in rural Nevada to the concept of owning a Nevada Land Trust home.
- C. To obtain preliminary, qualifying information from potential homebuyers in the areas served by Nevada Rural Housing Authority.
- D. To generate public awareness of available Nevada Land Trust properties.

III. MARKETING PLAN

The Nevada Land Trust Marketing Plan is designed to support the goals as outlined above.

A. Community Orientation

It is recognized by NRHA that, in order for a land trust to be successful, it must first have the support of the community where it plans to reside. This support would stem from an understanding of the land trust model and the need it addresses within the community. A Community Orientation presentation would be conducted on an as needed basis and used to reach those members of the community who, by giving us their support, facilitate our efforts in the community as well as help to diffuse objections based on myths and misconceptions.

Typical Audience for Community Orientation

- 1. Western Nevada Home Consortium
- 2. Planning Departments
- 3. Community Advisory Boards
- 4. Board of Supervisors
- 5. School District
- 6. Charitable Foundations (United Way)
- 7. Churches

Community Presentation Overview

1. A Power Point presentation would be used to convey the following information:
2. The Land Trust model as stewards of grant funds.
3. Challenges presented to low- to moderate-income first time homebuyers in purchasing market priced homes.
4. Land Trust homeownership as a step-up to conventional homeownership.
5. Perpetual Affordability represented as a comparison to the cost of market driven homeownership.
6. Non-escalating funding represented as a comparison between gap funds needed today and anticipated funding required in the future.
7. References to other successful land trusts showing a variety of community profiles
8. References to land trust studies, websites and published material.
9. The Homebuyer Presentation as outlined below (III.B.2)

B. Homebuyer Orientation

Many low- to moderate-income households in rural Nevada may assume that homeownership is out of their reach and therefore not actively pursue a path to purchasing their own home. In order to accomplish our goal of exposing potential homebuyers to the prospect of owning a NRHA Land Trust home, we would actively seek opportunities and venues to conduct a Homebuyer Orientation.

Homebuyer Orientation Venues

1. Community Centers/Organizations
2. Local Employers
3. Adult Education Classes
4. Community Events, i.e. fairs

Homebuyer Presentation Overview

A PowerPoint presentation that engages the attendee and summarizes:

1. What is the NRHA Land Trust?
2. What does it mean to be a NRHA Land Trust Homeowner?
3. How does it compare to renting?
4. How does it compare to purchasing a market priced home?
5. How is the purchase price kept affordable?
6. Who is eligible?
7. A presentation of homes currently available in areas of relevant interest.
8. Opportunity for Question & Answer
9. Homebuyer Pre-application Worksheet

Attendees of the Homebuyer Orientation would be offered the opportunity to complete a Homebuyer Pre-application Worksheet. Nevada Land Trust staff would be available to offer assistance if needed. This worksheet would be used by NRHA Land Trust staff to create a contact list of potential homebuyers and would identify:

1. Homebuyer Contact Information
2. Homebuyer's age (must be 18 to obtain a mortgage)
3. Household size and dynamics
4. Number of children, age and gender
5. Number of adults
6. Special needs
7. Neighborhoods/town/school districts of interest
8. Household income
9. Calculation to determine percent of Area Median Income
10. Calculation to determine affordable monthly house payment

IV. NRHA ACTION REQUIRED: NRHA Land Trust staff would review all Pre-application worksheets to identify potential homebuyers who may meet eligibility requirements. Potential homebuyers would be sent an Applicant Packet that includes the following:

1. A letter informing the candidate that their stated income indicates they may be eligible to purchase a NRHA Land Trust property.
2. An outline of the steps involved in purchasing a Land Trust home.
3. Land Trust staff contact information.
4. NRHA Land Trust Application
5. Documentation requirements

V. MARKETING AVAILABLE NEVADA LAND TRUST HOMES

Marketing of available Land Trust properties serves both the interests of the Nevada Land Trust and its established Homeowners.

1. Supports Nevada Land Trust's Marketing & Community Outreach goal to generate public awareness of available affordable properties.
2. Serves our obligation to provide post-purchase support in helping a current homeowner find an eligible buyer when they choose to sell their home. (See Post-Purchase Policies & Procedures.)

Advertising Available Nevada Land Trust Homes

Information on Nevada Land Trust properties that are available for purchase would be presented as an advertisement or web posting and would contain sufficient information to generate interest from low- to moderate-income homebuyers within a reasonable geographic area of the available property. A Nevada Land Trust "Home for Sale" sign would also be posted at the site.

Advertisement & Posting Locations

1. Nevada Land Trust website
2. Printed posting at NRHA Locations
3. Emailed to Local Employer Contacts for posting
4. 'Homes for Sale' section of local newspaper(s)
5. Hispanic Newspapers

6. Hispanic Radio Stations
7. Northern Nevada Center for Independent Living
Reno: nncil27@sbcglobal.net
Elko: elkonncil2@citlink.net
Fallon: nncilf@cccomm.net

Advertisement & Posting Content

1. Color photograph of the property
2. Address
3. Purchase price
4. Number of bedrooms/bathrooms
5. Square Footage
6. Garage size
7. Eligibility restrictions
8. Contact owner to arrange for showing at: (owner's contact information)
9. NRHA Land Trust contact information
10. Equal Housing Opportunity logo

For Sale Sign

1. "HOUSE FOR SALE"
2. Contact owner to arrange for showing at: (area for owners contact information).
3. Nevada Land Trust contact information
4. Equal Housing Opportunity logo
5. Flier box

VI. NRHA ACTION REQUIRED:

1. NRHA Land Trust staff will make responding to property inquiries a high priority (within 24 hours if possible).
2. If the inquiry is made by an individual who is currently not in the NRHA Land Trust database of qualified buyers, then NRHA Land Trust staff would offer to provide the caller with a Pre-Application Worksheet or take enough information over the phone to determine the caller's eligibility.
3. Interested and potentially eligible candidates would be sent an Application Packet.

