

MOTION

NO. M-25-609

CITY HALL: December 4, 2025

BY: COUNCILMEMBER KING (BY REQUEST)

SECONDED BY:

WHEREAS, On November 3, 2025, the City Council passed Motion 25-573 adding the City Council President as a signatory to and permitting the President to sign a Loan Agreement and four accessory agreements between the City of New Orleans and NSAEV 603, LLC; and

WHEREAS, After the passage of Motion 25-573, the U.S. Department of Housing and Urban Development (“HUD”) advised the City that they required certain updates to be made to the agreements prior to execution; and

WHEREAS, These updates necessitate reconsideration by the Council pursuant to Section 70-10 of the City Code; and

WHEREAS, the City of New Orleans and NSAEB 603, LLC still desire to enter into a Loan Agreement for \$2,500,000.00 to newly construct 294 affordable housing units, as well as four accessory documents to the Loan Agreement, including: a Subordination Agreement, City of New Orleans Affordable Rental Housing Program Regulatory Agreement, City of New Orleans Act of Leasehold Mortgage, and City of New Orleans Program Promissory Note, attached hereto in substantial conformity and in their updated form as Exhibits A, B, C, D, and E; **NOW**

THEREFORE

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the President of the Council shall be added as a signatory to the agreements between the City of New Orleans and NSAEB 603, LLC.

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the President of the Council is authorized to sign the agreements between the City of New Orleans and NSAEB 603, LLC.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the Clerk of Council shall forward copies of this motion and exhibits consisting of the Loan Agreement, Subordination Agreement, City of New Orleans Affordable Rental Housing Program Regulatory Agreement, City of New Orleans Act of Leasehold Mortgage, and City of New Orleans Program Promissory Note to the City Attorney's Office.

THE FOREGOING MOTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, AND RESULTED AS FOLLOWS:

YEAS:

NAYS:

ABSENT:

AND THE MOTION WAS ADOPTED.

EXHIBIT A

LOAN AGREEMENT

[COVER PAGE]

1 Developer’s response to the Notice of Funding Availability (“NOFA”) application and the
2 application itself. The responses to the NOFA application and the application itself are incorporated
3 herein by reference and made a part hereof, including the Project Description and the Sources and
4 Uses.

5 **B. Provision of Housing Development Services.** Developer agrees to use the Go Bond Funds
6 provided hereunder to develop two hundred ninety-four (294) rental units for persons or families
7 who meet income-eligibility standards.

8 **C. Compliance with HOME Regulations and HUD Notices.** Developer agrees to comply
9 with the federal regulations published in Volume 24, Part 92, of the *Code of Federal Regulations*
10 (24 CFR 92), as applicable, as well as all federal regulations and requirements incorporated therein
11 by reference, whether specifically discussed herein or not. The HOME regulations are incorporated
12 herein by reference and are a part of this Agreement. References to 24 CFR 92 are founded
13 throughout the remainder of this document in the following format: §92.XXX. The Developer also
14 agrees to comply with all applicable Notices and directives promulgated by the U.S. Department of
15 Housing and Urban Development.

16 **D. Affordable Housing Units.** Developer agrees to ensure that all housing units acquired,
17 developed, produced, or otherwise assisted with the GO Bond Funds provided under this Agreement
18 are “low-income units,” as defined in §42(i)(3) of the Internal Revenue Code of 1986, as amended
19 from time to time, for the applicable “Period of Affordability.” The Developer understands that
20 repayment of funds is required for the period of time during which the housing does not comply with
21 the aforementioned affordability requirements. Developer hereby acknowledges that the
22 affordability requirements must be enforced by deed restrictions recorded against assisted properties
23 and undertakes the responsibility for ensuring all required deed restrictions are properly executed
24 and recorded. The deed restrictions are provided by the City in the form of a Regulatory Agreement,
25 Secured Promissory Note, and Act of Leasehold Mortgage, Pledge of Leases and Rents and Security
26 Agreement. (Collectively these three contracts and this Agreement constitute the “**Loan**
27 **Documents.**”)

28 **E. Rental Projects.** The following requirements apply to tenant-occupied projects:

29 **GO Bond Rents.** For rental units in a GO Bond -assisted project, the Developer agrees to

1 obtain the City’s approval of a Rent Schedule, which includes applicable utility allowances.
2 Said Rent Schedule must demonstrate the compliance of each project with LIHTC
3 Regulations as they relate to the "affordability" of GO BOND -assisted rental housing for
4 low- and very-low -income persons. The currently applicable HOME rents, as well as the
5 procedures for rent increases, are available from OCD.

6 **1. Leases.** The Developer shall ensure that leases are executed with all tenants residing in
7 GO BONDS funded units. A Section 8 Program lease may be used when renting to a Section 8
8 tenant.

9 **2. Tenant Selection.** In accordance with §92.253(d), the Developer agrees to adopt and
10 maintain written tenant selection policies.

11 **3. Periodic Monitoring Where Applicable**

12 **a. Income Re-certification.** The Developer shall re-certify the incomes of all tenants
13 not less than annually, and provide the City with copies of the re-certification and related
14 documentation approved for use by OCD. For purposes of Income -Re-certification, the City
15 approves the Developer’s use of the same documentation the Developer utilizes in
16 connection with the LIHTC program.

17 **b. Site Inspections.** The Developer shall make arrangements with tenants for
18 inspections of a sample of GO BONDS funded units by OCD, in accordance with the
19 timetable found in §92.504(d).

20 **c. Rent Review.** The Developer agrees to submit to OCD, not less than annually, an
21 Occupancy List, which includes the rents being charged for each GO BONDS funded unit.
22 A report format for this requirement is available from OCD.

23 **F. Income Targeting.** The Developer agrees that units assisted with GO BONDS funds will
24 only be occupied by income eligible households, whose income does not exceed 60 percent of the
25 area median family income for the New Orleans Metropolitan Statistical Area (“MSA”):

26 **1.** In the case of tenants, a lower income eligibility threshold applies, and the household
27 income generally must not exceed 60 percent of the MSA median family income, unless
28 approved by OCD.

1 When requested, but at least annually, the Developer must provide the City with demographic
2 information on all GO Bond Fund Program applicants, which demonstrates their compliance with
3 the above income limitations. The determination of income eligibility is based upon the procedures
4 found in the *Technical Guide for Determining Income and Allowances for the HOME Program*
5 (HUD-1780-CPD).

6 **G. Eligible Costs.** The Developer shall use GO Bond Funds only for the payment of costs
7 associated with eligible activities as identified in §92.205 and §92.206 and budgeted in accordance
8 with the provisions of Section I, below.

9 **H. Prohibited Activities.** The Developer shall ensure that none of the funds that will be provided
10 to Developer to implement a GO Bond Fund -assisted project, will be used to fund any activity
11 prohibited by HOME regulations, as outlined in §92.214.

12 **I. Project Selection and Set-up.** The Developer agrees to the following:

13 **1. Site and Neighborhood Standards.** The Developer will comply with the site and
14 neighborhood standards described in §92.202 when choosing a project location.

15 **2. Compliance with Consolidated Plan.** The Developer shall ensure that the proposed
16 project complies with the housing strategies outlined in the City's current Consolidated Plan
17 (CP).

18 **3. Environmental Review. The Developer shall not proceed with any physical**
19 **development without first receiving an environmental clearance notice and a Notice to**
20 **Proceed from OCD.**

21 **4. Income Eligibility.** The Developer will determine income eligibility for all
22 households to be assisted with GO Bond Funds as outlined in §92.203, prior to such household's
23 occupancy of completed GO Bond Fund-assisted units.

24 **5. Subsidy Layering.** The Developer further agrees to provide necessary
25 documentation and information to the City to perform any required Subsidy Layering Reviews.

26 **6. Uniform Relocation and Real Properties Acquisition Act (URA).** The Developer
27 agrees to comply with the requirements of the URA.

28 **J. Projects Involving Faith-Based Organizations.** Developer shall abide by §92.257 of the

1 HOME regulations which incorporates HUD requirements for faith-based organizations found at 24
2 CFR 5.109.

3 **K. Property Standards.** The Developer acknowledges that the structures constructed or
4 rehabilitated under any GO Bond -funded housing programs must meet all applicable local codes,
5 ordinances, and zoning requirements before occupancy can be approved. Developer hereby agrees
6 to comply with the property standards requirements outlined in §92.251.

