

RENTAL RESTORATION AND DEVELOPMENT PROGRAM GUARANTY

THIS GUARANTY (this “**Guaranty**”) is made and entered into as of _____, 202_, by _____ (“**Borrower**”), and _____ (collectively “**Guarantor**”), to and for the benefit of the **LOUISIANA HOUSING CORPORATION**, a public body corporate and politic and an instrumentality of the State of Louisiana, and its successors and assigns (the “**LHC**”).

PRELIMINARY RECITALS:

WHEREAS, the **LOUISIANA HOUSING CORPORATION**, a public body corporate and politic and an instrumentality of the State of Louisiana, and its successors and assigns (the “**LHC**”) in partnership with the State of Louisiana, Division of Administration, Office of Community Development (“**OCD**”) established the Rental Restoration And Development Program (“**RRDP**”) within parishes (“**FEMA Declared Disaster Parishes**”) adversely affected by Hurricanes Laura, Delta, Ida and the May 2021 floods (“**FEMA Declared Disasters**”); and

WHEREAS, LHC released a Notice of Funding Availability (“**RRDP NOFA**”) on March 20, 2023 describing the purposes of RRDP and the application process in which LHC will accept applications from applicants (“**Borrower**” or “**Applicant**”) who will construct new residential rental housing units (“**New Units**”) or will repair and renovate vacant residential rental housing units (“**Existing Units**”) in a project that will not exceed seven (7) residential housing units (“**Qualified Project**”); and

WHEREAS, RRDP provides assistance to approved Applicants who agree to construct New Units outside of a Special Flood Hazard Area and/or to repair and renovate Existing Units in order to increase the availability of affordable rental housing for households at or below eighty percent (80%) area median income (“**Qualified Household**”) within FEMA Declared Disaster Parishes; and

WHEREAS, LHC has accepted applications from Applicants under RRDP who agreed to construct New Units or to repair and/or renovate Existing Units within a project of not more than seven (7) units (“**Qualified Project**”) located in the FEMA Declared Disaster Parishes associated with Hurricanes Laura, Delta, and Ida and with the May 2021 Floods; and

WHEREAS, RRDP requires Applicants to either: (i) partner with a pre-qualified commercial lender (“**Construction Lender**”) to provide the Applicant a firm commitment to provide construction financing (“**Construction Loan**”) of a Qualified Project or (ii) fully fund all development costs of the Qualified Project with the Applicant’s own funds; and

WHEREAS, RRDP provides a guaranteed pay-off or pay-down of the Construction Loan following completion of the construction or renovation of each unit in a Qualified Project within a budget, including hard construction costs and related soft costs, as approved by LHC (“**Approved Budget**”); and

WHEREAS, aggregate advances on a Construction Loan plus accrued interest will be paid by LHC through a specified date herein described (“**Conversion Date**”) provided that the Borrower has executed: (i) the RRDP Loan Agreement, (ii) RRDP Note, (iii) RRDP Mortgage, (iv) RRDP Regulatory Agreement, and (v) RRDP Guaranty (collectively, “**RRDP Closing Documents**”); and

WHEREAS, LHC received \$32 million in Community Development Block Grant Funds (“**CDBG Funds**”) for RRDP. The funding is divided equally between the FEMA Declared Disaster Parishes associated with Hurricanes Laura and Delta and the FEMA Declared Disaster Parishes associated with Hurricane Ida and the May 2021 Floods; and

WHEREAS, the Borrower has submitted an application in accordance with the RRDP NOFA and a Take-out Commitment by LHC has been executed with the Borrower and _____ as Construction Lender; and

WHEREAS, the Borrower has executed and delivered to the Construction Lender a construction note evidencing the Borrower's obligation to the Construction Lender in a principal amount not to exceed \$_____ (the "**Lender Construction Loan**"); and

WHEREAS, the Lender Construction Loan is within the maximum amount of all advances by the Construction Lender to the Borrower up to the LHC guarantee payment by LHC of \$_____ ("**LHC Take-out Commitment Amount**") through the Conversion Date based upon the Approved Budget and other financial information and materials submitted by the Borrower and approved by the Construction Lender and LHC; and

WHEREAS, the Borrower agrees that the RRDP Loan will only repay amounts advanced by the Construction Lender under the Construction Loan up to the LHC Take-out Commitment Amount pursuant to this RRDP Loan Agreement; and