Attachment D
Nevada Land Trust
Homebuyer Selection Policies and Procedures

NEVADA LAND TRUST

HOMEBUYER SELECTION POLICIES & PROCEDURES

I. OVERVIEW

A. This policy paper is intended to guide the development and implementation of both general and project-specific homebuyer selection procedures administered by the Nevada Land Trust. This policy shall be reviewed from time to time for effectiveness in guiding the Nevada Land Trust in the pursuit of its mission. This policy may be amended by a majority of the Board.

II. GOALS

The goals of the Nevada Land Trust that these policies are intended to support are:

- A. To provide as wide a range of opportunities as possible for low and moderate income people to secure housing that is decent, safe and affordable;
- B. To insure the preservation of the quality and affordability of housing for future low and moderate income residents of the community;
- C. To preserve and encourage economic diversity throughout Nevada;
- D. To find the best match within a housing unit that is the right price and the right size.

III. SELECTION CRITERIA

A. THRESHHOLD SELECTION CRITERIA

The following criteria reflect the Nevada Land Trust's goal to reasonably match household size to unit size and household income to housing costs. [Note: some funding sources which the NRHA Land Trust may rely on to develop its housing opportunities establish maximum eligible incomes of between 50% to 80% of the area median

1. Majority Age – must be 18 years of age in Nevada to qualify for a mortgage.
2. Citizen of USA or registered alien
3. Completed Nevada Land Trust Application: Applicant is provided with an application form to complete and return to NRHA Land Trust staff. Assistance with filling out application will be provided by staff on an as-needed basis. Application is reviewed by staff in comparison to established threshold and secondary criteria. Staff determines whether applicant is likely to qualify for currently available housing units (or for the general waiting list, as the case may be).
4. Income Eligibility/Maximum Income: Each Land Trust home may have income restrictions related to eligibility that are dependent upon the HUD statistical area in which the home is located; and/or there may be restrictions related to subsidy funding sources. To be considered for selection, a household must have an annual income which does not exceed 120 percent of the median income of households of equal size (120% AMI) residing in the statistical area (as defined by the U.S. Department of Housing and Urban Development or its successor agency) within which the housing unit is located. There is, however, the exception for households at any income level who wish

to place land which they own in the Nevada Land Trust and agree to be bound by the land trust's resale restrictions.

5. **Creditworthiness:** In all cases, a household must be able to demonstrate a sense of ownership of its financial obligations, and a history of responsible effort to meet them. The household must be "pre-qualified" through the Nevada Land Trust's application process to determine whether mortgage financing is likely to be obtained by the household based on the applicant's available cash resources and the known requirements of various mortgage programs for which the household may be eligible.

6. **Minimum Income:** To be considered for Nevada Land Trust homeownership opportunities, a household's monthly income, when multiplied by the appropriate debt-to-income ratio, must be sufficient to support the housing costs for the housing opportunity in question. In general, households that require a cosigner in order to obtain a mortgage will not be considered.

7. **Affordability** – (i.e. matching household income to housing cost). In general, affordable means that the monthly cost of occupying a particular housing unit (PITI) combined with all other household debt does not exceed 41%. Ultimately, affordability will depend on the applicable lender's guidelines.

8. **Assets** – Nevada Land Trust places no limit on assets held by a potential homebuyer.

9. **Down Payment** – The minimum down payment requirement for participation in the Nevada Land Trust is 1% of purchase price. This 1% must come from the homebuyers personal funds. In addition, any funds available as down payment assistance should be researched and noted as part of the credit worthiness review.

10. **Credit Score:** NRHA will obtain and calculate an average credit score from the three credit reporting agencies. This score will be reflected in the homebuyer's file as either "excellent" (scores from 750 to 850), "good" (scores from 620 to 749), or "poor" (scores from 500 to 619). Homebuyers with "poor" credit scores will not be "pre-qualified" for the NRHA Land Trust.

IV. **NRHA ACTION REQUIRED** - The Qualified Buyer will be notified in writing of his/her status and will be given 90 days to complete Homebuyer Education.

Failure to meet any of the Threshold Selection Criteria will prevent NRHA from including the applicant as a Qualified Buyer. The applicant will be notified in writing of such determination and invited to request additional information or counseling.

V. **Homebuyer Education:** To be considered for the NRHA Land Trust, a homebuyer must complete a Homebuyer Education Program through NRHA or an independent credit counseling service, as well as the Advanced Nevada Land Trust Homebuyer Orientation

A. The Homebuyer Education Program is designed to help the homebuyer establish a household budget, improve their credit worthiness and understand their future mortgage and housing related expenses.