7 **L. Lead-Based Paint Testing and Abatement.** The Developer acknowledges that housing
8 assisted with GO Bond funds constitutes “HUD-associated housing” for the purpose of the Lead-
9 Based Paint Poisoning Prevention Act and agrees to meet all requirements of that Act and 24 CFR
10 92.355.

11 **M. Insurance Requirements.** The Developer shall be responsible for maintaining complete
12 insurance coverage on all projects which it is undertaking under this Agreement. Insurance coverage
13 includes, but is not limited to, property, liability, flood, builder’s risk, crime, and workers’
14 compensation. Developer also understands its responsibility to hold the City harmless from all
15 liability that might result from Developer's implementation of housing projects under this
16 Agreement. See Articles XVII and XVIII for the specific indemnity and insurance requirements,
17 respectively.

18 **N. Maximum Per-Unit Subsidy Amount.** The Developer acknowledges the "per-unit subsidy"
19 limitations placed on GO Bond Fund assisted properties and hereby agrees to limit the use of GO
20 Bond funds to the "per unit subsidy" limitations found in §92.250 when implementing GO Bond
21 Fund assisted projects.

22 **O. Affirmative Marketing Requirements.** The Developer acknowledges its responsibility to
23 employ affirmative marketing procedures and requirements in all GO Bond funded assisted housing
24 containing 5 or more housing units. Affirmative marketing steps consist of actions to provide
25 information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the
26 housing market area identified with available housing assisted with GO Bond Funds and are outlined
27 below. For Rental Projects of 5 or more units, the Developer shall inform the general rental public
28 about the availability of rehabilitated housing units and comply with the affirmative marketing of
29 vacant units under a GO Bond funded program as follows:

1 1. Developer shall inform the City of any units that become and remain vacant for a period
2 in excess of [thirty (30) days] throughout the duration of the affordability period associated with
3 the property.

4 2. The Developer may use commercial media and other community organizations to solicit
5 tenants. If the general circulation print medium is used to advertise rental unit vacancies, at least
6 one advertisement must also be placed in the Louisiana Weekly, which has significant circulation
7 in the minority community.

8 3. Copies of placed ads or other types of documentation outlining activities that increase
9 general public awareness of the availability of rental housing units are to be forwarded to OCD
10 upon written request within 30 days after such written request. If violations of the City's
11 Affirmative Marketing Policies are discovered, corrective actions will be required immediately.

12 4. Developer is to complete A Notice of Rental Unit Vacancy with a copy forwarded to
13 OCD at least 30 days following a vacancy in excess of thirty (30) days.

14 5. A Tenant Survey Form is to be completed for each existing and each new tenant and a
15 copy forwarded to OCD. For new tenants the form should be transmitted within 30 days after
16 occupancy. For existing tenants, the form must be submitted with the Application for Financial
17 Assistance. OCD will in turn inform existing tenants of relocation benefits available to them in
18 the event that they are temporarily relocated or permanently displaced.

19 6. The Fair Housing Equal Opportunity (FHEO) logo is to be used in all advertisements for
20 solicitation of tenants.

21 7. The FHEO sign is to be posted conspicuously on properties during the rehabilitation
22 phase of a GO Bond funded project and remain in place until all required rehabilitation is
23 completed and for a period of 30 days thereafter.

24 **P. Project Completion.** The Developer shall notify the City in writing of the substantial
25 completion of each project. Where applicable, this notification must also document all matching
26 contributions, if not previously documented at the time of project set-up or any time prior to
27 completion. Upon receipt of a notice of substantial completion, the City will conduct an inspection
28 of the property and provide the Developer with any conditions to receipt of final payment of GO
29 Bond Funds.

1 **Q. Maintenance of Records.** Developer agrees to maintain records of all expenditures of GO
2 Bond funds provided to it by the City in accordance with §92.508, for the time periods specifically
3 enumerated in §92.508(c). Records are to be maintained separately for each project undertaken by
4 Developer, and the records for each project will be maintained by Developer in such a manner so
5 that the funding sources used in each project will be accounted for separately [e.g. HOME, CDBG,
6 NHIF, etc.] The aforementioned classification of funds expended will be further itemized by the
7 "funding year" associated with the funds. Developer hereby agrees to maintain, for the City's review,
8 all records relating to the creation, development and set-up of GO Bond Funds projects, and the
9 expenditure of GO Bond funds, itemized for each GO Bonds funded project undertaken.

10 **R. Monitoring of Records and Developer's Performance.** The Developer acknowledges the
11 responsibility of the City to monitor its performance and all records relating to projects implemented
12 by Developer with the GO Bond funds. Developer hereby acknowledges its responsibility to
13 provide the City, upon reasonable written demand, with all records relating to the funded projects
14 implemented by Developer, and hereby agrees to assist the City in reviewing projects undertaken by
15 Developer with the GO Bond Funds. The aforementioned records will be made available at times
16 reasonable to both Developer and the City, and Developer's records will be reviewed by the City no
17 less than annually.

18 **S. Duration of Developer's Obligations.** The Developer acknowledges its obligation to ensure
19 the continued compliance with any and all applicable Federal regulations related to the GO Bond
20 funded projects for a period of no less than the "period of affordability" assigned to each GO Bond
21 funded project implemented by Developer set forth in Article IV.A. The Developer therefore agrees
22 to continually monitor each of its GO Bond funded projects for a period of no less than the project's
23 assigned affordability period. Monitoring responsibilities include, but are not limited to, on-site
24 inspections of GO Bond Fund assisted properties as well as certifications and recertification of the
25 incomes of occupants of the GO Bond Fund assisted properties.

26 **T. Breach of Contract.** In the event Developer or a Program Beneficiary who benefits from a
27 GO Bond Fund assisted project does not comply with applicable regulations governing GO Bond
28 Fund assisted projects, or the terms of this Agreement, Developer acknowledges its obligation to
29 repay the GO Bond Fund funds that are identified with the period of noncompliance. Developer
30 further acknowledges its obligation to maintain compliance by Project Beneficiaries of HOME

1 regulations as they relate to income limitations and rents. Developer agrees to protect the integrity
2 of the GO Bond funds provided to it for housing programs by ensuring that all contracts between
3 Developer and Program Beneficiaries include applicable provisions relating to the requirements
4 imposed on the expenditure of Go Bond funds. All of the aforementioned contracts will also contain
5 provisions for penalties associated with breaches of contracts.

6 **U. Other Responsibilities.** Developer hereby acknowledges its responsibility (where
7 applicable) to comply with all of the Federal Regulations governing the development of Go Bonds
8 Fund projects, as outlined in §92.504, which include:

9 **1.** Guaranteeing the affordability of housing assisted with GO Bond funds and the
10 responsibility to see that GO Bond funds are repaid in the event that GO Bond assisted housing
11 does not meet the affordability requirements for the specified time period.

12 **2.** Repaying GO Bond funds to the City in the event that Developer does not implement
13 approved GO Bond funded housing programs in accordance with the requirements of this
14 Agreement and the HOME regulations

15 **3.** Complying with applicable "Uniform Administrative Requirements" as described in
16 §92.505.

17 **4.** For each GO Bond -funded project, set up a system of record keeping that conforms
18 to the financial accountability standards required by the Federal Government, such as the
19 requirements of 2 CFR 200 and the financial accountability standards found at 24 CFR 84.21
20 [See §92.505].

21 **5.** Complying with the project requirements outlined in 24 CFR 92, Subpart H as they
22 apply to:

23 **a.** The "Equal Opportunity" for all persons to participate in programs or activities
24 assisted with HOME funds, except for the income restrictions placed on participants by
25 Federal Regulations governing HOME-assisted projects.

26 **b.** The prohibitions against discrimination on the basis of age under the Age
27 Discrimination Act.

28 **c.** The responsibility to employ "Fair Housing" strategies that will affirmatively further

1 fair housing practices with the City.

2 **d.** The responsibility to comply with other program implementation requirements
3 outlined in §92.350 and §92.351.

