

Official RecordRecording requested By
NV RURAL HOUSING AUTHORITYEureka County - NV
Mike Rebaleati - RecorderFee: _____ Page 1 of 7
RPTT: _____ Recorded By: FES
Book- 514 Page- 0169

APN# N/A

Recording Requested by:

Name: Eureka County

Address: P.O. Box 556

City/State/Zip: Eureka, NV 89316

Mail Tax Statements to:

Name: Eureka County

Address: P.O. Box 556

City/State/Zip: Eureka, NV 89316

Please complete Affirmation Statement below:

I the undersigned hereby affirm that this document submitted for recording contains the social security number of a person or persons as required by law:

Signature (Print name under signature)

Title

INTERIM AGREEMENT**(Insert Title of Document Above)**

Only use the following section if one item applies to your document

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-OR-

This document is being recorded to correct document # _____, and is correcting _____

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Legal description obtained from _____ (Document Title), Book _____
Page _____ Document # _____ recorded _____ (date) in the
Eureka County Recorder's Office.**-OR-**

If Surveyor, please provide name and address:

This page added to provide additional information required by NRS 111.312 Sections 1-4.
(Additional recording fee applies)

INTERIM AGREEMENT

THIS INTERIM AGREEMENT ("Agreement") is made effective as of May 4, 2011 ("Effective Date"), between **NEVADA RURAL HOUSING AUTHORITY**, a local government entity created and organized pursuant to Chapter 315 of the Nevada Revised Statutes ("Authority"), and **EUREKA COUNTY, NEVADA**, a political subdivision of the State of Nevada ("County"). Each of County and Authority is a "Party," and collectively are the "Parties."

RECITALS:

A. County is the owner of certain real property located in Eureka County, Nevada, east of Highway 50 and comprising approximately 164.19 acres of land ("Property"). The Property is subject to a tentative subdivision map for "Eureka Canyon Subdivision" ("Map"), pursuant to which, among other things, an approximately 12.72 acre legal parcel will be created for multifamily rental use ("MF Project"), and one hundred and twenty-two (122) lots will be created for single family residential use ("SF Project") (collectively with the MF Project, the "Project").

B. County desires Authority to develop the Project, and County has agreed to perform certain off-site improvement work necessary to support development of the Project. In that regard, the Parties are negotiating definitive final agreements ("Definitive Agreements") that will govern the Parties' obligations with respect to the Project, including, without limitation, financing the development and obligations to construct on-site and off-site improvements.

C. County desires to complete development of the Project in a manner that will satisfy certain public objectives, including providing immediate affordable housing for Eureka County. While the Parties have diligently and in good faith worked to achieve the Definitive Agreements, more time is needed to do so. Consequently, it is necessary for the Parties to enter into this interim Agreement to allow Project development to begin in order to timely meet the County's objectives.

D. County desires to continue its work on improvements for the Project and intends to provide funds to Authority. Authority desires to immediately apply these funds provided by the County to make improvements necessary to develop the Project. Both parties acknowledge that this expenditure of County funds is authorized by NRS 244.1505(1), NRS 244.189, and NRS 315.550. The Property impacted by this Agreement is exempt from appraisal pursuant to NRS 244.2795 because County is entering into a joint development agreement for this County owned real property with Authority, and because of the powers granted by NRS 315.550(2).

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual terms, covenants and conditions contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority and County agree as follows:

1. Interim Funds.



a. County agrees to provide interim funding to Authority for development of the Project. The funds will be allocated specifically to either the MF Project or the SF Project. The maximum amount of funds to be provided for the MF Project under this agreement is \$1,672,254 ("MF Interim Funds"). The maximum amount of funds to be provided for the SF Project under this agreement is \$1,297,081 ("SF Interim Funds") (collectively with the MF Interim Funds, the "Interim Funds"). The Interim Funds disbursed under this Agreement will be identified as "recoverable" or "non-recoverable" grant funds under the terms of the Definitive Agreements.

b. Authority agrees to use the MF Interim Funds only for payment of costs and expenses associated with the MF Project pursuant to the MF Project interim budget attached to this Agreement as Exhibit A ("MF Project Interim Budget"). Authority agrees to use the SF Interim Funds only for payment of costs and expenses associated with the SF Project pursuant to the SF Project interim budget attached to this Agreement as Exhibit B ("SF Project Interim Budget") (collectively with the MF Project Interim Budget, the "Interim Budget").