B. The Advanced Nevada Land Trust Homebuyer Orientation reveals to the homebuyer the details of Nevada Land Trust homeownership. This would include homeowner responsibilities, capital improvement restrictions, equity calculation and land lease agreement.

VI. **Lender Pre-Approval:** The Qualified Buyer will be asked to meet with an NRHA Land Trust approved lender to apply for mortgage pre-approval.

VII. **NRHA ACTION REQUIRED** - Successful completion and completion date of Homebuyer Education will be noted in the Qualified Buyer's file. Applicant will also be asked to submit a copy of his/her lender's pre-approval letter within the same 90 day time period.

Failure to complete Homebuyer Education and/or Lender Pre-Approval within 90 days of being deemed a Qualified Buyer will result in NRHA identifying the applicant as an "Inactive Qualified Buyer". The applicant will be notified in writing of his/her inactive status and advised to notify NRHA of any future desire to return to active status.

VIII. **SECONDARY SELECTION CRITERIA**

The following circumstances, not necessarily in order of priority or importance will be considered in those instances when there are two or more households expressing interest in a particular unit and who meet the Threshold Eligibility Criteria outlined above and have completed Homebuyer Education and Lender Pre-Approval.

1. **Development Specific Priorities:** For land trust developments initiated to provide housing to a specified group such as school, mining or casino employees, faith-based organizations, or any organization where funding or land grants were received by Nevada Land Trust in exchange for offering first right of refusal to a specific class of homebuyer.
2. **Residency:** Residents of the community within which the housing unit is located, residents of the county, and residents of the state – in this order. Length of residency will be considered.
3. **Interview:** NRHA staff may schedule and conduct a personal interview with applicant household.
4. **Reference Check:** NRHA may request personal references from applicant.
5. **Community involvement:** Residents having demonstrated involvement with and commitment to the community as evidenced by organizational memberships and/or participation in, support for, or sponsorship of non-profit, church or civic groups/events, etc.
6. **Heirs:** If "heir property" is sold to the Nevada Land Trust, any heir of the former owner(s) that meets the Threshold Eligibility Criteria outlined above and have completed Homebuyer Education and Lender Pre-approval will be given special consideration.
7. **Need:** In general, Nevada Land Trust will give consideration to the lower-income household. The Nevada Land Trust will give special consideration to households facing immediate or near-term displacement, especially if children are involved.
8. **Seniority:** Length of time the applicant(s) has been on file as an "Active Qualified Buyer".
9. **Nevada Land Trust Membership:** The Nevada Land Trust wishes to link with other resale restricted housing organizations in other communities to provide the same kind of mobility within the "resale-restricted" housing market as exists in the unrestricted housing marketplace. In other words, NRHA Land Trust desires to enable land trust homeowners to convert their "limited" equity stake in one community into

another such home ownership option in another community. Thus, length of membership in the Nevada Land Trust, length of membership in other land trusts, in this order, will be considered. Involvement in the Nevada Land Trust's operation and general activities will also be considered.

10. First-time homebuyers: Defined as someone who has not owned a principal residence in the past three years; or a single parent who may have owned a home with a former spouse in the past three years but now no longer resides there.

11. First come, first served.

12. Appropriate Size – (i.e. matching household size to unit size). In general, households consisting of the number of persons appropriate for the unit size will be given preference as follows, based on a 2-person per bedroom +1 formula:

Unit Size	Household Size
0 – BR	1-2 persons
1 – BR	1-3 persons
2 – BR	2-5 persons
3 – BR	3-7 persons
4 – BR	4-9 persons
5 – BR	5-11 persons

IX. SELECTION PROCESS

The selection process for each housing opportunity may vary depending on the number of eligible and qualified persons on the waiting list relative to the number of housing opportunities available at a particular time and in a particular area. In general the selection process will be conducted according to the steps outline below.

A. WHO MAKES THE DECISION

1. Regarding Threshold and Secondary Eligibility Criteria – A Selection Committee shall be appointed by the NRHA Board of Directors, consisting of at least 2 staff persons and one board member or board-appointed community advisor. The Selection Committee will approve each Land Trust sale transaction.

a) The Selection Committee may, at its discretion, and on a case by case basis, elect to either rank the Secondary Eligibility Criteria, or conduct a lottery among those eligible and qualified applicant households meeting one or more of the Secondary Selection Criteria.

B. Regarding Credit Risk and Overall Creditworthiness: The mortgage underwriting guidelines of the lending programs available to the Nevada Land Trust's qualified home buyers shall be the deciding factors regarding credit risk and the overall creditworthiness of a particular applicant.

X. NRHA ACTION REQUIRED – Nevada Land Trust staff would request findings of Selection Committee and notify the selected Qualified Buyer that a housing opportunity is available that meets their needs as stated in their NRHA Land Trust Application. The applicant would be notified by phone

that he/she has 48 hours to schedule a walk-thru of the property and an additional 48 hours to submit an Offer to Purchase.

Failure to express interest in the available housing opportunity within 5 business days of being contacted by NRHA Land Trust staff will prompt Nevada Land Trust staff to notify Qualified Buyer in writing that their non-response has moved them to second position and to please notify NRHA if they are no longer interested in a Land Trust property. NRHA will then request and pursue a new buyer from the Selection Committee.

