

ABOVE SPACE RESERVED FOR  
RECORDING PURPOSES ONLY

**CDBG REGULATORY AGREEMENT  
OF THE  
OFFICE OF COMMUNITY  
DEVELOPMENT, DIVISION OF  
ADMINISTRATION, STATE OF  
LOUISIANA**

**UNITED STATES OF AMERICA  
STATE OF LOUISIANA**

**BE IT KNOWN**, that on the dates set forth below, before the undersigned notaries, duly commissioned and qualified in and for the Parish and State set forth below, and in the presence of the undersigned witnesses, personally came and appeared:

The owner (the “**Owner**”) of the herein defined Project; and

The State of Louisiana, through its Office of Community Development, Division of Administration (“**OCD**”, which shall, in every instance, include OCD’s successors and assigns);

**PRELIMINARY RECITALS:**

**A. WHEREAS**, OCD is providing funds from the United State of America, HUD Community Development Block Grant (“**CDBG**”) Program to qualified applicants in accordance with the CDBG Piggyback Program (the “**Program**”) under the Louisiana Recovery Authority (“**LRA**”) Action plan known as “*The Road Home*” pursuant to the Housing and Community Development Act of 1974; and

**B. WHEREAS**, Owner has applied to the Louisiana Housing Finance Authority (the “**LHFA**”) as evidenced by a completed printed application submitted to the LHFA, all written responses to any deficiency letter issued to Owner by the LHFA or OCD and all written responses, attachments, addenda and amendments pertaining thereto, including the special conditions related to the application attached hereto as **Exhibit A - Application** and made a part hereof (collectively, the “**Application**”); and

**C. WHEREAS**, OCD has entered into an agreement with Owner for the award (the “**Award Agreement**”) of the PBRA Contract and/or the Gap Financing Loan (as those terms are defined in that certain Qualified Allocation Plan as adopted by the LHFA Board on September 16, 2006 (the “**QAP**”) and the CDBG Piggyback Program description adopted by LRA and OCD on September 28, 2006 (the “**Piggyback Program Description**”) for the purpose of developing that certain multifamily residential

rental project described in Owner's Application (the "Project") located in \_\_\_\_\_ Parish, Louisiana (the "Parish") on the immovable property more particularly described in the legal description attached hereto as **Exhibit B – Legal Description** and made a part hereof (the "Land") to be occupied by households having incomes, and at levels of affordability, in accordance with Program requirements and as set forth in **Exhibit C – Income and Affordability Requirements**, attached hereto; and

**D. WHEREAS**, the Owner has agreed to certain commitments regarding number of affordable units, affordability levels, permanent supportive housing, and, if applicable,

Project Based Rental Assistance **APPLICABLE**  **NOT APPLICABLE**  (check one)  
and

Market rate units **APPLICABLE**  **NOT APPLICABLE**  (check one); and

**E. WHEREAS**, the Program, the QAP, the Piggyback Program Description and the Application restrict the use and operation of the Project in certain respects; and

**F. WHEREAS**, to insure that the Project will be constructed, used and operated in accordance with these requirements, the Owner and OCD have agreed to enter into this CDBG Regulatory Agreement (this "Agreement").

**NOW, THEREFORE**, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, OCD and the Owner hereby contract and agree as follows:

## **SECTION 1 DEFINITIONS**

**1.1 Definitions and Interpretations.** Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below for purposes of this Agreement. Capitalized terms appearing herein but not defined in this Agreement have the meanings assigned to them in the Tax Credit Regulatory Agreement of the Louisiana Housing Finance Agency (the "Tax Credit Regulatory Agreement") in connection with the QAP for the housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), and in the Loan Agreement or in the PBRA Contract (as such terms are hereinafter defined).

(a) **CDBG Mortgage:** that certain Mortgage, Assignment of Leases and Rents and Security Agreement by Owner in favor of CDBG Mortgagee, dated the date hereof, granting a mortgage lien on and interest in the Land (or if Owner's interest is as lessee pursuant to a long term lease, in its leasehold interest), the buildings and equipment constituting the Project and the rents and income therefrom and securing the obligations of the Owner under the Gap Financing Loan, as amended and supplemented from time to time.

(b) **CDBG Mortgagee:** OCD, its successors and assigns.

(c) **Contract Unit:** a unit of housing as defined in the PBRA Contract.