WHEREAS, the LHC has a minimum of \$32 million of Community Development Block Grant Funds ("**CDBG Funds**") made available to the LHC by OCD for the RRDP; and

WHEREAS, the Borrower has delivered to the Construction Lender a construction note in a principal amount not to exceed \$_____ (the "**Lender Construction Loan**") evidencing the Borrower's obligation to repay the Construction Loan; and

WHEREAS, under the terms of this RRDP Permanent Loan Agreement, the Borrower agrees to the repayment of the sums advanced to the Construction Lender pursuant to the Take-out Commitment referenced in this RRDP Permanent Loan Agreement in an amount (the "**RRDP Permanent Loan**") not in excess of the LHC Take-out Commitment Amount; and

WHEREAS, the actions of the LHC and Borrower will result in a public benefit described in detail in the RRDP Permanent Loan Agreement and the other LHC RRDP Legal Documents not disproportionate to the consideration in the RRDP Permanent Loan Agreement and the other RRDP Permanent Loan Documents; and

WHEREAS, each Guarantor is an Affiliate of Borrower and will derive material financial benefit from the Loan; and

WHEREAS, the execution and delivery of this Guaranty by Guarantor is a condition precedent to the making of the RRDP Permanent Loan;

NOW, THEREFORE, intending to be legally bound, Guarantor, in consideration of the matters described in the foregoing Preliminary Recitals, which Preliminary Recitals are incorporated herein and made a part hereof, and for other good and valuable consideration the receipt and sufficiency of which are acknowledged, hereby covenants and agrees for the benefit of LHC and its respective successors, transferees, participants and assigns as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. Except as otherwise defined in this Article 1.1, capitalized terms used but not defined herein shall have the meanings assigned to them in the RRDP Permanent Loan Agreement. The following terms shall have the meanings ascribed thereto as set forth below:

- (a) **“Default Interest Rate”**: the lesser of (i) the maximum rate allowed by law, or (ii) 18% per annum.
- (b) **“Guaranteed Obligations”**: each and every obligation of the Guarantors under and pursuant to this Guaranty, including, without limitation, the obligations specified in Article 3 hereof.
- (c) **“Guaranty Period”**: commencing on date of this Guaranty and ending on the date on which the Guaranteed Obligations have been fully satisfied and performed and the period of time has expired during which any payment received by LHC hereunder or any act performed by Guarantors may be determined to be a preferential or fraudulent transfer under the United States Bankruptcy Code or other similar applicable laws.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

Each Guarantor makes the following representations and warranties which shall be continuing representations and warranties until this Guaranty terminates in accordance with the provisions contained herein:

2.1 Existence and Rights. Each Guarantor is a person of sound mind and body or an entity duly organized under the laws of the State of Louisiana or Delaware without limitation as to the duration of its existence and is in good standing thereunder. Each Guarantor has powers and adequate authority, rights and franchises to own its property and to carry on its business as now owned and carried on, and is duly qualified and in good standing in each jurisdiction in which the property owned by it or the business conducted by it makes such qualification necessary, and each Guarantor has the power and adequate authority to make and carry out this Guaranty.

2.2 Guaranty Authorized and Binding. The execution, delivery and performance of this Guaranty is duly authorized and does not require the consent or approval of any governmental body or other regulatory authority; is not in contravention of, or in conflict with, any law or regulation or any term or provision of the organizational documents of the Guarantor; and this Guaranty is a valid and legally binding obligation of each Guarantor enforceable in accordance with its terms.

2.3 No Conflict. The execution and delivery of this Guaranty is not, and the performance of this Guaranty will not be, in contravention of, or in conflict with, any agreement, indenture or undertaking to which any Guarantor is a party or by which any Guarantor or any of the Guarantor's property is or may be bound or affected and does not, and will not, cause any security interest, lien or other encumbrance to be created or imposed upon any such property.

2.4 Litigation. Except as otherwise disclosed to LHC in writing, there is no litigation or other proceeding pending or, to the best of Guarantor's knowledge, threatened against, or affecting, any Guarantor or the Guarantor's properties which, if determined adversely to any Guarantor, would have a

materially adverse effect on the financial condition, properties, businesses or operations of any Guarantor, or which prevents or interferes with or adversely affects any Guarantor's entering into this Guaranty or the validity of this Guaranty or the carrying out of the terms hereof and no Guarantor is in default with respect to any order, writ, injunction, decree or demand of any court or other governmental or regulatory authority.