XI. PURCHASE

A. Completion of Offer & Acceptance: The selected Qualified Buyer prepares an Offer to purchase the Land Trust Home at the stated price and an "on or before" closing date is set for no more than 60 days from date of Acceptance. NRHA accepts the buyer's offer and forwards the completed Offer & Acceptance to the Title Company.

B. Earnest Money: If applicant has sufficient assets, such as stated down payment funds, Nevada Land Trust staff may request \$500 Earnest Money accompany Buyer's Offer.

C. Independent Legal Review: Applicant must retain, at applicant's expense, an attorney who reviews all the Nevada Land Trust legal documents, including the Land Lease Agreement, on behalf of applicant and who provides independent advice and counsel regarding the transaction. All signed Land Trust legal documents will be forwarded to Title Company.

D. Mortgage Application Processing: Applicant moves through the mortgage application and approval process.

XII. NRHA ACTION REQUIRED: Nevada Land Trust staff will monitor the closing process, schedule structural and pest inspections as needed, and accommodate access needed by appraiser and inspectors. NRHA will review inspections and appraisal and follow-up on any required repairs to property prior to closing date.

Should the transaction fail to close by the "on or before" date as specified in the Offer & Acceptance, and this failure is not due to any delay caused by NRHA staff, Nevada Land Trust has the right to claim buyer's earnest money as compensation for their efforts and seek a new buyer. If the transaction fails to close by the "on or before" date due to complications outside the buyer's control, NRHA and buyer may extend the closing date another 30 days.

XIII. CLOSING & FINAL WALKTHROUGH

A. A Nevada Land Trust representative will attend buyer's closing.

B. A Nevada Land Trust representative will schedule a walkthrough of the property with the buyer within the 24 hours prior to recording of documents.

**Attachment F
Staff Resumes**

PROFESSIONAL RESUME

David R. Craig

3695 Desatoya Drive
Carson City, NV 89701
(775) 887-1178

EMPLOYMENT HISTORY:

Nevada Rural Housing Authority

Position: Real Estate Director – September 2009 to Present

- Management of new business development throughout rural Nevada, including creation development concepts – emphasis on affordable and workforce projects
- Design and implementation of mixed-finance project funding packages that integrate diverse local, state and federal economic programs, including Low Income Housing Tax Credits
- Formation and oversight of project development teams; project feasibility analysis, packaging and management including but not limited to site identification and assembly, contract negotiations, construction management, marketing, sales, leasing, management and disposition
- Creation and oversight of revenue, expense and cash flow projections for Real Estate Division operations
- Oversight and administration of Real Estate Division operations as Director to the Executive Director

Infin@ty Partners, LLC

Position: Managing Member/Investor – June 2002 to Present

- Acquisition and rehabilitation of two apartment complexes located on Como Street in Carson City, Nevada. Repositioned projects to upgrade the local area and influenced rehabilitation of surrounding apartments.
- Creation and oversight of revenue, expense and cash flow projections for the company

The Badger Group, LLC

Position: Managing Member/Investor – June 2004 to Present

- Acquisition and rehabilitation of a 52 unit low income apartment complexes located In north Douglas County, Nevada. Repositioned projects to upgrade the local area and influenced rehabilitation of surrounding apartments.
- Creation and oversight of revenue, expense and cash flow projections for the company

Western Highland Management Company, Inc.

Position: President/Investor – June 2004 to Present

- Establish and oversee all operations and policies of this property management company
- Creation and oversight of revenue, expense and cash flow projections for the company
- Actively participates in property management

Professional Experience

- 20 years of Commercial & Residential Design/Project Management
- Development & Implementation of GIS Revenue Tracking System for Gaming Industry
- 10+ years as Private Business Owner & Entrepreneur

Relevant Skills and Experience

- ✓ Rental Property Acquisition
- ✓ Rental Property Rehab & Management
- ✓ CAD Drawing
- ✓ Affordable Housing Counseling
- ✓ Geographic Information System Development
- ✓ Facilities Management
- ✓ Interior Design & Specification

Summarized Professional Experience

As Project Manager for Nevada Rural Housing Authority, Ms. Dayton brings a variety of experiences from the for-profit world in the design and management of both residential and large-scale commercial design projects.

After several months working as a designer in the gaming industry, she combined her knowledge of casino floor design with casino revenue data and, utilizing GIS technology, created a much needed graphic performance analysis tool. This application converted columns of numbers to a birds-eye performance picture allowing management to make decisions in minutes rather than hours.

Aside from managing her own consulting business, Ms. Dayton has managed the family landscape design business and overseen the acquisition and rehab of their own rental property portfolio.

She brings to NRHA a desire to assist in all matters related to workforce housing. Major projects include Yerington Manor Green Retrofit (\$900,000 rehab of 52 apartment units), Winnemucca Senior Apartment (\$6M new construction of 30 units), and rehabilitation of scattered site foreclosed rural properties.