(d) **"Controlled by", "under common control with", or "controlling interest":** (i) the direct or indirect power (under contract, equity ownership, the right to vote or determine a vote, or otherwise) to direct the financial, legal, beneficial or other interests of a company (or other entity) and includes the definition of "control" in 24 CFR 401.310(a)(2); or (ii) the power to vote, directly or

indirectly, 25 percent (25%) or more of any class of the voting stock of a company; or (iii) the ability to direct in any manner the election of a majority of a company (or other entity's) directors or trustees; or (iv) the ability to exercise a controlling influence over the company or entity's management and policies. For purposes of this definition, a general partner of a limited partnership is presumed to be in control of that partnership, and a managing member of a limited liability company is presumed to be in control of that limited liability company.

**(e) Eligible Household:** a resident household or applicant household, which, at the time of the initial lease:

- (i) has an adjusted income (as defined under the LIHTC Program) not greater than the Income Limit applicable to the Contract Unit in which such household resides (or, with respect to an applicant household, proposed to reside); and
- (ii) whose lease (or, with respect to an applicant household, proposed lease) with the Owner specifies a rent that (when increased by the amount of any applicable Utility Allowance) does not exceed the Affordable Rent; and
- (iii) with respect to an applicant household, is acceptable to the Owner in accordance with the Owner's nondiscriminatory resident selection criteria; and
- (iv) who does not receive rental assistance from other rental assistance programs (e.g. Housing Choice Voucher or HOME Programs).

**(f) Gap Financing Loan:** the loan to the Owner by OCD pursuant to the Award Agreement.

**(g) Gap Financing Note:** the Gap Financing Note with the Owner as payor and OCD as payee thereunder, evidencing the Gap Financing Loan to the Owner pursuant to the Loan Agreement, as may be amended or supplemented from time to time.

**(h) Guarantees:** collectively, the Operating Deficit Guaranty and Completion Guaranty, as applicable, dated as of the date hereof, from the Owner, \_\_\_\_\_, and \_\_\_\_\_, for the benefit of OCD.

**(i) Identity of Interest:** An identity of interest relationship exists if any officer, director, board member, or authorized agent of any project team member (consultant, general contractor, supplier, vendor, vendee, attorney, management agent, seller of the land, etc.):

- (i) is also an officer, director, board member or authorized agent of any other project team member;
- (ii) has any control over or any financial interest in any other project team member's firm or corporation;
- (iii) is a business partner of an officer, director, board member, or authorized agent of any other project team member;
- (iv) has a family relationship through blood, marriage or adoption with an officer, director, board member, or authorized agent of any project team member; or
- (v) advances any funds or items of value to the Owner.

(j) **LIHTC Program:** the Low Income Housing Tax Credit Program under Section 42 of the Internal Revenue Code of 1986, as amended.

(k) **Loan Agreement:** the loan agreement, dated \_\_\_\_\_, between the Owner and OCD, as amended and supplemented from time to time.

(l) **Loan Documents:** the Gap Financing Note; this Agreement; the CDBG Mortgage; UCC-Financing Statements covering the fixtures and personal property located at the Project; the Loan Agreement; the Tax Credit Regulatory Agreement; the Operating Deficit Guarantee; the Completion Guarantee; the PBRA Contract, if applicable; and such other documents, agreements, instruments or certificates as OCD and its counsel may require, including such documents as OCD in its sole discretion deems necessary or appropriate to evidence or secure the Gap Financing Loan.

(m) **Project:** the improvements to be constructed or substantially rehabilitated on the Land, and more particularly described in Exhibit B attached hereto, and the Land and all moveable property and fixtures from time to time attached thereto.

(n) **PBRA Contract:** that certain Project Based Rental Assistance Contract, between Owner and OCD, dated the date hereof, to provide rental assistance payments for Contract Units.

(o) **Rental Housing:** housing units made available for rental, and not ownership, to Eligible Households who are members of the general public, each of which units shall contain complete living facilities that are to be used other than on a transient basis and facilities that are functionally related and subordinate to the living facilities. The housing units shall at all times be constructed or substantially rehabilitated and maintained in substantial accordance with applicable building code standards of the Parish in which they are located.

(p) **Special Conditions:** the restrictions or limitations attached as Exhibit 1 – Special Conditions to Exhibit A imposed on the Project as a condition to the Loan Agreement and/or the PBRA Contract by OCD.

(q) **State:** the State of Louisiana.

(r) **Term of this Agreement:** the term determined pursuant to Section 9 hereof.