c. To obtain disbursements of Interim Funds from County, Authority will deliver to County a request by the following method: fax and email transmission of the request to Eureka County Recorder/Auditor Mike Rebaleati at fax (775) 237-5614 and e-mail mr@eurekanv.org; and Eureka County Clerk/Treasurer Jackie Berg (775)237-6015 and e-mail jberg.ecct@eurekanv.org. The request will include a report that will account for Authority's use of the Interim Funds through the date of the request. The amount of Interim Funds requested in each request will be determined by Authority in its reasonable judgment based on expenditures identified in the Interim Budget. Promptly upon County's receipt of each request, County will wire the amount of the requested Interim Funds to Authority pursuant to wire instructions provided by Authority. The Authority will receive confirmation of the wire transfer by fax (775) 887-1838 and email dcraig@nvrural.org to David Craig. Authority will not make requests for Interim Funds more often than twice per month.

d. Any Interim Funds disbursed to Authority under this Agreement will accrue interest at the rate of three percent (3%) per year, beginning on the date the funds are so disbursed and continuing until the closing of the transactions contemplated by the Definitive Agreements. Authority will make interest only payments to County in arrears on Interim Funds disbursed beginning with a payment on May 10, 2011, and continuing until the closing of the transactions contemplated by the Definitive Agreements. The May 10, 2011 payment will include interest accrued on any disbursed Interim Funds from May 4, 2011 through May 9, 2011; thereafter, Authority will make interest only payments on the tenth (10) day of each month, which payments will include interest accrued for the immediately preceding calendar month. Upon the closing of the transactions contemplated by the Definitive Agreements, Authority will deliver to County all accrued unpaid interest on Interim Funds disbursed under this Agreement. On and after the closing of the transactions contemplated by the Definitive Agreements, interest on Interim Funds disbursed under this Agreement will accrue interest and be paid by Authority pursuant to the terms of the Definitive Agreements.



2. January 2011 Promissory Note. The interest rate on the Promissory Note, dated January 10, 2011, made by Authority to County, in the original principal sum of \$1,700,000.00 ("Jan-2011 Note"), the proceeds of which were used by Authority to acquire fifty (50) townhome units, is hereby decreased from five percent (5%) per year to three percent (3%) per year. This interest rate decrease will be effective on and after May 5, 2011. Concurrently with the execution of this Agreement by the Parties, Authority will deliver to County all unpaid interest accrued on the Jan-2011 Note through May 4, 2011.

3. Acceptance of Housing Units. Pursuant to a letter dated March 7, 2011 from the Eureka County Board of Commissioners to Authority, County accepted the fifty (50) townhome units purchased by Authority from proceeds from the Jan-2011 Note conditioned upon achieving the Definitive Agreements. County hereby removes all conditions to this acceptance, and accepts the townhome units unconditionally.

4. Definitive Agreements. The Parties agree to proceed in good faith and with diligence to finalize and execute the Definitive Agreements no later than May 31, 2011. Upon execution of the Definitive Agreements by both Parties, this Agreement will automatically terminate and be of no further force or effect. No term or provision of this Agreement will survive the termination of this Agreement.

5. Entry and Access; Activities. County hereby grants Authority, its employees, consultants, contractors and other authorized agents, the right to enter upon the Property and to perform activities on and with respect to the Property, for the purpose of the development of the Project and improvement of the Property, as identified in the Interim Budget.

6. Books and Records. Authority will maintain full and complete books and records with respect to the development of the Project and improvement of the Property, and expenditure of Interim Funds pursuant to the Interim Budget. Authority will permit County or its agents or designees to inspect and copy any of such books, records and documents during normal business hours.

7. Default; Dispute Resolution; Remedies. The Parties agree to endeavor in good faith and in a timely and diligent manner to resolve between themselves any dispute, disagreement or impasse arising out of this Agreement, including alleged defaults hereunder. If any dispute, disagreement or impasse cannot be so resolved, the Parties agree that the only remedy available to them is termination of this Agreement. To exercise this termination remedy, a Party must deliver notice to the other Party at least fifteen (15) days before the effective date of the termination; and such notice must be delivered pursuant to the method described in Section 1(c), above. To the fullest extent provided by law, County and Authority each waive all other remedies available to it in law or equity, including, without limitation, damages and specific performance.

8. Miscellaneous.



a. Authority and County agree to cooperate in good faith and attempt to deliver any further instruments or documents in writing which may be reasonably necessary or appropriate to assure or confirm the matters covered by this Agreement.

b. This Agreement may be executed in any number counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute but one and the same agreement. Any signature page of this Agreement may be detached from any counterpart without impairing the legal effect of any signatures thereon, and may be attached to another counterpart, identical in form thereto, but having attached to it one or more additional signature pages.

IN WITNESS WHEREOF, Authority and County have executed this Agreement as of the dates set forth with their respective signatures, to be effective as of the Effective Date.

AUTHORITY:

NEVADA RURAL HOUSING AUTHORITY,
a local government entity created and
organized pursuant to Chapter 315 of the
Nevada Revised Statutes

By: [Signature]

Its: _____

Date: _____, 2011.