Education

Bachelor of Science, Interior Design & Housing, University of Nevada, Reno
Aperture GIS Advanced Training
Fair Housing
Community Land Trust
Homebuyer Education

MICHAEL L. HYNICK

PO Box 443

VIRGINIA CITY NV. 89440

(775) 847.7139

E-MAIL: 4LEGGEDFRIENDS@ATT.NET

OBJECTIVE

To work for a progressive employer where my offsite and onsite development managerial skills, construction abilities and experience will allow me to create a long-term, mutually beneficial relationship.

SUMMARY OF QUALIFICATIONS

- 24 years in the building industry
- 12 years onsite superintendent
- 12 years offsite commercial and residential development management
 - Certified Construction/Development Manager
 - 14 years experience in geology and soils engineering and identification
 - State Certified in building diagnostic testing and inspection.
 - E.P.A. certified lead renovator.
- Knowledgeable in policies and procedures involving local governing agencies including Clark the cities of Las Vegas, North Las Vegas, and Henderson, Washoe County, Douglas County, Lyon County, and Cities of Reno, Sparks, Carson, and Dayton.

EDUCATION

- Sunny Hills High School 1983 Fullerton, CA
- Cypress College 1984-1986 Cypress, CA
- Community College of Southern Nevada 1998-2000
- Officially Certified by the National Homebuilders Institute

-
- Have a strong relationship with key inspectors in Washoe, Storey, Douglas & Carson Counties as well as the cities in each. Good relationship with all utility companies such as Charter, AT&T, Sierra Pacific.
 - Have a strong relationship with the City of Reno inspectors. Good relationship with the City of Reno & Sparks, Washoe County Public Works Department.
 - Holds Clark County Health Card
 - Attended and passed courses in construction management and building codes
 - Certified OSHA Hazard Recognition Inspector
 - Strong relationship with Washoe County Division of Air Quality Management and Environmental Protection.

AWARDS RECEIVED

- Outstanding achievements in customer service and quality control.
- Team sales and project closeout awards.
- Excellent attendance

JUDITH A. LYONS

714 Lassen Way, Gardnerville, NV 89460 Home: (775) 265-1012 Mobile (775) 741-0512

Email: judylyons@frontier.com

PROFILE

Positive, results oriented individual with a proven ability to successfully adapt to multiple tasks and environments. Over fifteen years of experience in administration, design, purchasing and construction management.

Outstanding time and organizational skills and self-motivational abilities. Capable of managing a variety of time sensitive events simultaneously. Coordinates diverse activities and effectively shifts manpower/material assets to accomplish tasks. Capable of resolving conflict and confrontation, manage change, and negotiate effectively.

PROFESSIONAL EXPERIENCE

Purchasing/Construction Management

Provide administrative support to Director of Construction, including, but not limited to: updating calendar, coordinating meetings, conferencing and maintenance of complex and confidential files. Efficiently negotiate cost-effective labor and material pricing. Generate and maintain detailed project budgets from start to finish. Prepare Contracts and Specifications. Manage insurance compliance per corporate requirements. Directly interface with subcontractors, vendors and suppliers in all aspects of job performance to meet or exceed jobsite results.

Product Development/Design

Review and edit blueprints for accuracy in early stages of design. Maintain critical interface between architects, engineers, and design team to keep projects on schedule and within budget. Personally select and coordinate building materials and finishes to achieve innovative and desirable product.

Special focus on communication with all internal departments and field representation to ensure product details and marketing materials are accurate and current. Coordinate and present preliminary plans, design features, color boards, and project details to public and Planning Commission. Organize weekly staff meetings; transcribe and distribute detailed minutes. Direct association with Community Development and Fire District for permit acquisition.

Attachment G
Community Housing Development Organization
Documentation



Kenny Guinn
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
HOUSING DIVISION

1535 Old Hot Springs Road, Suite 50
Carson City, Nevada 89706
Tel.: (775) 687-2041 or (800) 227-4960
Fax: (775) 687-4040
www.nvhousing.state.nv.us

Sidney H. Wickliffe, C.P.A.

Director

Charles L. Horsey, III

Administrator

October 17, 2006

Nevada Rural Housing, Inc
Attn: Gary Longaker
3696 Desatoya Drive
Carson City NV 89701

Dear Mr. Longaker

After reviewing the CHDO checklist that was submitted to the Division, it is with pleasure that the State of Nevada has certified Nevada Rural Housing, Inc. as a Community Housing Development Organization.

If you have any questions, please feel free to contact me.

Sincerely,

NEVADA HOUSING DIVISION

A handwritten signature in cursive script that reads "Debbie Parra".

Debbie Parra
HOME Program Manager



LYON COUNTY COMPTROLLER
LYON COUNTY HUMAN RESOURCES
COMPUTER INFORMATION SYSTEMS
RISK MANAGEMENT / SAFETY

27 South Main Street
Yerington, Nevada 89447
PHONES: (775) 463-6508 • (775) 463-6509 • (775) 463-6510
FAX: (775) 463-6500

JOSHUA D. FOLI
Comptroller

STEVE ENGLERT
Human Resources

December 1, 2006

Ms. Lynn Gondorcin
Nevada Rural Housing, Inc.
3695 Desatoya Dr.
Carson City, NV. 89701

Re: Approval notification of CHDO status

Dear Lynn:

On September 5, 2006, the Western Nevada Home Consortium Board voted to approve Nevada Rural Housing, Inc. as a designated Community Housing Development Organization (CHDO) serving our seven county region. If you have any questions concerning this letter, please do not hesitate to call me. Good luck and we look forward to working with you in the future.