## SECTION 2 INCORPORATION BY REFERENCE

**2.1 Incorporation by Reference.** The terms of the Tax Credit Regulatory Agreement as they apply to Owner and its obligations thereunder are hereby incorporated by reference herein. Owner agrees that its obligations, covenants, representations and warranties therein are deemed to be made to OCD, are hereby affirmed to OCD and are enforceable by OCD. The term of the Tax Credit Regulatory Agreement shall be deemed to extend throughout the Term of this Agreement.

**SECTION 3**  
**REPRESENTATIONS, COVENANTS AND COMMITMENTS**

**3.1 Residential Rental Project.** OCD and the Owner hereby declare their understanding and intent that, during the Term of this Agreement, the Project is to be owned, managed and operated according to the terms and conditions of the Program, this Agreement, the Loan Documents and/or the PBRA Contract, as applicable. To that end, the Owner hereby represents, covenants, commits and agrees as follows:

(a) The Owner has completed the acquisition, and renovation or construction of the Project in accordance with the information contained in the Application, including any and all supplements, amendment, conditions and deletions thereto or therefrom.

(b) The Project consists of the development, rehabilitation, restoration, construction and operation of a multifamily residential rental project on the Land.

(c) The Project has been substantially completed in accordance with the Application, as revised by the Financing Certification, and all dwelling units in the Project are available for initial occupancy as of the Placed in Service Date.

(d) The Project is in good and habitable condition.

(e) There are no defects or deficiencies in the Project other than normal and customary punch list items or incomplete work awaiting seasonal opportunity.

(f) All labor and material bills of every kind and character incurred by the Owner in connection with the construction, equipping and completion of the Project have been paid in accordance with the payment provisions of each contract.

(g) The Project has been constructed in all material respects in accordance with applicable zoning, building, housing and other codes, ordinances and regulations.

(h) All required certificates of occupancy have been issued by the applicable governmental authority and copies of such occupancy certificates have been provided to OCD.

(i) Owner has provided final lien waivers from the general contractor and all major subcontractors, and the lien periods provided by applicable law have expired, with no liens being filed against the Project.

(j) The Owner, its successors or assigns, shall own, manage, and operate the Project exclusively as multifamily rental housing.

(k) The representations, warranties, covenants and commitments under this Agreement, are in effect for a period of not less than thirty five (35) years from \_\_\_\_\_, the date of this Agreement.

**3.2 Certain Owner Commitments and Agreements.** At all times during the Term, Owner shall comply and cause the Project to comply with the following commitments, which commitments shall

be considered covenants running with the land (or if Owner's interest is as lessee pursuant to a long term lease, with the leasehold interest) under Louisiana law:

(a) **Affordability and Market Rate Commitments.** Subject to paragraph 3.2(b) herein, the Project shall contain the number of units, by type, for each of the following Area Median Income (“AMI”) levels and Market Rates:

Unit Type	Assisted Units	20% AMI	30% AMI	40% AMI	50% AMI	60% AMI	Market Rate	Total Units
0 BR								
1 BR								
2 BR								
3 BR								
4 BR								
<b>Total</b>								

(b) **Assisted Units.** Provided that OCD continues to provide rental assistance under the PBRA Contract referenced in the Application, or should the units receive rental assistance from a source other than under the PBRA Contract, the units shown above as Assisted Units shall maintain affordability in accordance with the terms of such subsidy contract(s). During the remainder of the term of this Agreement, such units shall be affordable at 60% AMI.

(c) **Permanent Supportive Housing.** The Project shall provide [\_\_\_] units complying with Permanent Supportive Housing requirements under the QAP for the term provided therein. With respect to such units, Owner has executed and delivered a Permanent Supportive Housing Set-Aside Agreement acceptable to OCD and will accept renewals of such agreements on the same or otherwise mutually agreeable terms.

(d) **Mixed Income Requirements.** **APPLICABLE** [\_\_\_] **NOT APPLICABLE** [\_\_\_] (check one); Owner certifies that the Project is a Mixed Income Development and receives CDBG funds. Owner covenants that at least 51% of total units (including both “market-rate” and LIHTC units in projects where the percentage of LIHTC units is less than 51%) will be initially occupied by tenants with incomes at or below the 80% AMI rent, and at rents that (when increased by estimated tenant-paid utilities) will not exceed 30% of 80% AMI rent for the appropriate household size.

**3.3 Tax Credit Program Compliance.** When a Contract Unit ceases to be a Contract Unit, it will no longer be subject to the PBRA Contract but shall remain subject to the terms and conditions of the Tax Credit Regulatory Agreement throughout the term of the Tax Credit Regulatory Agreement. From the end of the Tax Credit Regulatory Agreement until the termination date hereof, such unit shall be affordable at 60% AMI, unless dictated otherwise by the terms of the PBRA Contract.