4 **e.** Complying with the Federal Regulations found at §92.354 as they relate to labor
5 practices employed by Developer during the implementation of HOME-funded projects.

6 **f.** Complying with the Federal Regulations found at §92.356 as they relate to "Conflict
7 of Interest" practices during the implementation of HOME-funded projects.

8 **g.** Complying with Federal Regulations governing insurance requirements, as they
9 relate to properties assisted with federal funds.

10 **h.** Complying with federal regulations on any displacement, relocation, and acquisition
11 requirements required by the City consistent with §92.353.

12 **V. Prohibited Fees.** The Developer is prohibited from charging fees that are not customarily
13 charged in rental housing in the neighborhood such as laundry room access fees and other similar
14 type fees. However, Developer may charge reasonable application fees to prospective tenants; may
15 charge parking fees to tenants only if such fees are customary for rental housing projects in
16 the neighborhood; and may charge fees for services such as bus transportation or meals, as long as
17 such services are voluntary.

18 **W. Invoices.**

19 **1.** The Developer must submit invoices monthly (unless agreed otherwise between the
20 parties to this Agreement) to the City electronically, via its supplier portal, for goods or
21 services provided under this Agreement no later than 10 calendar days following the end of the
22 period covered by the invoice. Untimely invoices may result in delayed payment for which the
23 City is not liable. Each invoice must include, at a minimum, the following information:

24 **a.** Name of Developer;

25 **b.** Date of Invoice;

26 **c.** Invoice Number;

27 **d.** Contract or BRASS Number issued by the City (i.e. K#);

1 e. Name of the City Department to be invoiced (e.g. OCD);

2 f. Description of the Services completed;

3 2. Invoices will be processed in accordance with the Agreement.

4 3. All invoices must be signed by an authorized representative of the Developer under
5 penalty of perjury attesting to the validity and accuracy of the invoice.

6 4. The City may require changes to the form of the invoice and may require additional
7 supporting documentation to be submitted with invoices.

8 **ARTICLE III - REPRESENTATIONS AND WARRANTIES**

9 A. The Developer represents and warrants to the City that:

10 1. The Developer, through its duly authorized representative, has the full power and
11 authority to enter into and execute this Agreement;

12 2. The Developer has and will maintain the requisite expertise, qualifications, staff,
13 materials, equipment, licenses, permits, consents, registrations, and certifications in place and
14 available for the performance of all work required under this Agreement;

15 3. The Developer is bonded, if required by law, and fully and adequately insured for any
16 injury or loss to its employees and any other person resulting from the actions or omissions of
17 the Developer, its employees, or its sub-Developers in the performance of this Agreement;

18 4. The Developer is not under any obligation to any other person that is inconsistent or in
19 conflict with this Agreement, or that could prevent, limit, or impair the Developer's performance
20 of this Agreement;

21 5. The Developer has no knowledge of any facts that could prevent, limit, or impair the
22 performance of this Agreement, except as otherwise disclosed to the City and incorporated into
23 this Agreement;

24 6. The Developer is not in breach of any federal, state, or local statute, regulation, or code
25 applicable to the Developer or its operations;

1 compliance with HOME Regulations governing the expenditure of GO Bond funds and the income
2 eligibility of persons who will reside in GO Bond assisted housing units. Monitoring by the City will
3 also include Developer’s compliance with the organizational and operational requirements. The City
4 will also conduct periodic monitoring in accordance with §92.504(d).

5 **C. Provision of Technical Assistance.** The City agrees to provide technical assistance or assist
6 Developer to obtain technical assistance, as requested and necessary, which will aid Developer in
7 performing its functions under this Agreement.

8 **D. Provision of Forms and Documents.** The City will provide forms and documents for use in
9 carrying out activities under this Agreement, and review and certify, as applicable, all documents
10 regarding program assistance that shall be provided by the Developer.

11 **E. Facilitate Payment Requests.** The City will process payment requests for eligible costs for
12 all GO Bond-funded projects approved under the terms of this Agreement.

13 **F. Payment.** Unless otherwise agreed by the City, payment terms are NET 30 days upon
14 providing that goods and/or services described under this Agreement have been delivered, installed
15 (if required), rendered, and/or accepted and upon receipt by the City of properly submitted invoice
16 via the City’s supplier portal.

17 **ARTICLE V – REPAYMENT TERMS**

18 **A. Repayment Terms.**

19 **1. Discretion to Extend Compliance Period.** It is specifically understood, agreed, and
20 acknowledged by the Developer that if the Developer or the Project at any time falls out of
21 compliance with the requirements stipulated in the Regulatory Agreement, and/or other Loan
22 Documents, the City has the right and option in addition to, and not to the exclusion of any of its
23 other remedies provided for herein or in the other Loan Documents, to extend the Period of
24 Affordability by a period of time equal to or greater than any period of non-compliance. It is
25 further understood and agreed that the burden of proving compliance with (and providing
26 documentation and evidence of compliance with) the requirements stipulated in the Regulatory
27 Agreement and other Loan Documents is on Developers.

1 **ARTICLE VII – USES OF GO BOND FUNDS**

2 **A. Address.** See *Attachment III* for a **Legal Description** and Municipal Addresses of the
3 Properties, which is attached herein and incorporated into the Agreement.

4 **B. Schedule of Work.** The **Schedule of Work** for the completion of obligations is
5 incorporated into this Agreement, and attached as *Attachment IV*.

6 **ARTICLE VIII - DURATION**

7 **A. Initial Term.** The term of this Agreement shall begin on the Effective Date and expire after
8 forty-two years (42) years, notwithstanding Section C below.

9 **B. Extensions.** The City shall have the option to extend the term of this Agreement pursuant to
10 Section C below by giving written notification to the Developer stating such intentions at least thirty
11 calendar days prior to the termination of the Agreement.

12 **C. Requirement to Remain in Effect.** This Agreement must be extended as necessary to expire
13 concurrently with the Regulatory Agreement executed by and among the Parties associated with the
14 Project.

15 **ARTICLE IX - TERMINATION**

16 **A. Termination for Convenience.** [Intentionally omitted.]

17 **B. Termination for Cause.** In the event the Developer fails to cure or remedy any act or
18 omission constituting “Cause” for termination of this Agreement within thirty (30) days following
19 receipt of written notice from the City specifying the nature of such default, and such default remains
20 uncured after the expiration of the cure period, the City shall have the right to terminate the
21 Agreement. “Cause” includes without limitation any failure to perform any obligation or abide by
22 any condition of this Agreement or the failure of any representation or warranty in this Agreement,
23 including without limitation any failure to comply with any provision of City Code § 2-1120 or
24 requests of the Office of Inspector General. The Investor, as defined in the Regulatory Agreement,
25 has the right, but not the obligation to cure a default if it is possible. If a termination for cause is
26 subsequently challenged in a court of law and the challenging party prevails, the termination will be
27 deemed to be a termination for convenience effective 30 days from the date of the original written
28 notice of termination for cause was sent to the challenging party; no further notice will be required.

1 City and the Developer.

2 **ARTICLE XI - PROGRAM INCOME PROVISIONS**

3 The Developer understands that after completion of the Agreement, any funds derived from
4 the sale of GO Bond assisted property, shall be considered program income. No Program income
5 shall be spent without the City’s prior approval and must be placed in a segregated account and not
6 be comingled with any other funds. Upon receipt of the funds a report shall be submitted to the City
7 setting forth the source of the income, the amounts collected and the balance on hand. The Developer
8 shall remit the Program Income to the City immediately upon request.

9 **ARTICLE XII - RECOGNITION OF MATCHING REQUIREMENTS**

10 In accordance with §92.218 through §92.222, Developer hereby acknowledges that the City’s
11 obligation to match HOME funds with permanently-contributed, non-federal funds at a specific ratio
12 (12.5 percent, in accordance with CPD Notice 98-08), as outlined in §92.218 and CPD Notice 97-
13 03 issued March 27, 1997, and in accordance with matching contribution guidelines found at
14 §92.219. This program obligation, in turn, requires that the Developer make every effort to develop,
15 acquire, and provide eligible matching contributions consistent with the funding amount provided
16 hereunder. For each project set-up submitted to the City for funding approval, Developer agrees to
17 submit written documentation of all Match Contributions.