Sincerely,

Josh Foli
Lyon County as Lead Agency for the
Western Nevada HOME Consortium

COPY

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

MAY 12 2005

NEVADA RURAL HOUSING INC
3695 DESATOYA DR
CARSON CITY, NV 89701

Employer Identification Number:
20-1594213
DLN:
17053272096004
Contact Person:
LYNN A BRINKLEY ID# 31435
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
May 21, 2004
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
June 30, 2009

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

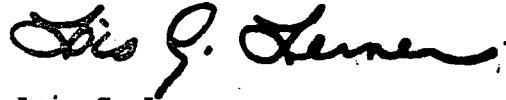
Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

If you distribute funds to individuals, you should keep case histories showing the recipient's name and address; the purpose of the award; the manner of selection; and the relationship of the recipient to any of your officers, directors, trustees, members, or major contributors.

Letter 1045 (DO/CG)

NEVADA RURAL HOUSING INC

Sincerely,

A handwritten signature in cursive script that reads "Lois G. Lerner". The signature is written in black ink and is positioned above the typed name.

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)

NEVADA RURAL HOUSING INC

INFORMATION FOR ORGANIZATIONS EXEMPT UNDER SECTION 501(c)(3)

WHERE TO GET FORMS AND HELP

Forms and instructions may be obtained by calling toll free 1-800-829-3676, through the Internet Web Site at www.irs.gov, and also at local tax assistance centers.

Additional information about any topic discussed below may be obtained through our customer service function by calling toll free 1-877-829-5500 between 8:30 a.m. - 5:30 p.m. Eastern time.

NOTIFY US ON THESE MATTERS

If you change your name, address, purposes, operations or sources of financial support, please inform our TE/GE Customer Account Services Office at the following address: Internal Revenue Service, P.O. Box 2508, Cincinnati, Ohio 45201. If you amend your organizational document or by-laws, or dissolve your organization, provide the Customer Account Services Office with a copy of the amended documents. Please use your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

FILING REQUIREMENTS

In your exemption letter we indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. Form 990 (or Form 990-EZ) is filed with the Ogden Submission Processing Center, Ogden UT 84201-0027.

You are required to file a Form 990 only if your gross receipts are normally more than \$25,000.

If your gross receipts are normally between \$25,000 and \$100,000, and your total assets are less than \$250,000, you may file Form 990-EZ. If your gross receipts are over \$100,000, or your total assets are over \$250,000, you must file the complete Form 990. The Form 990 instructions show how to compute your "normal" receipts.

Form 990 Schedule A is required for both Form 990 and Form 990-EZ.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There are penalties for failing to timely file a complete return. For additional information on penalties, see Form 990 instructions or call our toll free number.

If your receipts are below \$25,000, and we send you a Form 990 Package, follow the instructions in the package on how to complete the limited return to advise us that you are not required to file.

If your exemption letter states that you are not required to file Form 990, you

Letter 1045 (DO/CG)

NEVADA RURAL HOUSING INC

are exempt from these requirements.

UNRELATED BUSINESS INCOME TAX RETURN

If you receive more than \$1,000 annually in gross receipts from a regular trade or business you may be subject to Unrelated Business Income Tax and required to file Form 990-T, Exempt Organization Business Income Tax Return. There are several exceptions to this tax.

1. Income you receive from the performance of your exempt activity is not unrelated business income.
2. Income from fundraisers conducted by volunteer workers, or where donated merchandise is sold, is not unrelated business income.
3. Income from routine investments such as certificates of deposit, savings accounts, or stock dividends is usually not unrelated business income.

There are special rules for income derived from real estate or other investments purchased with borrowed funds. This income is called "debt financed" income. For additional information regarding unrelated business income tax see Publication 598, Tax on Unrelated Business Income of Exempt Organizations, or call our toll free number shown above.

PUBLIC INSPECTION OF APPLICATION AND INFORMATION RETURN

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return, or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

FUNDRAISING

Contributions to you are deductible only to the extent that they are gifts and no consideration is received in return. Depending on the circumstances, ticket purchases and similar payments in conjunction with fundraising events may not qualify as fully deductible contributions.

CONTRIBUTIONS OF \$250 OR MORE

Donors must have written substantiation from the charity for any charitable contribution of \$250 or more. Although it is the donor's responsibility to obtain written substantiation from the charity, you can assist donors by

NEVADA RURAL HOUSING INC

providing a written statement listing any cash contribution or describing any donated property.

This written statement must be provided at the time of the contribution. There is no prescribed format for the written statement. Letters, postcards and electronic (e-mail) or computer-generated forms are acceptable.

The donor is responsible for the valuation of donated property. However, your written statement must provide a sufficient description to support the donor's contribution. For additional information regarding donor substantiation, see Publication 1771, Charitable Contributions - Substantiation and Disclosure Requirements. For information about the valuation of donated property, see Publication 561, Determining the Value of Donated Property.

CONTRIBUTIONS OF MORE THAN \$75 AND
CHARITY PROVIDES GOODS OR SERVICES

You must provide a written disclosure statement to donors who receive goods or services from you in exchange for contributions in excess of \$75.