2.5 Financial Condition. Each Guarantor's financial statements, which have heretofore been submitted in writing by the Guarantor to LHC or LHC's credit underwriter in connection herewith, are true and correct in all material respects as of the date thereof, and fairly present the financial condition of the Guarantor for the period covered thereby. Since the date of said financial statements, there has been no materially adverse change in the Guarantor's financial condition. The Guarantors have no knowledge of any liabilities, contingent or otherwise, as of the date of their respective financial statements (and as of the date hereof) which are not reflected in said financial statements; and, other than in the ordinary course of any Guarantor's business, the Guarantors have not entered into any commitments or contracts which are not reflected in its financial statements or which may have a materially adverse effect upon any Guarantor's financial condition, operations or business as now conducted.

2.6 Solvency. The Guarantors are not Insolvent (defined below) as of the date hereof and the execution and delivery of this Guaranty will not (a) render any Guarantor insolvent under generally accepted accounting principles nor render any Guarantor Insolvent, (b) leave any Guarantor with remaining assets which constitute unreasonably small capital given the nature of the Guarantor's business, and (c) result in the incurrence of Debts (defined below) beyond the Guarantor's ability to pay them when and as they mature. For the purposes of this Section, "**Insolvent**" means that the present fair salable value of assets is less than the amount that will be required to pay the probable liability on existing Debts as they become absolute and matured. For the purposes of this Section, "**Debts**" includes any legal liability for indebtedness, whether matured or premature, liquidated or unliquidated, absolute or fixed.

2.7 Financial or Other Benefit or Advantage. Each Guarantor hereby acknowledges and warrants that each Guarantor has derived or expects to derive a material financial or other benefit from the Project. All of the foregoing representations and warranties shall be continuing until the end of the Guaranty Period. Guarantor hereby agrees to indemnify and hold LHC free and harmless from and against all loss, cost, liability, damage, and expense, including reasonable attorney's fees and costs, which LHC may sustain by reason of the inaccuracy or breach of any of the foregoing representations and warranties as of the date the foregoing representations and warranties are made and are remade. Guarantor further agrees and acknowledges that it has the affirmative obligation to, and will, immediately notify LHC if any of the representations or warranties set forth above become false or untrue in any way or respect.

ARTICLE 3 AGREEMENTS AND GUARANTEED OBLIGATIONS

3.1 Guaranty. Each Guarantor hereby absolutely, unconditionally and irrevocably guarantees and agrees to pay to LHC, or its assigns, the full and prompt payment and performance when due, whether at maturity or earlier, by reason of acceleration or otherwise, and at all times thereafter, of

- (a) all amounts, obligations, and liabilities for which Borrower is or becomes personally liable to LHC under the RRDP Permanent Loan Agreement; and
- (b) all indemnity obligations of Borrower described in the Loan Agreement; and
- (c) all reasonable costs and expenses, including reasonable fees and out-of-pocket expenses of attorneys and expert witnesses, incurred by LHC in enforcing its rights under this Guaranty.

The obligations of Guarantor shall survive any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the Mortgage. LHC may pursue its remedies against Guarantor without first exhausting its remedies against the Borrower or the Project.

The obligations of Guarantor shall be performed without demand by LHC and shall be unconditional irrespective of the genuineness, validity, or enforceability of the Note, or any other RRDP Permanent Loan Document, and without regard to any other circumstance which might otherwise constitute a legal or equitable discharge of a surety or a guarantor. Guarantor acknowledges that Guarantor has received a copy of the all RRDP Permanent Loan Documents.

This Guaranty shall terminate upon the expiration of the Guaranty Period, as approved in writing by LHC; this termination does not, in any way, relieve or affect the Guarantor's obligations under this Guaranty arising prior to the expiration of the Guaranty Period, under any completion guaranty or under any other indemnity or guaranty agreement.

3.2 Nature of Guaranteed Obligations. This is a guaranty of payment and performance, and the obligations hereunder shall be absolute, independent and unconditional under any and all circumstances.

3.3 Third Party Beneficiary. The parties hereto acknowledge that LHC is entitled to enforce this Guaranty directly against the Guarantors at any time. LHC is also entitled to enforce any security agreements, mortgages, additional guaranties or other collateral now or hereafter securing this Guaranty at any time against the person or entity providing such security.