18 **ARTICLE XIII – ACCOUNTING AND FINANCIAL TERMS AND CONDITIONS**

19 The Developer agrees to comply with the **Accounting and Financial Conditions of**
20 **Agreement**, marked *Attachment V*.

21 **ARTICLE XIV - REPORTING REQUIREMENTS**

22 The Developer agrees to provide to OCD Affordable Housing Bureau by the fifth working
23 day of each month, two copies of the **Monthly Reporting Requirements**, marked *Attachment VI*.
24 The Developer also agrees to comply with the **Compliance Unit Reporting Requirements**, as
25 applicable, marked *Attachment VII*, in accordance with the processes, procedures and schedules set
26 forth by the OCD Compliance Unit.

27 **ARTICLE XV - JURISDICTION**

28 The Developer does further hereby consent and yield to jurisdiction of the State Civil Courts

1 of the Parish of Orleans and does hereby formally waive any pleas of jurisdiction on account of the
2 residence elsewhere of the undersigned Developer.

3 **ARTICLE XVI - AUDIT AND OTHER OVERSIGHT**

4 It is agreed that the Developer or applicant will abide by all provisions of City Code §2-1120,
5 including but not limited to City Code §2-1120(12), which requires the Developer to provide the
6 Office of Inspector General with documents and information as requested. Failure to comply with
7 such requests shall constitute a material breach of the contract. The Developer agrees that it is subject
8 to the jurisdiction of the Orleans Parish Civil District Court for purposes of challenging a subpoena.

9 **ARTICLE XVII - INDEMNITY**

10 **A.** To the fullest extent permitted by law, the Developer will indemnify, defend, and hold
11 harmless the City, its agents, employees, officials, insurers, self-insurance funds, and assigns
12 (collectively, the “**Indemnified Parties**”) from and against any and all claims, demands, suits, and
13 judgments of sums of money actually accruing against the Indemnified Parties: for loss of life or
14 injury or damage to persons or property arising from or relating to any act or omission or the
15 operation of the Developer, its agents or employees while engaged in or in connection with the
16 discharge or performance of any Services under this Agreement; and for any and all claims and/or
17 liens for labor, services, or materials furnished to the Developer in connection with the performance
18 of work under this Agreement.

19 **B. Limitation.** The Developer's indemnity (a) does not extend to any loss arising from the
20 negligence or willful misconduct of any of the Indemnified Parties, provided that neither the
21 Developer nor any of its agents or employees contributed to such gross negligence or willful
22 misconduct; and (b) and is subject to any limitations imposed by Developer’s lenders, investors
23 and/or regulators, including, without limitation, HUD.

24 **C. Independent Duty.** The Developer has an immediate and independent obligation to, at the
25 City's option: (a) defend the City from or (b) reimburse the City for its costs incurred in the defense
26 of any claim that actually or potentially falls within this indemnity, even if: (1) the allegations are or
27 may be groundless, false, or fraudulent; or (2) the Developer is ultimately absolved from liability.

28 **D. Expenses.** Notwithstanding any provision to the contrary, the Developer shall bear the
29 expenses including, but not limited to, the City's reasonable attorney fees and expenses, incurred by

1 the City in enforcing this indemnity.

2 **E.** Any obligation of the Borrower to provide indemnification under the Loan Documents
3 shall be limited to (i) amounts mandated by state law, if any, (ii) coverage afforded under any liability
4 insurance carried by the Borrower and (iii) available surplus cash of the Borrower as defined in the
5 HUD Regulatory Agreement. Until funds from a permitted source for payment of indemnification
6 costs are available for payment, the Borrower shall not (a) pay funds to lender, or (b) pay the
7 deductible on an indemnification policy.

8 **ARTICLE XVIII - INSURANCE**

9 **A. In general.** Except as otherwise noted, at all times during this Agreement or the performance
10 of work required by this Agreement, the Developer or alternatively, any party performing work on
11 its behalf (such as a General Contractor), shall maintain the following insurance in full force and
12 effect for the duration of the work under this Agreement. Evidence of coverage shall be provided
13 prior to the start of any activities/work, in conjunction with the Developer's obligations and/or scope
14 of work under the Agreement. If the Developer maintains broader coverage and/or higher limits
15 than the minimums shown below, the City requires and shall be entitled to the broader coverage
16 and/or the higher limits maintained by the Developer. Any available insurance proceeds in excess of
17 the specified minimum limits of insurance and coverage shall be available to the City.

18 **B. Minimum Requirements.**

19 **1. Workers' Compensation & Employers Liability.** Insurance in compliance with the
20 Louisiana Workers' Compensation Act(s). Statutory and Employers Liability Insurance with
21 limits of not less than \$1,000,000.

22 **2. Commercial General Liability.** Insurance including contractual liability insurance,
23 products and completed operations, personal & advertising injury, bodily injury, property
24 damage, products/completed operations and any other type of liability for which this Agreement
25 applies with limits of liability of not less than \$2,000,000 each occurrence / \$4,000,000 policy
26 aggregate. Limits of liability can be satisfied via a combination of commercial general liability
27 and umbrella/excess.

28 **3. Automobile Liability (Where applicable).** Insurance with a combined single limit of
29 liability of not less than \$500,000 per accident for bodily injury and property damage. Insurance

1 shall include all owned, non-owned and hired vehicles. If transporting any pollutants, as defined
2 by the policy, the policy is to include applicable Pollution coverage.

3 **4. Professional (Errors & Omission) Liability (Where applicable).**

4 a. To the extent professional services are required under the contract, the Developer or
5 alternatively, any party performing work on its behalf (such as a General Contractor shall
6 maintain insurance appropriate to the Developer's or General Contractor's profession, with
7 limits of liability of not less than \$1,000,000 per occurrence or claim / \$2,000,000 policy
8 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is
9 undertaken by Developer in this agreement. Policy shall be kept in force and uninterrupted
10 for a period of three (3) years beyond policy expiration. If coverage is discontinued for any
11 reason during this three (3) year term, Developer must procure and evidence full extended
12 reporting period (ERP) coverage.

13 b. The Developer may contractually delegate the responsibility of this Section 4 to its
14 Property Manager Service Provider. The Property Manger Service Provider shall maintain
15 Worker's Compensation and Employer's Liability Insurance in compliance with the
16 Louisiana Worker's Compensation Act(s). Statutory and Employers Liability Insurance with
17 limits of not less than \$1,000,000.

18 **5. Developers' Pollution Liability (Where applicable).**

19 a. If the construction project involves environmental hazards and/or pollutants of any
20 kind, Developer shall maintain Developers' Pollution Liability Insurance (or equivalent
21 coverage) applicable to the work being performed with limits of not less than \$2,000,000 per
22 occurrence or claim / \$4,000,000 policy aggregate, covering losses caused by pollution
23 conditions that arise from the operations of the Developer.

24 b. Insurance shall apply to bodily injury, property damage, including loss of use of
25 damaged property that has not been physical impacted and defense, including cost and
26 expenses incurred in the investigation, defense or settlement of claims.

27 c. Coverage shall include but not be limited to Fines, Penalties, Punitive Damages and
28 Clean-up cost.

1 **d.** Asbestos Coverage – (where applicable) Whereas the project involves contact with
2 and/or removal/abatement of asbestos, Developer shall maintain an Asbestos Liability
3 Insurance policy (or equivalent Developers’ pollution coverage) that shall include or be
4 endorsed to include coverage for bodily injury and property damage arising out of asbestos
5 abatement or removal operations by or on behalf of Developer with limits of not less than
6 \$5,000,000 per occurrence or claim / \$10,000,000 policy aggregate.

7 **6. Property Insurance**

8 **a.** Property insurance shall be maintained in compliance with all laws, regulations or
9 ordinances affecting such property or properties associated with this agreement for the
10 duration of the agreement. Coverage must be written on an “all risks” replacement cost basis
11 (including flood and named storm) in such amounts as City may require, subject to
12 commercially available sublimits

13 **b.** Such coverage shall name the City of New Orleans as Loss Payee as their interest may
14 appear.