Contribution deductions are allowable to donors only to the extent their contributions exceed the value of the goods or services received in exchange. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as fully deductible contributions, depending on the circumstances. If your organization conducts fundraising events such as benefit dinners, shows, membership drives, etc., where something of value is received, you are required to provide a written statement informing donors of the fair market value of the specific items or services you provided in exchange for contributions of more than \$75.

You should provide the written disclosure statement in advance of any event, determine the fair market value of any benefit received, determine the amount of the contribution that is deductible, and state this information in your fundraising materials such as solicitations, tickets, and receipts. The amount of the contribution that is deductible is limited to the excess of any money (and the value of any property other than money) contributed by the donor less the value of goods or services provided by the charity. Your disclosure statement should be made, no later than, at the time payment is received. Subject to certain exceptions, your disclosure responsibility applies to any fundraising circumstances where each complete payment, including the contribution portion, exceeds \$75. For additional information, see Publication 1771 and Publication 526, Charitable Contributions.

EXCESS BENEFIT TRANSACTIONS

Excess benefit transactions are governed by section 4958 of the Code. Excess benefit transactions involve situations where a section 501(c)(3) organization provides an unreasonable benefit to a person who is in a position to exercise substantial influence over the organization's affairs. If you believe there may be an excess benefit transaction involving your organization, you should report the transaction on Form 990 or 990-EZ. Additional information can be

NEVADA RURAL HOUSING INC

found in the instructions for Form 990 and Form 990-EZ, or you may call our toll free number to obtain additional information on how to correct and report this transaction.

EMPLOYMENT TAXES

If you have employees, you are subject to income tax withholding and the social security taxes imposed under the Federal Insurance Contribution Act (FICA). You are required to withhold Federal income tax from your employee's wages and you are required to pay FICA on each employee who is paid more than \$100 in wages during a calendar year. To know how much income tax to withhold, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee. Organizations described in section 501(c)(3) of the Code are not required to pay Federal Unemployment Tax (FUTA).

Employment taxes are reported on Form 941, Employer's Quarterly Federal Tax Return. The requirements for withholding, depositing, reporting and paying employment taxes are explained in Circular E, Employer's Tax Guide, (Publication 15), and Employer's Supplemental Tax Guide, (Publication 15-A). These publications explain your tax responsibilities as an employer.

CHURCHES

Churches may employ both ministers and church workers. Employees of churches or church-controlled organizations are subject to income tax withholding, but may be exempt from FICA taxes. Churches are not required to pay FUTA tax. In addition, although ministers are generally common law employees, they are not treated as employees for employment tax purposes. These special employment tax rules for members of the clergy and religious workers are explained in Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers. Churches should also consult Publications 15 and 15-A. Publication 1828, Tax Guide for Churches and Religious Organizations, also discusses the various benefits and responsibilities of these organizations under Federal tax law.

PUBLIC CHARITY STATUS

Every organization that qualifies for tax-exemption as an organization described in section 501(c)(3) is a private foundation unless it falls into one of the categories specifically excluded from the definition of that term [referred to in section 509(a)(1), (2), (3), or (4)]. In effect, the definition divides these organizations into two classes, namely private foundations and public charities.

Public charities are generally those that either have broad public support or actively function in a supporting relationship to those organizations.

Public charities enjoy several advantages over private foundations. There are certain excise taxes that apply to private foundations but not to public charities. A private foundation must also annually file Form 990-PF, Return of Private Foundation, even if it had no revenue or expenses.

NEVADA RURAL HOUSING INC

The Code section under which you are classified as a public charity is shown in the heading of your exemption letter. This determination is based on the information you provided and the request you made on your Form 1023 application. Please refer to Publication 557 for additional information about public charity status.

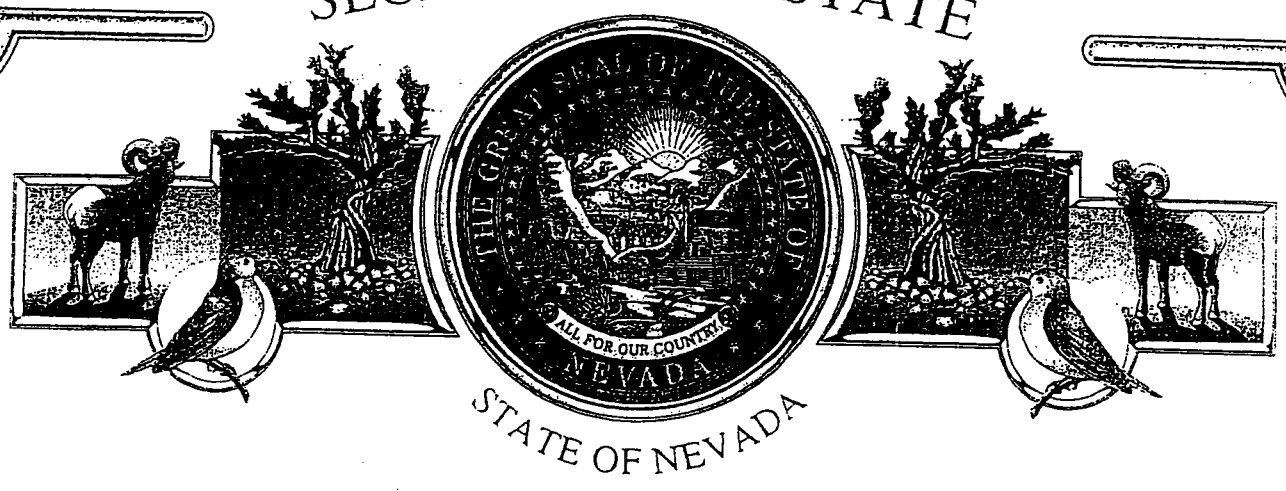
GRANTS TO INDIVIDUALS

The following information is provided for organizations that make grants to individuals. If you begin an individual grant program that was not described in your exemption application, please inform us about the program.

