

GRANT AGREEMENT

THIS GRANT AGREEMENT (this “*Agreement*”) is by and between THE LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT, a political subdivision of the State of Nevada (“*District*”) and LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT FOUNDATION, INC., a Nevada non-profit corporation (“*Foundation*” and together with District, the “*Contracting Parties*”) in reference to the following facts:

A. District is authorized under Nev. Rev. Stat. 379.026(4) (2017) to make donations from the gift fund of District to Foundation if such donations are used solely for the support of District.

B. District desires to make a donation to Foundation in the amount of Six Million Six Hundred Forty-Six Thousand Dollars (\$6,646,000) to be used exclusively for the support of District in making a loan (the “*Leverage Loan*”) to the Investment Fund (as hereinafter defined).

C. An explanation of the support and benefit from the Leverage Loan is attached hereto as Exhibit A and incorporated herein by reference (“*Explanation of Benefit*”).

NOW, THEREFORE, it is agreed that:

1. Award of Grant

A grant in the amount of Six Million Six Hundred Forty-Six Thousand Dollars (\$6,646,000) is awarded from the gift fund of District to Foundation subject to the terms and conditions contained in this Agreement. Foundation accepts responsibility for complying with this Agreement’s terms and conditions and will exercise full control over the grant and the expenditure of grant funds.

2. Purpose of Grant

This grant may be used only for used for construction of new library buildings, capital improvements to library buildings, special library services or other library purposes through the making of the Leverage Loan to Chase NMTC Mesquite Library, LLC, a Delaware limited liability company (the “*Investment Fund*”), which Leverage Loan will be used by Investment Fund to fund an equity investment into Clearinghouse NMTC (Sub 52), LLC, a California limited liability company (“*QLICI Lender*”), which equity investment is intended to constitute a “qualified equity investment” (a “*QEI*”). QLICI Lender will in turn use the QEI to make a loan intended constitute a “qualified low-income community investment” to Mesquite QALICB, Inc., a Nevada nonprofit corporation (“*Borrower*”) for development of the Mesquite Library (as is described in the attached Explanation of Benefit)

3. Assignment of Foundation Documents to District

At the closing of the Leverage Loan, Foundation will be asked to sign the following loan documents as maker of the Leverage Loan (the “*Foundation Documents*”):

(a) A Fund Loan Agreement, executed by Foundation, as lender, and Investment Fund, as borrower, evidencing the agreement of Foundation to make the Leverage Loan to Investment Fund (the “*Investment Fund Loan Agreement*”);

(b) A Fund Promissory Note for the original principal amount of the Leverage Loan, executed by Investment Fund payable to Foundation (“*Investment Fund Loan Note*”);

(c) A Fund Pledge Agreement, by and between Foundation and Investment Fund pledging the interest of Investment Fund in the QLICI Lender to Foundation to secure the payment of the Fund Promissory Note and performance under the Fund Loan Agreement; and

(d) A Closing Transfers Memorandum executed by District, Foundation, Borrower, QLICI Lender, the Investment Fund, Investor and others.

Foundation hereby assigns all of its right, title and interest in and to the Foundation Documents to District. District will collect all of the money paid under the Fund Promissory Note and will exercise all other rights under the Foundation Documents. District may have any UCC 1 financing statement reflect that District is the assignee of the Foundation Documents.

4. Miscellaneous

(a) This Agreement sets forth the entire final and complete understanding between the Contracting Parties as to the subject matter hereof and thereof and supersedes all prior and contemporaneous discussions, negotiations, contracts, agreements and understandings (oral or written) with respect to such subject matter.

(b) This Agreement shall be governed and construed in accordance with the internal laws of Nevada.

(c) The Contracting Parties hereby agree that any suit, action or proceeding in connection with a matter arising out of or in connection with this Agreement or the transactions contemplated hereby shall be brought in any Nevada state district court sitting in Clark County, Nevada.

(d) Each Contracting Party expressly and knowingly waives and releases all such rights to trial by jury in any action, proceeding, or counterclaim brought by either Contracting Party against the other on any matters arising out of or in any way connected with this Agreement, and/or any claim for injury or damage.

(e) Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

(f) The headings of the paragraphs and sections hereof are inserted as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Agreement or the meaning of any provision hereof.

(g) In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected except to the extent necessary to delete such illegal, invalid or unenforceable provision unless the provision held invalid shall substantially impair the benefit of the remaining portion of this Agreement.