15 **7. Umbrella Liability.** Umbrella/Excess policies must “Follow form” of the underlying
16 policies and scheduling. The Developer shall be able to meet the above-referenced specific
17 policy limits of liability through a combination of primary and umbrella/excess coverage.

18 **8. Builders Risk**

19 **a.** Builder’s Risk (Course of Construction) Insurance utilizing an “All Risk” (Special
20 Perils) coverage form, on a replacement cost basis, including coverage on the entire Work,
21 to include but not limited to **coverage for Flood and Named Storm**, Fire, Theft, Mysterious
22 Disappearance (if available), Damages due to Changes or Extremes of Temperature, Property
23 of others in the care, custody or control, Debris Removal, Vandalism and Soft Cost (i.e.
24 professional services, permits, etc.), with limits equal to the completed value of the project,
25 subject to commercially available sublimits and no coinsurance penalty provisions.

26 **b.** Policy shall include coverage during transit, installation and while materials are being
27 stored off site. Such coverage shall name the City of New Orleans as a Loss Payee as their
28 interest may appear.

1 c. If not covered under the “all-risk” insurance or otherwise provided in the Agreement,
2 the Developer shall affect and maintain similar insurance on portions of the work stored off
3 the site when such portions of the work are to be included in any applications for payment
4 and such procedures have been approved by the City.

5 d. Builders’ Risk Insurance shall be written and provide such that any portions of a
6 building or site vacated by the City to accommodate the work are protected and covered by
7 the terms of the policy. The insurance shall not be cancelled or permitted to lapse due to such
8 vacancy.

9 e. Developer shall obtain consent of the insurance carrier that no action will be taken with
10 respect to partial occupancy or use that would cause cancellation, lapse or reduction of
11 insurance.

12 **9. Crime Insurance (Fidelity Bond).** To include but not limited to employee dishonesty,
13 computer crime, misappropriation of funds, forgery, or alteration with limits of not less than the
14 maximum amount funded by the City under the Loan Agreement.

15 **10. General Provision and Requirements**

16 a. Developer shall be able to meet the above referenced specific policy limits of liability
17 through a combination of primary and umbrella/excess coverage.

18 b. The obligations for the Developer to procure and maintain insurance shall not be
19 constructed to waive or restrict other obligations. It is understood that failure to comply nor
20 full compliance with the foregoing insurance requirements shall limit or relieve the
21 Developer from any liability incurred as a result of their activities/operations in conjunction
22 with the Developer’s obligations and/or Scope of Work. Developer shall be responsible for
23 any losses, expenses, damages, claims and/or suits and cost of any kind which exceed the
24 Developer’s limits of liability that arise from the performance of work under the Agreement.

25 **11. Certificates of Insurance Additional Insured Status:**

26 a. *The Developer and all its contractors (where applicable) will provide, and maintain*
27 *current, a Certificate of Insurance naming the City of New Orleans, its departments, political*
28 *subdivisions, officers, officials, employees, and volunteers as “Additional Insureds” on the*

1 CGL and AL policies with respect to liability arising out of the performance of this
2 Agreement.

3 **b.** Additional Insured status can be provided in the form of an endorsement to the
4 Developers insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and
5 CG 20 37 forms if later revisions used).

6 **c.** Developer shall require and verify that all its contractors maintain insurance and
7 coverage limits meeting all the requirements stated herein or its contractors' liability shall be
8 covered by the Developer. The Certificate of Insurance, as evidence of all required coverage,
9 should name the City of New Orleans - Risk Manager as Certificate Holder and be delivered
10 via U.S. Mail to 1300 Perdido Street, 9E06 – City Hall, New Orleans LA 70112.

11 **d.** The Additional Insured box shall be marked “Y” for Commercial General Liability
12 coverage. The Subrogation Waiver Box must be marked “Y” for Workers
13 Compensation/Employers and Liability.

14 **C. Miscellaneous Requirements.**

15 **1. Primary Coverage:** For any claims, liability, demands and/or suits related to this
16 contract or Developer's performance and furnishing or the work, whether it is performed by the
17 Developer, its contractor, partner, supplier or by anyone directly or indirectly employed by any
18 of them to perform or furnish any of the work. Developer's insurance coverage shall be primary
19 insurance as respects the City, its departments, political subdivisions, officers, officials,
20 employees, and volunteers. Any insurance or self-insurance maintained by the City shall be non-
21 contributing to the Developer's coverage. At no time shall the Developer allow any if its
22 contractors to perform work without the required types and limits of required insurance coverage.

23 **2.** The carriers/companies issuing the policies of insurance shall not have any recourse
24 against the City for payment of any premiums, deductibles, and retentions or for assessments
25 under any form of policy. These shall be borne by and be the sole responsibility of the Developer.

26 **3. Claims Made Policies:** If applicable, the retroactive date must be shown and must be
27 before the date of the Agreement or the beginning of work. If the coverage is canceled or non-
28 renewed, and not replaced with another claims-made policy, Developer must purchase “extended
29 reporting” coverage for minimum of 3 years after the termination of this Agreement.

1 **4. Waiver of Subrogation:** The Developer and its insurers agree to waive any right of
2 subrogation which any insurer may acquire against the City by virtue of the payment of any loss
3 under insurance required by this Agreement.

4 **5. Notice of Cancellation:** Each insurance policy shall not be canceled, expire or altered
5 except without prior notice to the City of no less than 30 days.

6 **6. Acceptability of Insurers:** Insurance is to be placed with insurers licensed and
7 authorized to do business in the State of Louisiana with a current A.M. Best's rating of no less
8 than A: VII, unless otherwise acceptable to the City.

9 **7.** If the City has any objection to the coverage afforded by or any other provisions of the
10 insurance required to be purchased and maintained by the Developer in accordance with the
11 insurance requirements, the City shall notify the Developer in writing within thirty (30) days
12 after receipt of the Certificates. The Developer shall provide a written response to the objection
13 within ten (10) days from the date of the notice.

14 **8.** Upon failure of the Developer or its Contractor to purchase, furnish, deliver or maintain
15 such insurance as provided herein, the Agreement, at the discretion of the City may be forthwith
16 declared suspended, discontinued, or terminated. Failure of the Developer to purchase and
17 maintain insurance shall not relieve the Developer from any liability under the Agreement, nor
18 shall the insurance requirements be constructed to conflict with the obligations of the Developer
19 concerning indemnification.

20 **9. Notice:** The Developer will provide the City's Risk Manager (at City of New Orleans
21 Attn: Risk Manager, 1300 Perdido Street, Suite 9E06, New Orleans, LA 70112- Ref.: CEA) the
22 following documents, within 10 calendar days of the City's request - Copies of all policies of
23 insurance, including all policies, forms, and endorsements

24 **10.** Without notice from the City, the Developer will:

25 **a.** Replenish any policy aggregate limit that is impaired before commencement of any
26 work or continuation of any work under this Agreement.

27 **b.** Substitute insurance coverage acceptable to the City within 30 calendar days if any
28 insurance company providing any insurance with respect to this Agreement is declared

1 bankrupt, becomes insolvent, loses the right to do business in Louisiana, or ceases to meet
2 the requirements of this Agreement.

3 **11. Special Risks or Circumstances:** The City of New Orleans shall reserve the right to
4 modify these requirements, including limits, based on the nature of the risk, prior experience,
5 insurer coverage, or other circumstances.

6 **ARTICLE XIX - NON-DISCRIMINATION**

7 **A. Equal Employment Opportunity.** In all hiring or employment made possible by, or
8 resulting from this Agreement, the Developer (1) will not be discriminate against any employee or
9 applicant for employment because of race, color, religion, sex, gender, age, physical or mental
10 disability, national origin, sexual orientation, creed, culture, or ancestry, and (2) where applicable,
11 will take affirmative action to ensure that the Developer’s employees are treated during employment
12 without regard to their race, color, religion, sex, gender, age, physical or mental disability, national
13 origin, sexual orientation, creed, culture, or ancestry. This requirement shall apply to, but not be
14 limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment
15 advertising, layoff or termination, rates of pay or other forms of compensation, and selection for
16 training, including apprenticeship. All solicitations or advertisements for employees shall state that
17 all qualified applicants will receive consideration for employment without regard to race, color,
18 religion, sex, gender, age, physical or mental disability, national origin, sexual orientation, creed,
19 culture, or ancestry.

