

THIS FORM DOES NOT NEED TO BE COMPLETED UNTIL AFTER YOU HAVE BEEN APPROVED FOR THE GRANT

APN:

When recorded, return to
Washoe County Department of Water Resources
4930 Energy Way
Reno, Nevada 89502

The party executing this document hereby affirms that this document submitted for recording does not contain the social security number of a person or persons as required by NRS 239B.030.

HEPPNER RESIDENTIAL REHABILITATION DEFERRED LOAN AGREEMENT AND PROMISSORY NOTE

Date: _____ **Single Payment**

1. Parties, and definitions.

Borrower _____, jointly and severally

Lender Washoe County
4930 Energy Way
Reno, Nevada 89502
ATTN: Rehabilitation Loan Specialist, Department of Water Resources.

Residence

Borrower(s) currently resides at the property generally located at 463 Oregon Blvd in Washoe County, Nevada, more particularly described in the Deed of Trust and further identified as APN (“Residence”).

2. Deferred Loan program residency requirements. Using funds available from federal Community Development Block Grants, Lender has established a Residential Rehabilitation Loan Program to provide no interest loans to persons who need to rehabilitate their private residences in the Heppner Subdivision. To accomplish the purposes of such loan program:

a. This loan is made only for the purpose of rehabilitating a private residence that is actually occupied by the Borrower, and which loan shall become due and payable when the Borrower no longer occupies the Residence as his or her principal residence within **five years** of issuance, defined as the date Borrower connects to the municipal water system, of the loan or upon default as defined in paragraph 5 below. If there is more than one Borrower, payment in full is due when the last Borrower ceases to occupy the Residence as his or her principal residence within the five year period stated herein.

b. Borrower hereby agrees to occupy the Residence as his or her principal residence for **five years** from the date of loan issuance. If the Borrower ceases to occupy the Residence as his or her principal residence within five years after loan issuance, the loan will, as provided above, become immediately due and payable. If there is more than one Borrower, a default occurs if the last Borrower ceases to occupy the Residence as his or her principal residence within five years from the time the loan was made by Lender.

3. Rehabilitation Work

a. **Loans to Borrower.** So long as Borrower is not in default as defined hereunder, Lender agrees to lend to Borrower up to the Loan amount stated above for the purpose of making repairs and improvements to rehabilitate the Residence as follows.

b. **Approval of improvements and provider.** Lender shall perform or shall contract with a third party to perform necessary improvements and repairs to rehabilitate the Residence. Prior to commencement of any improvements or repairs to rehabilitate the Residence, Borrower shall execute a right of entry and hold harmless agreement with Lender consenting to Lender’s or its authorized contractor’s entry upon, over, through and under Borrower’s property and Residence in order to perform the improvements and repairs,

c. **Prompt completion of work.** Lender, to the extent reasonably possible, shall diligently perform and complete or have another perform and complete all rehabilitation work within 180 days from the date of execution of this Deferred Loan Agreement and Promissory Note.

d. **Quality of work; inspections.** Lender or Lender’s authorized contractor shall

inspect the performance and completion of the rehabilitation work. All rehabilitation work shall be done in accordance with the Standard Specifications For Public Works Construction (“Orange Book Standards”) as adopted by Washoe County and all other applicable state and local codes, ordinances and statutes.

e. **Payment upon completion.** Upon completion of the repairs or improvements Lender may make payments directly to the contract provider and obtain a lien release from the contract provider.

4. Repayment of Loan Advances; application of payments.

a. Each Borrower jointly and severally promises to pay to the order of Lender all amounts advanced under this Deferred Loan Agreement and Promissory Note, together with any default charges specified below, upon the earlier of:

(i) the date when the Residence is sold to someone other than a Borrower,

(ii) the date when no Borrower any longer occupies the Residence on a full time bases as his or her principal residence if occurring within five years of issuance of the loan. If there is more than one Borrower, payment in full is due when the last Borrower ceases to occupy the Residence as his or her principal residence; or

(iii) upon demand by Lender in the event of a default.

b. All payments shall be made to the address stated above in lawful money of the United States, and shall be applied first to pay any default charges, second to any costs of collection, and, finally, to reduce the principal amount of unpaid advances.

c. Borrower is released from any obligation to pay Lender if the terms of the Deferred Loan Agreement and Promissory Note are kept for a minimum of five years of issuance of the loan.

5. Default, notices and remedies.

a. **Definition.** A default occurs in any one of the following events:

(i) if a Borrower ceases to use the Residence as his or her principal residence within five years after Borrower’s principal residence connects to the municipal water system. If there is more than one Borrower, a default occurs if the last Borrower ceases to occupy the Residence as his or her principal residence within five years from the loan made by Washoe County.

(iii) when any party repudiates, breaches or fails to perform any obligation in or when any event required to occur does not occur when required in this Deferred Loan

Agreement and Promissory Note or in the Deed of Trust which secures this Agreement.

(iv) when a default or breach occurs under any restrictive covenant, easement, other loan agreement, promissory note, or other deed of trust involving or secured by the Residence.

(v) when any Borrower seeks relief under any federal or local law for the relief of debtors, including the United States Bankruptcy Code, or when an involuntary petition for relief is filed against any Borrower which petition is not dismissed within 60 days from the date it is filed, or when the Residence becomes a part of a bankruptcy estate.