**3.4 Prohibited Conversion.** The Owner will not convert the Project to condominium or co-operative ownership.

**3.5 Prohibited Discrimination.** The Owner shall not discriminate on the basis of race, religion, color, sex, familial status, national origin or disability in the lease, use or occupancy of the Project. Age discrimination and discrimination against minor dependents, except when units are specifically being held for the elderly, are also not permitted.

**3.6 Inappropriate Advertising.** The Owner will immediately withdraw from circulation any advertisement determined by OCD to violate or be inconsistent with its policies, with respect to

promoting rental housing for persons and families of very low-income, and consents to the remedy of specific performance.

**3.7 Rent Controls.** Rent controls shall not be allowed on any unit in the Project except as required by this Agreement and in conjunction with the issuance of tax-exempt bonds or federal low-income housing tax credits.

**3.8 Run with the Land or Leasehold Interest.** The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Agreement, including the Special Conditions. OCD and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land (or if Owner's interest is as lessee pursuant to a long term lease, with its leasehold interest) to the extent permitted by law and shall pass to and be binding upon the Owner's successors in title to the Project throughout the term of this Agreement. Each and every contract, deed, mortgage or other instrument hereafter executed affecting or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

**3.9 Compliance with Laws.** The Owner and its successors in interest shall at all times operate the Project in conformity with all federal, state and local laws, rules, regulations, ordinances and orders that may be applicable to the Project, including but not limited to the Federal Fair Housing Act as implemented by 24 CFR Part 100, Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35 and Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8.

**3.10 Burden and Benefit.** OCD and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land and, if appropriate, Owner's leasehold interest, in that the Owner's legal interest in the Project is rendered less valuable thereby. OCD and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land, or, if appropriate, the leasehold interest, by enhancing and increasing the enjoyment and use of the Project by Eligible Households, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Program financing was made by OCD.

#### **SECTION 4 IDENTITY OF INTEREST RELATIONSHIPS**

**4.1 Restrictions on Identity of Interest Relationships.** If Owner has executed a Loan Agreement in connection with the Program, Owner hereby acknowledges that in order to comply with the Program and OCD's rules and regulations thereunder, it must and does hereby covenant and agree that Owner shall notify OCD in writing prior to contracting with any Identity of Interest entity, and Owner must include in its audited annual financial statements a disclosure of all amounts paid to Identity of Interest entities. In addition, OCD will have the right, in its sole and absolute discretion, during the term hereof, to require the cancellation of any contract between the Owner and any Identity of Interest entity, and all Identity of Interest contracts must permit such cancellation. If OCD approves any existing contract that does not provide for subsequent cancellation, Owner agrees, upon OCD's request, to cause the contract to be modified to provide for cancellation.

**SECTION 5  
INDEMNIFICATION**

**5.1 Indemnification.** The Owner hereby covenants and agrees that it shall indemnify, hold harmless and defend OCD and its directors, officers, members, officials, employees and agents from and against (a) any and all claims arising from any act or omission of the Owner or any of its agents, contractors, servants, employees or licensees in connection with the Loan Documents and/or the PBRA Contract or the Project, or arising out of the construction, operation and/or management of the Project or the granting of the Gap Financing Loan to the Owner; and (b) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon as such fees, costs, expenses or liabilities become due. In the event that any action or proceeding is brought against OCD, or any of its directors, officers, members, officials, employees, or agents with respect to which indemnity may be sought hereunder, the Owner, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. This provision shall survive the termination of this Agreement. The indemnified party shall have the right to participate in the investigation and defense thereof and may employ separate counsel with or without the approval and consent of the Owner.

**SECTION 6  
CONSIDERATION**

**6.1 Consideration.**

(a) **APPLICABLE  NOT APPLICABLE**  (check one); in addition to other purposes, OCD has authorized and made the Gap Financing Loan to the Owner as an inducement to the Owner to operate the Project as set forth in this Agreement. In consideration of the issuance of the Gap Financing Loan by OCD for the foregoing purposes, OCD and the Owner have entered into this Agreement.

(b) **APPLICABLE  NOT APPLICABLE**  (check one); in addition to other purposes, OCD has executed and delivered the PBRA Contract to the Owner as an inducement to the Owner to operate the Project as set forth in this Agreement. In consideration of the execution and delivery of the PBRA Contract by OCD for the foregoing purposes, OCD and the Owner have entered into this Agreement.