Funds you distribute to an individual as a grant must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should keep adequate records and case histories that demonstrate that grants to individuals serve your charitable purposes. For example, you should be in a position to substantiate the basis for grants awarded to individuals to relieve poverty or under a scholarship or education loan program. Case histories regarding grants to individuals should show names, addresses, purposes of grants, manner of selection, and relationship (if any) to members, officers, trustees, or donors of funds to you.

For more information on the exclusion of scholarships from income by an individual recipient, see Publication 520, Scholarships and Fellowships.

SECRETARY OF STATE



CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that **NEVADA RURAL HOUSING, INC.** did on **May 21, 2004** file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.

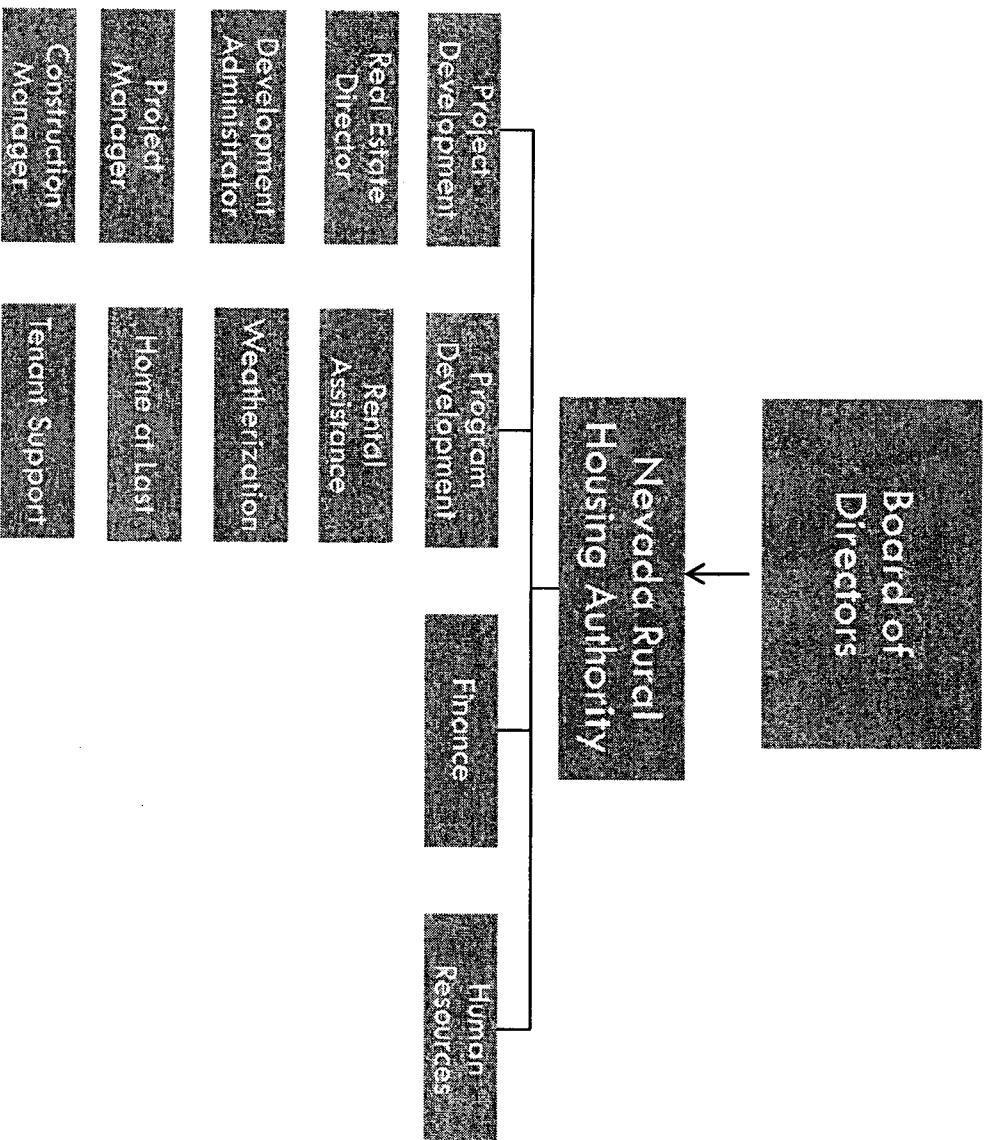
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on **May 24, 2004**.

DEAN HELLER
Secretary of State

By

Certification Clerk

Desert Winds Development Group



**Desert Winds Development Group
Board of Directors**

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