(vi) when a false statement is made on or any material information is omitted from the application or any documentation used in qualifying or administering this loan.

c. **Lenders notice, right to cure and remedies.** In the event of a default by Borrower, Lender agrees as follows:

1. Except as provided below, Lender may demand immediate payment and immediately pursue its remedies hereunder if Borrower fails to occupy the Residence during five years subsequent to the date Borrower connects to the municipal water system.

2. Except as provided below, if the default involves a provision other than an obligation to pay money, Lender shall give to Borrower who shall have THIRTY DAYS from the date that the notice is deemed given to cure the default.

3. If Lender is prohibited from giving notice or demanding payment (such as under the U.S. Bankruptcy Code), notice or demand shall not be given and any payment due shall be due without grace or demand, and any other default or breach must be cured within 30 days after it occurred.

4. Lender shall provide notice by delivering it to the Residence per Section 6.f.

5. Subject to the notice and right to cure provisions above, Lender may (i) demand immediate payment of the entire loan amount together with all costs of collection and default charges from the date of the default, or the date that payment became due; (ii) commence foreclosure under the Deed of Trust; and (iii) pursue any remedy afforded by law.

d. **Borrowers notice, right to cure and remedies.** In the event of a default by Lender, Borrower agrees to give notice to Lender who shall have THIRTY DAYS from the date that the notice is deemed given to cure the default. Thereafter, Borrower may pursue any remedy afforded by law.

6. General Terms.

a. **No conflicts of interest, commissions or fees.** Unless disclosed to and specifically approved by the Board of County Commissioners of Washoe County, (i) no member of or delegate to the Congress of the United States or any officer, employee or elected official of the Washoe County may have any private interest, direct or indirect, in any contract with any provider, and (ii) no bonuses, commissions or fees shall be paid to any individual employee or elected official of the Washoe County for the purpose of obtaining approval of the loan application or any contract with any provider. If Borrower is aware of any such transaction, he or she shall report it to the Chairman or County Manager of Washoe County.

b. **Remedies cumulative; waivers.** All remedies available to either party hereunder are cumulative with each other and with any remedy afforded by equity or in law, and the election of one possible remedy does not constitute or imply a waiver of any other possible remedy. Any forbearance, inaction, or failure to promptly pursue any remedy (whether intentional or negligent) by either party shall not be deemed a waiver of any default or remedy. Waivers must be expressed in writing signed by the waiving party, and a waiver of a default is limited to the specific default identified in the written waiver and does not constitute a course of dealing or implication that similar defaults will be waived in the future.

c. **Representations of Borrowers.** To induce Lender to enter into and perform this Agreement, each Borrower warrants and represents that all of the statements made to Lender on the application or otherwise are true, accurate and complete and do not omit any material fact.

d. **Assignment/ Assumption of Loan.** Borrower may not assign any right or delegate any obligation under this Agreement. The loan is not assumable.

e. **Binding effect; no third party beneficiary.** This agreement shall be binding on and inure to the benefit of the parties. Unless otherwise specifically identified in this Agreement, there are no third party beneficiaries intended by this Agreement and no third parties have any standing to enforce any of the provisions of this Agreement.

f. **Notices; when deemed sufficiently given.** Notices, demands and communications between the parties must be in writing and must be sent to the addresses stated above. If notice is sent by regular mail to the correct address, it will be deemed sufficiently given only when actually received by the correct addressee. If notice is sent by registered or certified mail to the correct address, postage prepaid, it will be deemed sufficiently given when actually received by the addressee or three business days after it is received by the U.S. Post Office as indicated on the receipt, whichever is earlier. Notice is deemed given to all Borrowers when addressed to the Residence.

g. **Attorneys fees & costs** If any party hereto institutes any action or proceeding against the other or others arising out of or relating to this Agreement or the deed of trust, attorneys fees and costs shall be awarded to the prevailing party, as determined by or otherwise allocated at the discretion of the court.

h. **Applicable law; jurisdiction and venue.** The laws of the State of Nevada, without regard to conflicts of law principles, shall govern the interpretation and enforcement of this Agreement. All actions brought to enforce this Agreement shall be brought in either the United States District Court for the District of Nevada located in Reno, Nevada, or the Second Judicial District Court for the State of Nevada in and for Washoe County.

i. **Severability.** Each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law, taking into account permissible waivers or provisions which may be upon agreement of the parties. If any term or provision of this Agreement or the application thereof shall be deemed by a court of competent jurisdiction to be in violation of law or public policy, then it shall be deemed modified, ipso facto, to bring it within the limits of validity or enforceability, but if it cannot be so modified, then it shall be excised from this Agreement and the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected. To prevent windfall or unintended consideration, if any term or provision of this Agreement is deemed invalid or unenforceable or enforceable only to a limited extent, the parties agree to negotiate in good faith to adjust any counter-performance, condition, or corresponding consideration.

j. **Modifications and Amendments.** This agreement may be modified or amended only by a writing signed by an authorized agent of the party to be bound by the modification or amendment.

k. **Entire Agreement.** This Agreement together with the deed of trust, credit for domestic well, and right of entry and hold harmless agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

Executed on the dates indicated:

Lender:

WASHOE COUNTY DEPT.OF WATER RESOURCES

By: _____ DATE: _____
Rosemary Menard, Director

Borrower:

Betty Seaman

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this _____ day of _____, 2009, _____ personally appeared before me, a Notary Public, and acknowledged that he/she executed the foregoing instrument.

Notary Public

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this _____ day of _____, 2009, _____ personally appeared before me, a Notary Public, and acknowledged that he/she executed the foregoing instrument.

Notary Public