3.4 Further Assurances. The Guarantors will, at their expense, execute, acknowledge and deliver all such further documentation, instruments and assurances and the like and take all such further action as LHC shall reasonably require in order to carry out the intentions or facilitate the provisions of this Guaranty.

3.5 Obligations Absolute. The obligations of Guarantor under this Guaranty shall be unconditional irrespective of the genuineness, validity, regularity or enforceability of any provision of this Guaranty, the Note, the Loan Agreement, or any other RRDP Permanent Loan Document. Guarantor agrees that performance of the obligations hereunder shall be a primary obligation, shall not be subject to any counterclaim, set-off, abatement, deferment, or defense based upon any claim that Guarantor may have against LHC, Borrower, any other guarantor of the obligations hereunder or any other person or entity, and shall remain in full force and effect without regard to, and shall not be released, discharged, or affected in any way by any circumstance or condition (whether or not Guarantor shall have any knowledge thereof), including any of the following, each of which may be taken without the consent of, or notice to, the Guarantors, nor shall any of the following give any Guarantor any recourse or right of action against LHC:

(a) Any delay, exercise or non-exercise by LHC of any right or privilege under this Guaranty;

(b) Any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Guarantor (which term shall include any other party at any time directly or contingently liable for any of the Operating Deficit Guaranty) or any affiliate of any Guarantor, or any action taken with respect to this Guaranty by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor or any of them shall have had notice or knowledge of any of the foregoing;

(c) Any assignment or other transfer of this Guaranty in whole or in part;

- (d) Any acceptance of partial funding of the Operating Deficit Guaranty;
- (e) Any release or discharge of the Borrower or any general partner/managing member from any of its obligations;
- (f) Any subordination, compromise or release of any or all of the property or other collateral, if any, securing the Guarantors' obligations under this Guaranty, or any substitution with respect thereto;
- (g) any furnishing, exchange, substitution, or release of any collateral securing repayment of the Loan, or any failure to perfect any lien in such collateral;
- (h) any failure, omission, or delay on the part of Borrower, Guarantor, any other guarantor of the obligations hereunder, or LHC conform or comply with any term of any of the RRDP Permanent Loan Documents or failure of LHC to give notice of any Event of Default;
- (i) any action or inaction by LHC under or in respect of any of the RRDP Permanent Loan Documents, any failure, lack of diligence, omission or delay on the part of LHC to perfect, enforce, assert or exercise any lien, security interest, right, power or remedy conferred upon it in any of the RRDP Permanent Loan Documents, or any other action or inaction on the part of LHC;
- (j) any merger or consolidation of Borrower into or with any entity or any sale, lease, or transfer of any asset of Borrower, Guarantor, or any other guarantor of the obligations hereunder to any other person;
- (k) any change in the ownership of Borrower or any change in the relationship between Borrower, Guarantor, or any other guarantor of the obligations hereunder, or any termination of such relationship;
- (l) any release or discharge by operation of law of Borrower, Guarantor, or any other guarantor of the obligations hereunder, any obligation or agreement contained in any of the RRDP Permanent Loan Documents; and
- (m) any other occurrence, circumstance, happening, or event, whether similar or dissimilar to the foregoing, and whether seen or unforeseen, which otherwise might constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which otherwise might limit recourse against Borrower or Guarantor to the fullest extent permitted by law.

3.6 Waivers. Each Guarantor unconditionally waives any defense to the enforcement of this Guaranty other than payment or performance, including, without limitation:

- (a) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty;
- (b) Any right to require LHC to proceed against the Borrower or any other guarantor at any time, or to proceed against or exhaust any security held by LHC at any time, or to pursue any other remedy whatsoever at any time;

(c) Any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Borrower or the Guarantors or any affiliate of the Borrower or the Guarantors or any action taken with respect to this Guaranty by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have had notice or knowledge of any of the foregoing;

(d) Any right any Guarantor might have, under Louisiana law, to revoke this Guaranty, it being the intention of the Guarantors that this Guaranty remain in full force and effect until termination, as provided herein;

(e) Any defense based upon an election of remedies by LHC, including, without limitation, any remedies which destroy or impair the subrogation rights of any Guarantor to the Borrower or any general partner/managing member for reimbursement or both;