20 **B. Non-Discrimination.** In the performance of this Agreement, the Developer will not
21 discriminate on the basis, whether in fact or perception, of a person's race, color, creed, religion,
22 national origin, ancestry, age, sex, gender, sexual orientation, gender identity, domestic partner
23 status, marital status, physical or mental disability, or AIDS- or HIV-status against (1) any employee
24 of the City working with the Developer in any of Developer’s operations within Orleans Parish or
25 (2) any person seeking accommodations, advantages, facilities, privileges, services, or membership
26 in all business, social, or other establishments or organizations operated by the Developer. The
27 Developer agrees to comply with and abide by all applicable federal, state and local laws relating to
28 non-discrimination, including, without limitation, Title VI of the Civil Rights Act of 1964, Section
29 V of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990.

1 Wage shall be annually adjusted for inflation, as defined by the Consumer Price Index calculated by
2 the U.S. Bureau of Labor Statistics as applied to the South Region, except that in no instance shall
3 the Living Wage be adjusted downward. The first adjustment shall become effective on January 1,
4 2024, using the Consumer Price Index figures provided for the preceding year, and thereafter on an
5 annual basis.

6 **E. Sub-Developer Requirements.** As required by Section 70-804 of the City Code, the
7 Developer, beneficiary, or other Covered Employer, prior to entering into a subcontract, shall notify
8 sub-Developers in writing of the requirements and applicability of Article VIII – The Living Wage
9 Ordinance (“**Article**”). The Developer and its beneficiaries shall be deemed responsible for
10 violations of this Article by their sub-Developers.

11 **F. Reporting.** On or before January 31st and upon request by the City, the Developer shall
12 identify (a) the hourly wage earned by the lowest paid Covered Employee and (b) the number of
13 days of compensated leave received by Covered Employees earning less than 130% of the then-
14 prevailing wage during the current term of the Agreement, and provide the identified information to
15 the following:

16 Office of Workforce Development
17 Living Wage – Compliance
18 1340 Poydras Street – Suite 1800
19 New Orleans, Louisiana 70112
20

21 **G. Compliance Monitoring.** Covered Employers under this Agreement are subject to
22 compliance monitoring and enforcement of the Living Wage requirements by the Office of
23 Workforce Development (the “**OWD**”) and/or the Chief Administrative Office (“**CAO**”). Covered
24 Employers will cooperate fully with the OWD and/or the CAO and other City employees and agents
25 authorized to assist in the administration and enforcement of the Living Wage requirements. Steps
26 and actions include, but are not limited to, requirements that: (i) the Developer will cooperate fully
27 with the OWD and the CAO and other City employees and agents authorized to assist in the
28 administration and enforcement of the Living Wage requirements; (ii) the Developer agrees that the
29 OWD and the CAO and their designees, in the performance of their duties, shall have the right to
30 engage in random inspections of job sites and to have access to the employees of the Developer,
31 payroll records and employee paychecks; and (ii) that the City may audit such records of the
32 Developer as he or she reasonably deems necessary to determine compliance with the Living Wage

1 standards.

2 **H. Remedies.** If the Developer fails to comply with the Living Wage requirements during the
3 term of the Agreement, said failure may result in termination of the Agreement or the pursuit of
4 other remedies by the City, including, but not limited to, the penalties and enforcement mechanisms
5 set forth in Section 70-811 of the City Code.

6 **ARTICLE XXI - DISADVANTAGED BUSINESS ENTERPRISE (“DBE”) PROGRAM**

7 **A. In General.** The Developer agrees to abide by the City Code Sections 70-456, *et seq.*, to use
8 its best efforts to carry out all applicable requirements of the City’s DBE Program for the
9 administration of this Agreement, as set forth in the City Code and any applicable rules adopted
10 thereunder. The City’s Office of Supplier Diversity (“OSD”) oversees the DBE Program and assigns
11 a DBE Compliance Officer (“DBECO”) to ensure compliance.

12 **B. Monitoring.** To ensure compliance with DBE requirements during the term of this
13 Agreement, the DBECO will monitor the Developer’s use of DBE sub-Developers (“DBE Entities”)
14 through the following actions:

- 15 1. Job site visits;
- 16 2. Electronic payment tracking via the Contract Compliance Monitoring System or other
17 means as approved by the OSD;
- 18 3. Routine audits of contract payments to all sub-Developers;
- 19 4. Reviewing of records and reports; and/or
- 20 5. Interviews of selected personnel.

21 The DBECO may schedule inspections and on-site visits with or without prior notice to the
22 Developer or DBE Entities.

23 **C. Cooperation.** The Developer shall:

- 24 1. Designate an individual as the “DBE Liaison” who will monitor the Developer’s DBE
25 participation as well as document and maintain records of “Good Faith Efforts” with DBE
26 Entities.
- 27 2. Execute written contracts with DBE Entities that meet the applicable DBE goals.

1 **a.** The Developer shall provide the DBECO with copies of said contracts within 30 days
2 from the date this Agreement is fully executed between the City and the Developer.

3 **b.** The Developer shall agree to promptly pay sub-Developers, including DBE Entities,
4 in accordance with law.

5 **3.** Establish and maintain the following records for review upon request by the OSD:

6 **a.** Copies of written contracts with DBE Entities and purchase orders;

7 **b.** Documentation of payments and other transactions with DBE Entities;

8 **c.** Appropriate explanations of any changes or replacements of DBE Entities, which
9 may include a record of “Post-Award Good Faith Efforts” for each certified firm that the
10 Developer does not use in accordance with the approved DBE participation submission;

11 **d.** Any other records required by the OSD.

12 The Developer is required to maintain such records for 5 years after completion or closeout
13 of this Agreement. Such records are necessary to determine compliance with their DBE
14 obligations.

15 **4.** Post monthly payments and submit regular reports to the DBECO as required via the
16 online “Contract Compliance Monitoring System” or other means approved by the OSD.

17 **a.** The Developer shall submit the initial report outlining DBE participation within 30
18 days from the date of notice to proceed (or equivalent document) issued by the City to the
19 Developer. Thereafter, “DBE Utilization” reports shall be due on or before the fifteenth day
20 of each month until all DBE subcontracting work is completed.

21 **b.** Reports are required even when no activity has occurred in a monthly period.

22 **c.** If the established percentage is not being met, the monthly report shall include a
23 narrative description of the progress being made in DBE participation.

24 **d.** The Developer may also be required to attach or upload copies of canceled checks or
25 bank statements that identify payer, payee, and amount of transfer to verify payment
26 information as indicated on the form.

27 **5.** Conform to the established percentage as approved by the OSD.

1 negligence or misconduct of City, by the failure of City to comply with applicable laws, or by the
2 breach of this Agreement.

3 **B. Notice.** To seek the benefit of this Article, the City must provide notice in writing to the
4 Developer stating: (1) an event triggering this Article has occurred; (2) the anticipated effect of the
5 Force Majeure event on performance; and (3) the expected duration of the delay, if the Agreement
6 is being suspended

7 **C. Effect.**

8 **1.** Upon the occurrence of a Force Majeure event, for which the City has provided required
9 notice, the City may, at its sole discretion:

10 **a.** Suspend this Agreement for a duration to be set by the City, not to exceed 90 days.
11 During such time of suspension, the Parties will not be liable or responsible for performance
12 of their respective obligations under this Agreement, and there will be excluded from the
13 computation of such period of time any delays directly due to the occurrence of the Force
14 Majeure event. During any such period of suspension, the Developer must take all
15 commercially reasonable actions to mitigate against the effects of the Force Majeure event
16 and to ensure the prompt resumption of performance when so instructed by the City; or

17 **b.** Terminate this Agreement, either immediately or after one or more periods of
18 suspension, effective on notice to Developer and without any further compensation due.

19 **2.** Notwithstanding Section C(1) above, the obligations relating to making payments when
20 due (for services or materials already provided) and those obligations specified to survive in the
21 Agreement will be unaffected by any suspension or termination.