**SECTION 7  
RELIANCE**

**7.1 Reliance.** In performing its duties hereunder, OCD may rely upon statements and certificates of the Owner and tenants of Rental Housing believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of the Owner pertaining to occupancy of the Project. In addition, OCD may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered by OCD in good faith and in conformity with the opinion of such counsel.

**SECTION 8  
SALE, TRANSFER OR OTHER CONVEYANCE OF INTEREST IN THE  
OWNER OR OF THE PROJECT**

**8.1. Sale, Transfer or Other Conveyance of Interests in the Owner.**

(a) Any material change (which includes an addition, removal or withdrawal or substitution of a general partner of a partnership or a managing member of a limited liability company) in the ownership structure of the Owner shall require prior approval of OCD. Changes to limited partnership interests shall not require prior approval; however, the Owner shall provide OCD with notice of any such change in a majority of the limited partnership interests.

(b) Notwithstanding the foregoing Section 8.1(a) to the contrary,

- (i) the pledge to a limited partner by a general partner of the general partner's interest in a partnership agreement as security for the performance of all of the general partner's obligations under the partnership agreement shall not constitute a material change for purposes of this Agreement or the Loan Documents;
- (ii) a sale, transfer, pledge, encumbrance or other disposition of any investor limited partner/investor member interests in Owner shall not require OCD's consent nor constitute a sale of the Project for purposes of this Section 8.1, unless such transaction results in a sale of more than 51% of the investor limited partner/investor member interests in Owner; and
- (iii) the change in the general partner/managing member of Owner as general partner/managing member of Owner in accordance with the terms of the limited partnership agreement/operating agreement of Owner shall not require OCD consent;

provided, however that (A) Owner shall provide OCD with notice of any such change; and (B) any entity replacing the general partner/managing member of the Owner is under direct or indirect common control or management, or has a Controlling Interest in, the investor limited partner/investor member.

## **8.2 Sale or Transfer of the Project.**

(a) The Owner hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof, without obtaining the prior written consent of OCD, which consent shall be in OCD's sole discretion.

(b) It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 8.2 shall be null, void and without effect, and shall cause a reversion of title to the Owner.

## **SECTION 9 TERM**

**9.1 Term.** This Agreement shall become effective and shall remain in full force and effect for thirty five (35) years from \_\_\_\_\_, the date of this Agreement, unless earlier terminated pursuant to Section 13. Notwithstanding the immediately preceding sentence, OCD may terminate this Agreement, and all and several of the terms hereof, and in such event, the terminated provisions shall be of no further force and effect in the event of involuntary non-compliance with the provisions of this Agreement caused by fire, seizure, requisition, foreclosure, change in a Federal law or an action of a Federal agency after the date hereof that prevents OCD from enforcing the requirements hereof, or condemnation or other similar event. Upon the termination of all and several of the terms of this Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and

discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Agreement in accordance with its terms.

## **SECTION 10 DAMAGE, DESTRUCTION OR CONDEMNATION OF THE PROJECT**

**10.1 Damage, Destruction or Condemnation of the Project.** In the event that the Project is damaged or destroyed or title to the Project, or any part thereof, is taken by any governmental body through the exercise or the threat of the exercise of the power of eminent domain, subject to the rights of any mortgagee and the provisions of any mortgage regarding same, the Owner, within sixty (60) days of such event shall deposit with OCD any insurance proceeds or any condemnation award, and shall within one hundred twenty (120) days of such event commence to rebuild, replace, repair or restore the Project in such manner as is consistent with the Loan Documents and/or PBRA Contract. OCD shall make any such insurance proceeds or condemnation award moneys available to provide funds for such restoration work. In the event that the Owner fails to commence or to complete the rebuilding, repair, replacement or restoration of the Project timely, OCD shall have the right, in addition to any other remedies granted in the Loan Documents and/or PBRA Contract at law or in equity, to repair, restore, rebuild or replace the Project so as to prevent the occurrence of a default hereunder.

## **SECTION 11 ENFORCEMENT**

**11.1 Enforcement.** If the Owner defaults (by its action or inaction) in the performance of its obligations under this Agreement or breaches any covenant, agreement or warranty of the Owner set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice thereof shall have been given by OCD to the Owner and the investor limited partner/investor member of the Owner (or for an extended period approved by OCD if such default stated in such written notice can be corrected, but not within such thirty (30) day period, and if the Owner or the investor limited partner/investor member of the Owner commences such correction within such thirty (30) day period, and thereafter diligently pursues the same to completion within such extended period), then OCD may terminate all rights of the Owner under this Agreement and may take any other action at law or in equity or otherwise, as may be deemed most effectual by OCD to enforce the obligations of the Owner with respect to the Project.