(f) Any duty of LHC to advise the Guarantors of any information known to LHC regarding the financial condition of the Borrower or any general partner or managing member and all other circumstances affecting the ability of the Borrower or any general partner or managing member to perform its obligations to LHC, it being agreed that each Guarantor assumes the responsibility for being and keeping informed regarding such conditions or any such circumstances;

(g) The benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty (and agrees that Guarantor's obligations shall not be affected by any circumstances, whether or not referred to in this Guaranty, which might otherwise constitute a legal or equitable discharge of a surety or a guarantor);

(h) The benefits of any right of discharge under any and all statutes or other laws relating to guarantors or sureties and any other rights of sureties and guarantors;

(i) Diligence in collecting the Loan, presentment, demand for payment, protest, all notices with respect to the RRDP Permanent Loan Documents and this Guaranty which may be required by statute, rule of law or otherwise to preserve LHC's rights against Guarantor under this Guaranty, including notice of acceptance, notice of any amendment of the RRDP Permanent Loan Documents, notice of the occurrence of any default or Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, and notice of the incurring by Borrower of any obligation or indebtedness; and

(j) all rights to require LHC to:

(1) proceed against or exhaust any collateral held by LHC to secure the repayment of the Loan;

(2) proceed against or pursue any remedy it may now or hereafter have against Borrower or any guarantor, or, if Borrower or any guarantor is a partnership, any general partner of Borrower or general partner of any guarantor; or

(3) demand or require collateral security from Borrower, any other guarantor or any other person as provided by applicable law or otherwise

3.7 Subrogation. Notwithstanding any other provision of this Guaranty to the contrary, until all obligations in favor of LHC hereunder shall have been paid or performed in full, each Guarantor hereby waives any claim or other rights which the Guarantor may now have or hereafter acquire against any other

guarantor of all or any of the obligations of any Guarantor under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification, any right to participate in any claim or remedy of LHC against the Borrower, any general partner or managing member or any Guarantor or any collateral which LHC now has or hereafter acquires, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including, without limitation, the right to take or receive from the Borrower, any general partner/managing member or any Guarantor, directly or indirectly, in cash or other property or by set off or in any other manner, payment or security on account of such claim or other rights.

3.8 Additional Waivers. The Guarantors shall not be released or discharged, either in whole or in part, by LHC's failure or delay to (a) perfect or continue the perfection of any lien or security interest in any collateral which secures the obligations of the Borrower, or (b) protect the property covered by such lien or security interest.

3.9 Dealings with Parties. LHC shall have complete but reasonable discretion, without giving notice to or obtaining the consent of the Guarantors, the Borrower and each other person or entity who now is or after the date hereof becomes liable in any manner for any of the guaranteed obligations, in such manner as LHC shall reasonably decide, and accordingly each Guarantor grants to LHC full authority, in its sole but reasonable discretion, whether before or after termination of this Guaranty, to do any and all of the following, without limiting the generality of the foregoing: extend credit, make loans and afford such financial accommodation to the Borrower or any general partner/managing member at such times, in such amounts and on such terms as LHC may approve; vary the terms or alter, compromise, accelerate and grant extensions or renewals of time or manner of payment of any present or future obligations under this Guaranty, assign or transfer this Guaranty or any other instrument evidencing or securing the obligations under this Guaranty in whole or in part; vary, exchange, release or discharge, wholly or partially the Borrower or any general partner/managing member or any other guarantor or obligor of the obligations under this Guaranty, and compromise or make any settlement or other arrangement with the Borrower, any general partner and/or managing member and/or any other guarantor, and if the obligations under this Guaranty are now or hereafter secured, exchange, substitute or release in part or in full all of the security given for the payment and performance of any of the Guarantors' obligations under this Guaranty.

3.10 Bankruptcy No Discharge; Repayments. So long as any of the guaranteed obligations shall be owing to LHC, the Guarantors shall not, without the prior written consent of LHC, as applicable, commence or join with any other party in commencing any bankruptcy, reorganization or insolvency proceedings of or against the Borrower or any general partner/managing member. Each Guarantor understands and acknowledges that by virtue of this Guaranty, the Guarantor has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect the Borrower and any general partner/managing member. As an example and not in any way of limitation, a subsequent modification of the guaranteed obligations in any reorganization case concerning the Borrower or any general partner/managing member shall not affect the obligation of the Guarantor to pay and perform the guaranteed obligations in accordance with their respective original terms. If a claim is ever made upon LHC for repayment of any amount or amounts received by LHC in payment of the obligations under this Guaranty (whether or not all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by LHC) and LHC repays all or any part of said amount, then, notwithstanding any revocation or termination of this Guaranty or the cancellation of any other instrument evidencing the guaranteed obligations, each Guarantor shall be and remain liable to LHC for the amount so repaid by LHC, to the same extent as if such amount had never originally been received by LHC.