22 **ARTICLE XXIII - INDEPENDENT ENTITY**

23 **A. Independent Entity Status.** The Developer is an independent entity and shall not be
24 deemed an employee, servant, agent, partner, or joint venture of the City and will not hold itself or
25 any of its employees, sub-entities, or agents to be an employee, partner, or agent of the City.

26 **B. Exclusion of Worker’s Compensation Coverage.** The City will not be liable to the
27 Developer, as an independent entity as defined in La. R.S. 23:1021(6), for any benefits or coverage
28 as provided by the Workmen’s Compensation Law of the State of Louisiana. Under the provisions

1 of La. R.S. 23:1034, any person employed by the Developer will not be considered an employee of
2 the City for the purpose of Worker’s Compensation coverage.

3 **C. Exclusion of Unemployment Compensation Coverage.** The Developer, as an independent
4 Entity, is being hired by the City under this Agreement for hire and defined in La. R.S. 23:1472(E)
5 and neither the Developer nor anyone employed by it will be considered an employee of the City for
6 the purpose of unemployment compensation coverage, which coverage same being hereby expressly
7 waived and excluded by the parties, because: (a) the Developer has been and will be free from any
8 control or direction by the City over the performance of the services covered by this contract; (b) the
9 services to be performed by the Developer are outside the normal course and scope of the City’s
10 usual business; and (c) the Developer has been independently engaged in performing the services
11 required under this Agreement prior to the date of this Agreement.

12 **D. Waiver of Benefits.** The Developer, as an independent entity, will not receive from the City
13 any sick and annual leave benefits, medical insurance, life insurance, paid vacations, paid holidays,
14 sick leave, pension, or Social Security for any services rendered to the City under this Agreement.

15 **ARTICLE XXIV - NOTICE**

16 **A. In General.** Except for any routine communication, any notice, demand, communication,
17 or request required or permitted under this Agreement will be given in writing and delivered in
18 person or by certified mail, return receipt requested as follows:

19 To the City: Director of Housing Policy and Community Development
20 c/o Tyra Johnson Brown
21 City of New Orleans
22 1340 Poydras Street, Suite 1000
23 New Orleans, LA 70112

24 And: City Attorney
25 City of New Orleans
26 1300 Perdido Street, 5E03
27 New Orleans, LA 70112

28 If to the Developer: NSAEB 603, LLC
29 Attn: Russell Condas
30 400 Poydras St. Suite 2620
31 New Orleans, LA 70130
32

1 With a copy to:
2 Lincoln Avenue Communities
3 401 Wilshire Blvd., 11th Floor
4 Santa Monica, California 90401
5 Attention: David Garcia and Hanna Jamar, Esq.
6

7 With a copy to:
8 Dwyer, Cambre & Suffern
9 3000 West Esplanade Avenue, Suite 200
10 Metairie, Louisiana 70002
11 Attention: Stephen I. Dwyer
12

13 With a copy to:
14
15 Longwell Riess, L.L.C.
16 Attn: Kelly Longwell
17 650 Poydras Street, Suite 2600
18 New Orleans, Louisiana 70130
19 With a copy to:

20 Nixon Peabody LLP
21 55 West 46th Street
22 New York, New York 10036
23 Attention: Aaron Yowell
24

25 If to Investor:

26
27 JPMorgan Chase Bank, N.A.
28 10 S. Dearborn, 19th Floor
29 Mail Code: IL1-0953
30 Chicago, Illinois 60603-5506
31 Attention: HTC Asset Management
32

33 And:
34 JPMorgan Chase Bank, N.A.
35 300 S. Grand, Suite 300
36 Los Angeles, California 90071
37 Attention: Timothy C. Karp

38 With copies to:
39 Buchalter, a Professional Corporation
40 1000 Wilshire Boulevard, Suite 1500
41 Los Angeles, California 90017
42 Attention: C. Tyler Ohanian, Esq.

1 Telephone: (213) 891-5041
2 Email: tohanian@buchalter.com

3
4 BF NSAEB Apartments, LLC, a Delaware limited liability company
5 225 Franklin St., 28th Floor
6 Boston, MA 02110
7 Attn: Asset Management – NSA East Bank

8
9 With copy to:

10 Kutak Rock LLP
11 1650 Farnam St.
12 Omaha, NE 68102
13 Attn: Shane Deaver, Esq.
14 Capital One, National Association Attention: Community Finance,
15 299 Park Avenue, 14th Floor New York, NY 10171 Attention: Loan
16 Administrator

17
18 Greenberg Traurig, LLP 1000 Louisiana, Suite 6700 Houston, Texas
19 77002 Attn: Wayne A. Yaffee, Esq.

20
21 **B. Effectiveness.** Notices are effective when received, except any notice that is not received
22 due to the intended recipient’s refusal or avoidance of delivery is deemed received as of the date of
23 the first attempted delivery.

24 **C. Notification of Change.** Each party is responsible for notifying the other in writing that
25 references this Agreement of any changes in its address(es) set forth above.

26 **ARTICLE XXV- ADDITIONAL PROVISIONS**

27 **A. Assignment.** This Agreement and any part of the Developer’s interest in it are not assignable
28 or transferable without the City’s prior written consent.

29 **B. Amendment.** No amendment of or modification to this Agreement shall be valid unless and
30 until executed in writing by the duly authorized representatives of both parties to this Agreement.

31 **C. Audit and Other Oversight.** The Developer will abide by all provisions of City Code § 2-
32 1120, including without limitation City Code § 2-1120(12), which requires the Developer to provide
33 the Office of Inspector General with documents and information as requested. Failure to comply
34 with such requests is a material breach of the Agreement. In signing this Agreement, Developer
35 agrees that it is subject to the jurisdiction of the Orleans Parish Civil District Court for purposes of
36 challenging a subpoena.

1 **D. Choice of Law.** This Agreement will be construed and enforced in accordance with the laws
2 of the State of Louisiana, without regard to its conflict of laws provisions.

3 **E. Compliance with City’s Hiring Requirements – Ban the Box.**

4 1. The Developer agrees to adhere to the City’s hiring requirements contained in City Code
5 Section 2-8(d) and 2-13(a)-(f). Prior to executing this Agreement, Developer must provide a
6 sworn statement attesting to its compliance with the City’s hiring requirements or stating why
7 deviation from the hiring requirements is necessary.

8 2. Failure to maintain compliance with the City’s hiring requirements throughout the term
9 of the Agreement, or to provide sufficient written reasons for deviation. Is a material breach of
10 this Agreement. Upon learning of such breach, the City will provide the Developer notice of
11 noncompliance and allow a thirty (30) days come into compliance. If after providing notice and
12 thirty (30) days to cure, the Developer remains noncompliant, the City may move to suspend
13 payments to Developer, void the Agreement, or take any such legal action permitted by law or
14 this Agreement.

15 3. This section will not apply to any agreements excluded from the City’s hiring
16 requirements by City Code Sections 2-8(d) or (g). Should a court of competent jurisdiction find
17 any part of this section to be unenforceable, the section should be reformed, if possible, so that
18 it is enforceable to the maximum extent permitted by law, or if reformation is not possible, the
19 section should be fully severable and the remaining provisions of the Agreement will remain in
20 full force and effect.

21 4. The Developer will incorporate the terms and conditions of this Article into all
22 subcontracts, by reference or otherwise, and will require all sub-Developers to comply with those
23 provisions.

24 **F. Conflicting Employment.** To ensure that the Developer’s efforts do not conflict with the
25 City’s interests, and in recognition of the Developer’s obligations to the City, the Developer will
26 decline any offer of other employment if its performance of this Agreement is likely to be adversely
27 affected by the acceptance of the other employment. The Developer will promptly notify the City in
28 writing of its intention to accept the other employment and will disclose all possible effects of the
29 other employment on the Developer’s performance of this Agreement. The City will make the final

1 determination whether the Developer may accept the other employment.