**11.2 Specific Performance.** Notwithstanding any of the foregoing, OCD will have the right to seek specific performance of any of the covenants and requirements of this Agreement concerning the construction and operation of the Project.

**11.3 Fees, Costs and Expenses.** All fees, costs and expenses of OCD incurred in taking any action pursuant to this Section 11 shall be the sole responsibility of the Owner, and the Owner, as security for the payment of any such fees, costs and expenses, hereby grants, bargains, sells and conveys to OCD a lien on the Project.

## **SECTION 12 RECORDING AND FILING**

**12.1 Recording and Filing.** Upon execution and delivery by the parties hereto, the Owner shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the

public conveyance and mortgage records of the Parish and in such manner and in such other places as OCD may reasonably request, and shall pay all fees and charges incurred in connection therewith.

**SECTION 13  
SUBORDINATION AND FORECLOSURE**

**13.1 Subordination and Foreclosure.** If a “Related Party” to the Owner as defined in the Internal Revenue Code should purchase the Project following a foreclosure or a deed in lieu of foreclosure, the use restrictions hereunder shall survive transfer of the Project to any such Related Party.

**SECTION 14  
GOVERNING LAW**

**14.1 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State, both substantive and governing remedies.

**SECTION 15  
NOTICE AND EFFECT**

**15.1 Notice and Effect.** 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; (b) national express air courier, provided such courier maintains written verification of actual delivery; or (c) facsimile. 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. Any notice or other communication given by the means described in subsection (c) above shall be deemed effective the date on which the facsimile transmission occurs or if such date is not a business day on the business day immediately following the date on which the facsimile transmission occurs.

OCD:

with a copy to:

Owner:

with a copy to:

Servicer:

Investor:

Any addressee may change its address by giving the other parties hereto notice of such change of address in accordance with the foregoing provisions.

## **SECTION 16 MISCELLANEOUS**

**16.1 Compliance with Low-Income Housing Tax Credit Requirements.** Nothing in this Agreement shall modify or affect any agreement to set-aside units in the Project that the Owner has made or may make with the LHFA in any application for low-income housing tax credits under the Code with respect to such tax credits or in any Extended Low Income Housing Agreement executed or to be executed in connection therewith. In the event of any conflict, the QAP, the Program and this Agreement shall control with respect to the requirements of the Program, and Section 42 of the Code and any such Extended Low Income Housing Agreement shall control with respect to the requirements of the eligibility for tax credits.

**16.2 Construction.** Unless the context clearly requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

**16.3 Convenience of Reference.** The terms and phrases used in the recitals of this Agreement have been included for convenience of reference only and the meaning, construction and interpretation of all such terms and phrases for purposes of this Agreement shall be determined by references to Section 1 of this Agreement. The titles and headings of the sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any questions of intent shall arise.

**16.4 Severability.** If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

**16.5 Counterparts.** This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

**16.6 Amendments.** This Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the conveyance and mortgage property records of the Parish.

**[COUNTERPART SIGNATURE PAGES TO FOLLOW]**

**COUNTERPART SIGNATURE PAGE FOR  
CDBG REGULATORY AGREEMENT**

**IN WITNESS WHEREOF**, OCD has executed this Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_, Louisiana, in the presence of the undersigned witnesses and Notary Public after due reading of the whole.

**WITNESSES:**

**State of Louisiana, Division of  
Administration, Office of Community  
Development**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
**NOTARY PUBLIC**

**Print Name:** \_\_\_\_\_

**Bar Roll/Notary No.:** \_\_\_\_\_

**My Commission Expires:** \_\_\_\_\_

**COUNTERPART SIGNATURE PAGE FOR  
CDBG REGULATORY AGREEMENT**

**IN WITNESS WHEREOF**, Owner has executed this Agreement on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_, Louisiana, in the presence of the undersigned witnesses and Notary Public after due reading of the whole.

**WITNESSES:**

\_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
**NOTARY PUBLIC**

**Print Name:** \_\_\_\_\_

**Bar Roll/Notary No.:** \_\_\_\_\_

**My Commission Expires:** \_\_\_\_\_

**EXHIBIT A**

**APPLICATION**

**EXHIBIT B**

**LEGAL DESCRIPTION**

**EXHIBIT C**

**INCOME AND AFFORDABILITY REQUIREMENTS**