3.11 Subordination. So long as any of the guaranteed obligations remain unpaid or undischarged, each Guarantor agrees that any and all claims it may have against the Borrower or any general

partner/managing member shall be and hereby are subordinated to the guaranteed obligations and all other claims of LHC against the Borrower or any general partner or managing member. Any indebtedness of the Borrower or any general partner or any managing member to any Guarantor shall be collected and received by the Guarantor as trustee for LHC and be paid over to LHC on account of the indebtedness of the Guarantor to LHC, upon demand by LHC. Notwithstanding the foregoing, so long as no Event of Default shall exist hereunder or under any of the RRDP Permanent Loan Documents, and no event has occurred which with the passage of time or the giving of notice would constitute a default hereunder or under any of the RRDP Permanent Loan Documents, each Guarantor and/or its affiliates shall be entitled to receive any fees or other payments specifically provided for in the Borrower's partnership agreement or limited liability company agreement.

3.12 Independent and Separate Obligations. The obligations of each Guarantor hereunder are independent of any obligation of the Borrower or any general partner or managing member, and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against any Guarantor whether or not the Guarantor is the alter ego of the Borrower, any general partner, any managing member, or any other guarantor. LHC's rights hereunder shall not be exhausted until the conditions to termination in Section 4.6 below have been satisfied.

3.13 Setoff. LHC shall have a right of setoff against, and each Guarantor hereby grants a security interest in, all moneys, securities and other property of the Guarantor now or hereafter in the possession of LHC. Such right is in addition to any right of setoff LHC may have by law. All rights of setoff may be exercised without notice or demand to the Guarantor. No right of setoff shall be deemed to have been waived by any act or conduct on the part of LHC, or by any neglect to exercise such right of setoff, or by any delay in doing so. Every right of setoff shall continue in full force and effect until specifically waived or released by an instrument in writing executed by LHC.

3.14 Payments. The Guarantors shall not be credited for the funding of any of the Guaranteed Obligations payable to LHC unless the required payment is received by LHC in immediately available funds and is made by such Guarantor after a demand made by LHC pursuant to this Guaranty. Each Guarantor agrees that whenever the Guarantor shall pay any amount to LHC hereunder on account of the liability hereunder, the Guarantor will deliver such payment to LHC at the address provided in Section 4.1 below and notify LHC in writing that such payment is made under this Guaranty for such purpose, with a copy to LHC of such evidence of payment and notice.

3.15 Financial Statements. Each Guarantor covenants and agrees to provide LHC, on or before May 30th of each year, with financial statements (audited, if available), including a balance sheet, an income statement, a statement of changes in financial position and such other statements as may be required by LHC, prepared in accordance with generally accepted accounting practices consistently applied and certified as true and complete, to the best of Guarantor's knowledge, in all material respects by the Guarantor or an officer of the Guarantor or, if required by LHC, a certified public accountant acceptable to LHC. Each Guarantor further covenants and agrees to immediately notify LHC of any material adverse change in the Guarantor's financial condition.

3.16 No Effect Upon Obligations. At any time or from time to time and any number of times, without notice to Guarantor and without releasing, discharging, or affecting the liability of Guarantor, Guarantors' liability hereunder shall be increased accordingly: (a) the time for payment of the principal of or interest on the Loan may be extended or the Loan may be renewed in whole or in part; (b) the rate of interest on or period of amortization of the Loan or change the amount of payments payable under the RRDP Permanent Loan Documents may be modified; (c) the time for Borrower's performance of or compliance with any covenant or agreement contained in any RRDP Permanent Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be

waived; (d) the maturity of the RRDP Permanent Loan may be accelerated as provided in the RRDP Permanent Loan Documents; (e) any or all payments due under the RRDP Permanent Loan Agreement or any other RRDP Permanent Loan Document may be reduced; (f) any RRDP Permanent Loan Document may be modified or amended by LHC and Borrower in any respect, including an increase in the principal amount of the Loan; (g) any amounts under the RRDP Permanent Loan Agreement or any other RRDP Permanent Loan Document may be released; (h) any security for the RRDP Permanent Loan may be modified, exchanged, released, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the RRDP Permanent Loan; (i) the payment of the RRDP Permanent Loan or any security for the RRDP Permanent Loan, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower; (j) any payments made by Borrower to LHC may be applied to the Loan in such priority as LHC may determine in its discretion; and (k) any other terms of the RRDP Permanent Loan Documents may be modified as required by LHC.