COUNTY:

EUREKA COUNTY, NEVADA,
a political subdivision of the State
of Nevada

By: [Signature]

Its: Chairman, County Commissioners

Date: May 2, 2011.



EXHIBIT A

MULTIFAMILY PROJECT - INTERIM BUDGET

Items	Total	May-11			Jun-11			Jul-11		
		Month 1	Month 2	Month 3	Month 1	Month 2	Month 3	Month 1	Month 2	Month 3
Guerdon Townhome Buildings	\$264,368	\$105,248	\$0	\$159,120	\$105,248	\$0	\$159,120	\$105,248	\$0	\$159,120
Site work Off-Site	\$70,000	\$36,000	\$34,000	\$0	\$36,000	\$34,000	\$0	\$36,000	\$34,000	\$0
Site work On-Site	\$244,028	\$81,349	\$130,139	\$32,540	\$81,349	\$130,139	\$32,540	\$81,349	\$130,139	\$32,540
Foundations	\$122,060	\$0	\$61,030	\$61,030	\$0	\$61,030	\$61,030	\$0	\$61,030	\$61,030
Buildings - Central AC Units & Refrigerators	\$131,250	\$0	\$52,500	\$78,750	\$0	\$52,500	\$78,750	\$0	\$52,500	\$78,750
Exterior Site Improvements	\$354,589	\$0	\$88,647	\$265,942	\$0	\$88,647	\$265,942	\$0	\$88,647	\$265,942
Carports	\$43,200	\$0	\$0	\$43,200	\$0	\$0	\$43,200	\$0	\$0	\$43,200
Builders General Overhead	\$21,829	\$3,915	\$7,846	\$10,068	\$3,915	\$7,846	\$10,068	\$3,915	\$7,846	\$10,068
Builder Profit	\$87,315	\$15,660	\$31,384	\$40,271	\$15,660	\$31,384	\$40,271	\$15,660	\$31,384	\$40,271
Misc. Items	\$166,812	\$153,650	\$6,581	\$6,581	\$153,650	\$6,581	\$6,581	\$153,650	\$6,581	\$6,581
Total	\$1,505,451	\$395,822	\$412,127	\$697,502	\$395,822	\$412,127	\$697,502	\$395,822	\$412,127	\$697,502
NRHA - Development Fee (10% of Cost)	\$139,631	\$37,625	\$37,290	\$64,716	\$37,625	\$37,290	\$64,716	\$37,625	\$37,290	\$64,716
NRHA - Reimbursables (25% thru 4/30/2011)	\$6,966	\$6,966	\$0	\$0	\$6,966	\$0	\$0	\$6,966	\$0	\$0
Cummulative Amount Funded (for Interest Calculations)	\$3,352,048	\$2,140,413	\$2,589,830	\$3,352,048	\$2,140,413	\$2,589,830	\$3,352,048	\$2,140,413	\$2,589,830	\$3,352,048
Interest Reserve (at a 3% Annual Interest Rate)	\$20,206	\$5,351	\$6,475	\$8,380	\$5,351	\$6,475	\$8,380	\$5,351	\$6,475	\$8,380
Total MF Funding Requirements	\$1,672,254	\$445,764	\$455,891	\$770,598	\$445,764	\$455,891	\$770,598	\$445,764	\$455,891	\$770,598



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Page: 7 of 7**EXHIBIT B****SINGLE FAMILY PROJECT - INTERIM BUDGET**

Items	Total	May-11			Jun-11		Jul-11	
		Month 1	Month 2	Month 3	Month 1	Month 2	Month 1	Month 2
Earthwork	\$150,000	\$100,000	\$40,000	\$10,000				
Storm Drain	\$252,500		\$112,500	\$140,000				
Drainage	\$29,000		\$15,000	\$14,000				
Water	\$42,750			\$42,750				
Sewer	\$390,500	\$112,500	\$185,000	\$93,000				
Off-Site Work (Dry Utilities)	\$144,000	\$144,000	\$0	\$0				
Misc. Items	\$145,000	\$145,000						
Total	\$1,153,750	\$501,500	\$352,500	\$299,750				
NRHA - Development Fee (10% of Cost)	\$115,375	\$50,150	\$35,250	\$29,975				
NRHA - Reimbursables (75% thru 4/30/2011)	\$20,899	\$20,899						
Cummulative Amount Funded (for Interest Calculations)	\$1,290,024	\$572,549	\$960,299	\$1,290,024				
Interest Reserve (at a 3% Annual Interest Rate)	\$7,057	\$1,431	\$2,401	\$3,225				
Total SF Funding Requirements	\$1,297,081	\$573,980	\$390,151	\$332,950				