(h) The Contracting Parties each agree to do such further acts and things to execute and deliver such additional agreements and instruments, to consummate, evidence or confirm the Agreement.

(i) This Agreement may be executed in any number of counterparts and each of such counterparts (or facsimile copies thereof) shall, for all purposes, be accepted as an original, and all such counterparts shall constitute one and the same instrument binding on all of the Contracting Parties hereto. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or PDF or similar e-mailed transmission shall be as effective as delivery of a manually executed counterpart of a signature page of this Agreement.

(j) If there is any litigation, arbitration or administrative proceeding (including an appeal) among the Contracting Parties to enforce or interpret any provisions hereof or rights arising hereunder, the unsuccessful party in such litigation, arbitration or administrative proceeding (including an appeal) as determined by the court, arbitrator or hearing officer, shall pay to the successful party, as determined by the court, arbitrator or hearing officer all costs and expenses, including, but not limited to, reasonable attorneys' fees incurred by the successful party, such fees to be determined by the court, arbitrator or hearing officer, sitting without a jury, if applicable.

(k) All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and are those solely of) the Contracting Parties.

[Signature Pages Follow]

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

**THE LAS VEGAS-CLARK COUNTY
LIBRARY DISTRICT**, a political subdivision of
the State of Nevada

By _____
Fred James, CFO

**LAS VEGAS-CLARK COUNTY LIBRARY
DISTRICT FOUNDATION, INC.**, a Nevada
nonprofit corporation

By _____
Edward Kojane, President

[Signature Page to Grant Agreement]

EXHIBIT A

EXPLANATION OF BENEFIT TO DISTRICT

The following is an explanation of the benefit to District from the donation to Foundation.

1. District is constructing a new community library and rehabilitating an existing structure into an educational center (the “**Improvements**”) upon real property (“**Property**”) located at 160 West First North Street and 121 West First North Street, respectively, in Mesquite, Nevada 89027 (the “**Mesquite Library**”)

2. District is intending to ground lease the Property to Mesquite QALICB, Inc., a Nevada nonprofit corporation (“**Borrower**”).

3. The subleasing of the Mesquite Library back to District is expected to constitute a “qualified active low-income community business” (as that term is defined in Section 45D of the Internal Revenue Code of 1986, as amended (the “**Code**”)).

4. JPMorgan Chase Bank, N.A., a national banking association (“**Investor**”), will make a capital contribution in the amount of \$3,354,000 on the date hereof (the “**Investor Capital Contribution**”) to Chase NMTC Mesquite Library, LLC, a Delaware limited liability company (the “**Investment Fund**”), as its 100% member, as evidenced by that certain Operating Agreement of the Investment Fund dated as of the date hereof.

5. Using the money granted by District to Foundation, Foundation will make the Leverage Loan in the principal amount of \$6,646,000 to the Investment Fund (the “**Leverage Loan**”).

6. The Investment Fund will use the proceeds of the Leverage Loan and the Investor Capital Contribution to, among other things, make a “qualified equity investments” within the meaning of Section 45D(c) of the Code in Clearinghouse NMTC (Sub 52), LLC, a California limited liability company (“**QLICI Lender**”) in the amount of \$10,000,000.

7. The proceeds of the qualified equity investment made by the Investment Fund in QLICI Lender will be used to (a) fund a loan with a principal amount of up to \$6,646,000 to Borrower (“**Loan A**”), and (b) fund a loan with a principal amount of up to \$3,154,000 to Borrower (“**Loan B**”, and together with Loan A, the “**Loans**”).

8. The Loans are each expected to constitute a “qualified low-income community investment” within the meaning of Section 45D(d) of the Code, and as a result of which, the Investment Fund’s investment in QLICI Lender is expected to generate “new markets tax credits” pursuant to Section 45D of the Code (the “**New Markets Tax Credits**”).

9. Borrower will purchase the Improvements on the Property upon which the Mesquite Library will be developed from District in the aggregate amount of \$6,516,846 and will pay \$3,383,154 in costs related to construction and construction financing, thereby providing needed funds to District for new library buildings, capital improvements to library buildings,

special library services or other library purposes in accordance with NRS 379.026(2) (2017) through a lease purchase arrangement authorized under NRS 379.025(2)(d) (2017). Upon such acquisition the Borrower will sublease the Mesquite Library back to District.