3.17 Governing Law/Consent to Jurisdiction. This Guaranty shall be governed by and construed in accordance with the laws of the State of Louisiana applicable to contracts entered into and entirely to be performed therein. Each Guarantor hereby irrevocably submits and consents to the jurisdiction of the courts of the State of Louisiana and of the United States District Court for the district in which the Project is located in connection with any action, suit or other proceeding arising out of or relating to this Guaranty or any action taken or omitted hereunder and waives personal service of any summons, complaint or other process and agrees that the service thereof may be made by certified or registered mail directed to the Guarantor at the address for purposes of notices hereunder. If any Guarantor, so served, should fail to appear or answer within the time prescribed by law, then the Guarantor shall be deemed in default and judgment may be entered against the Guarantor for the amount or other relief as demanded in any summons, complaint or other process so served. Each Guarantor agrees that a final judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

3.18 Solidary Liability. If more than one person executes this Guaranty as Guarantor, each such persons shall be liable for the obligations hereunder on a **SOLIDARY** basis. Not in limitation of the foregoing, LHC, in its reasonable discretion, may:

- (a) To the extent permitted by applicable law, bring suit against Guarantor, or any one or more of the Persons constituting Guarantor, and any other guarantor, solidarily, or against any one or more of them;
 - (b) compromise or settle with any one or more of the persons constituting Guarantors, or any other guarantor, for such consideration as LHC may deem proper;
 - (c) discharge or release one or more of the persons constituting Guarantors, or any other guarantor, from liability or agree not to sue such person; and
 - (d) otherwise deal with Guarantors and any guarantor, or any one or more of them, in any manner, and no such action shall impair the rights of LHC to collect from any Guarantor any amount guaranteed by Guarantors under this Guaranty.
- (b) No such action taken pursuant to subparagraphs (a), (b), (c) or (d) above shall impair the rights of LHC to collect from any Guarantor any amount guaranteed by Guarantors under this Guaranty. Nothing contained in this paragraph shall in any way affect or impair the rights or obligations of Guarantors with respect to any other guarantor.
- (c)

ARTICLE 4 MISCELLANEOUS

4.1 Notices. All notices and other communications to be made or permitted to be made hereunder shall be in writing and shall be delivered to the addresses shown below or to such other addresses that the parties may provide to one another in accordance herewith. Such notices and other communications shall be given by any of the following means: (a) personal service; or (b) national express air courier, provided such courier maintains written verification of actual delivery. Any notice or other communication given by the means described in subsection (a) or (b) above shall be deemed effective upon the date of receipt or the date of refusal to accept delivery by the party to whom such notice or other communication has been sent.

LHC: Louisiana Housing Corporation
RRDP Permanent Loan # _____,
Attention: Chief Financial Officer
2415 Quail Drive,
Baton Rouge, Louisiana 70808

with a copy to: Louisiana Housing Corporation
Attention: Executive Director
2415 Quail Drive,
Baton Rouge, Louisiana 70808

Borrower:

with a copy to:

Guarantor:

with a copy to:

4.2 Expenses. The Guarantors agree to pay all reasonable costs and expenses, including reasonable legal fees, which may be incurred by LHC in any effort to collect or enforce any of the obligations of any Guarantor hereunder, whether or not any lawsuit is filed, including, without limitation, all reasonable costs and legal fees incurred by LHC in any bankruptcy proceeding (including, without limitation, any action for relief from the automatic stay of any bankruptcy proceeding) and in any judicial or non-judicial foreclosure action.

4.3 Amendments; Successors. Neither this Guaranty nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought, subject to the prior written consent of LHC. All of the terms of this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Guarantors shall not have the right to assign any of the Guarantor's rights or obligations under this Guaranty. All remedies of LHC are cumulative. When the context in which the words are used in this Guaranty indicates that such is the intent, words in the singular number shall include the plural and vice-versa. If any one or more of the provisions of this Guaranty should be determined to be illegal or unenforceable, all other provisions shall remain effective. No delay or failure by LHC to exercise any remedy against any Guarantor will be construed as

a waiver of that right or remedy. **If more than one person or entity executes this Guaranty as a Guarantor, the obligations hereunder shall be solidary.**

4.4 Assignability by LHC. LHC may, at any time and from time to time, assign, conditionally or otherwise, all of the rights of LHC under this Guaranty, whereupon such assignee shall succeed to all rights of LHC hereunder. LHC may, at any time and from time to time, assign, conditionally or otherwise, all of the rights of LHC under this Guaranty, whereupon such assignee shall succeed to all rights of LHC hereunder to the extent that such rights may be assigned to it. LHC may give written notice to the Guarantors of any such assignment, but any failure to give, or delay in giving, such notice shall not affect the validity or enforceability of any such assignment.

4.5 Demands. Each demand by LHC for performance or payment hereunder shall be in writing and shall be made in the manner set forth in Section 4.1. Interest shall accrue at the Default Interest Rate on all sums not paid by the Guarantor to LHC within ten (10) days after demand.

4.6 Term. The obligations of the Guarantors under this Guaranty and any instrument which grants collateral to secure such obligations shall continue in full force and effect until the Guarantors have fully performed all of the guaranteed obligations and paid all other amounts payable hereunder in accordance with the terms of this Guaranty and the period of time has expired during which any payment received by LHC hereunder or any act performed by the Guarantors may be determined to be a preferential or fraudulent transfer under the United States Bankruptcy Code or other similar applicable laws.

4.7 Complete Agreement. This Guaranty supersedes any prior negotiations, discussions or communications between any Guarantor and LHC and constitutes the entire agreement between LHC and the Guarantors with respect to the Guaranteed Obligations.

4.8 Counterparts. This Guaranty may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument.

4.9 Advice of Counsel. The Guarantors represent and acknowledge to LHC that the Guarantors have consulted with their attorneys regarding the terms and conditions and waivers set forth in this Guaranty. The Guarantors' attorneys have advised the Guarantors of the true legal consequences of each waiver set forth in this Guaranty, including the rights the Guarantors would have in the absence of such waivers.

4.10 Waiver of Jury Trial. BY EXECUTING THIS GUARANTY, LHC AND GUARANTOR KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THEIR RIGHTS OR THE RIGHTS OF THEIR HEIRS, ASSIGNS, SUCCESSORS OR PERSONAL REPRESENTATIVES TO A TRIAL BY JURY, IF ANY, IN ANY ACTION, PROCEEDING OR SUIT, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, AND WHETHER ASSERTED BY WAY OF COMPLAINT, ANSWER, CROSSCLAIM, COUNTERCLAIM, AFFIRMATIVE DEFENSE OR OTHERWISE, BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT TO BE EXECUTED IN CONNECTION HERewith OR WITH THE INDEBTEDNESS OR THE RENEWAL, MODIFICATION OR EXTENSION OF ANY OF THE FOREGOING OR ANY FUTURE ADVANCE THEREUNDER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LHC'S EXTENDING CREDIT TO THE BORROWER AND NO WAIVER OR LIMITATION OF LHC'S RIGHTS HEREUNDER SHALL BE EFFECTIVE UNLESS IN WRITING AND MANUALLY SIGNED ON LHC'S BEHALF.

Each Guarantor acknowledges that the above paragraph has been expressly bargained for by LHC as part of the Loan and that, but for the Guarantors' agreement thereto, LHC would not have extended the Loan.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Borrower signing below has caused this Guaranty to be executed and delivered by their duly authorized representatives as of the date first set forth above.

WITNESSES:

[BORROWER]

By: _____

By: _____

Print Name: _____

Name: _____

Title: _____

By: _____

Print Name: _____

NOTARY PUBLIC

Print Name: _____

Bar Roll/Notary No.: _____

My Commission Expires: _____

IN WITNESS WHEREOF, the Guarantor signing below has caused this Guaranty to be executed and delivered by their duly authorized representatives as of the date first set forth above.

WITNESSES:

[GUARANTOR]

By: _____

By: _____

Print Name: _____

Name: _____

Title: _____

By: _____

Print Name: _____

NOTARY PUBLIC

Print Name: _____

Bar Roll/Notary No.: _____

My Commission Expires: _____

68359598.v1

**EXHIBIT A
LEGAL DESCRIPTION**

DRAFT