2 **G. Construction of Agreement.** Neither party will be deemed to have drafted this Agreement.
3 This Agreement has been reviewed by the Parties and shall be construed and interpreted according
4 to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of
5 the Parties. No term of this Agreement shall be construed or resolved in favor of or against the City
6 or the Developer on the basis of which party drafted the uncertain or ambiguous language. The
7 headings and captions of this Agreement are provided for convenience only and are not intended to
8 have effect in the construction or interpretation of this Agreement. Where appropriate, the singular
9 includes the plural and neutral words and words of any gender shall include the neutral and other
10 gender.

11 **H. Convicted Felon Statement.** The Developer complies with City Code § 2-8(c) and no
12 principal, member, or officer of the Developer has, within the preceding 5 years, been convicted of,
13 or pled guilty to, a felony under state or federal statutes for embezzlement, theft of public funds,
14 bribery, or falsification or destruction of public records.

15 **I. Cost Recovery.** In accordance with Section 2-8.1 of the Municipal Code entitled “Cost
16 recovery in contracts, cooperative endeavor agreements, and grants,” to the maximum extent
17 permitted by law, the Developer shall reimburse the City or disgorge anything of value or economic
18 benefit received from the City if the Developer fails to meet its contractual obligations.

19 **J. Employee Verification.** The Developer swears that (i) it is in compliance with La. R.S.
20 38:2212.10, and is registered and participates in a status verification system to verify that all
21 employees in the State of Louisiana are legal citizens of the United States or are legal aliens; (ii) it
22 shall continue, during the term of this Agreement, to utilize a status verification system to verify the
23 legal status of all new employees in the State of Louisiana; and (iii) it shall require all of its
24 contractors to submit to the Developer a sworn affidavit verifying compliance with items (i) and (ii)
25 above. Any violation of the provisions of this paragraph may subject this Agreement to termination,
26 and may further result in the Developer being ineligible for any public contract for a period of 3
27 years from the date the violation is discovered. The Developer further acknowledges and agrees that
28 it shall be liable for any additional costs incurred by the City occasioned by the termination of this
29 Agreement or the loss of any license or permit to do business in the State of Louisiana resulting from
30 a violation of La. R.S. 38:2212.10. The Developer will provide to the City a sworn affidavit attesting

1 to the above provisions if requested by the City. The City may terminate this Agreement for cause
2 if the Developer fails to provide such the requested affidavit or violates any provision of this
3 paragraph.

4 **K. Entire Agreement.** This Agreement, including all incorporated documents, constitutes the
5 final and complete agreement and understanding between the parties. All prior and contemporaneous
6 agreements and understandings, whether oral or written, are superseded by this Agreement and are
7 without effect to vary or alter any terms or conditions of this Agreement.

8 **L. Limitations of the City's Obligations.** The City has no obligations not explicitly set forth
9 in this Agreement or any incorporated documents or expressly imposed by law.

10 **M. No Third-Party Beneficiaries.** This Agreement is entered into for the exclusive benefit of
11 the parties and the parties expressly disclaim any intent to benefit anyone not a party to this
12 Agreement.

13 **N. Non-Exclusivity.** This Agreement is non-exclusive and the Developer may provide services
14 to other clients. The City may engage the services of others for the provision of some or all of the
15 work to be performed under this Agreement.

16 **O. Non-Solicitation Statement.** The Developer has not employed or retained any company or
17 person, other than a bona fide employee working solely for it, to solicit or secure this Agreement.
18 The Developer has not paid or agreed to pay any person, other than a bona fide employee working
19 for it, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting
20 from this Agreement.

21 **P. Ownership Interest Disclosure.** The Developer shall provide a sworn affidavit listing all
22 persons, natural or artificial, with an ownership interest in the Developer and stating that no other
23 person holds an ownership interest in the Developer via a counter letter. For the purposes hereof, an
24 "ownership interest" shall not be deemed to include ownership of stock in a publicly traded
25 corporation or ownership of an interest in a mutual fund or trust that holds an interest in a publicly
26 traded corporation. If the Developer fails to submit the required affidavits, the City may, after 30
27 days' written notice to the prime Developer, take such action as may be necessary to cause the
28 suspension of any further payments until such the required affidavits are submitted.

29 **Q. Ownership of Records.** The Developer shall maintain ownership of all data collected and

1 all products of work prepared, created or modified by the Developer in the performance of this
2 Agreement, including without limitation any and all notes, tables, graphs, reports, files, computer
3 programs, source code, documents, records, disks, original drawings or other such material,
4 regardless of form and whether finished or unfinished, but excluding the Developer’s personnel and
5 administrative records and any tools, systems, and information used by the Developer to perform
6 the services under this Agreement, including computer software (object code and source code),
7 know-how, methodologies, equipment, and processes and any related intellectual property
8 (collectively, “Work Product”). The Developer shall also maintain all right, title and interest in any
9 Work Product, including without limitation the right to secure and maintain any copyright,
10 trademark, or patent of Work Product in the Developer’s name. However, the Developer
11 acknowledges that the purpose of the Project is for the benefit of the City of New Orleans, and
12 therefore the Developer shall grant the City a no-cost perpetual license to utilize all Work Product
13 in a manner to further the purpose of the Project, provided that the City takes all reasonable
14 precautions to protect the Developer’s intellectual property and proprietary interests of the
15 Developer, subject to all applicable public records laws. The Developer shall also be able present
16 or publish materials deriving from its Work Product at its sole discretion, provided that the
17 Developer provide the City with an advance copy for review and feedback at least seven (7) days
18 prior to presentation or publication.

19 **R. Prohibition of Financial Interest in Agreement.** No elected official or employee of the
20 City shall have a financial interest, direct or indirect, in this Agreement. For purposes of this
21 provision, a financial interest held by the spouse, child, or parent of any elected official or employee
22 of the City shall be deemed to be a financial interest of such elected official or employee of the City.
23 Any willful violation of this provision, with the expressed or implied knowledge of the Developer,
24 shall render this Agreement voidable by the City and shall entitle the City to recover, in addition to
25 any other rights and remedies available to the City, all monies paid by the City to the Developer
26 pursuant to this Agreement without regard to the Developer’s otherwise satisfactory performance of
27 the Agreement.

28 **S. Prohibition on Political Activity.** None of the funds, materials, property, or services
29 provided directly or indirectly under the terms of this Agreement shall be used in the performance
30 of this Agreement for any partisan political activity, or to further the election or defeat of any

1 candidate for public office.

2 **T. Remedies Cumulative.** No remedy set forth in the Agreement or otherwise conferred upon
3 or reserved to any party shall be considered exclusive of any other remedy available to a party.
4 Rather, each remedy shall be deemed distinct, separate and cumulative and each may be exercised
5 from time to time as often as the occasion may arise or as may be deemed expedient.

6 **U. Severability.** Should a court of competent jurisdiction find any provision of this Agreement
7 to be unenforceable as written, the unenforceable provision should be reformed, if possible, so that
8 it is enforceable to the maximum extent permitted by law or, if reformation is not possible, the
9 unenforceable provision shall be fully severable and the remaining provisions of the Agreement
10 remain in full force and effect and shall be construed and enforced as if the unenforceable provision
11 was never a part the Agreement.

12 **V. Contractor Reporting.** The Developer will provide a list of all natural or artificial persons
13 who are retained by the Developer at the time of the Agreement's execution and who are expected
14 to perform work as its contractor in connection with the Developer's work for the City. For any
15 contractor proposed to be retained by the Developer to perform work on the Agreement with the
16 City, the Developer must provide notice to the City within 30 days of retaining that contractor. If the
17 Developer fails to submit the required lists and notices, the City may, after thirty 30 days' written
18 notice to the Developer, take any action it deems necessary, including, without limitation, causing
19 the suspension of any payments, until the required lists and notices are submitted.

20 **W. Non-Waiver.** The failure of either party to insist upon strict compliance with any provision
21 of this Agreement, to enforce any right or to seek any remedy upon discovery of any default or
22 breach of the other party at such time as the initial discovery of the existence of such noncompliance,
23 right, default or breach shall not affect or constitute a waiver of either party's right to insist upon
24 such compliance, exercise such right or seek such remedy with respect to that default or breach or
25 any prior contemporaneous or subsequent default or breach.

26 **X. Survival of Certain Provisions.** All representations and warranties and all obligations
27 concerning record retention, inspections, audits, ownership, indemnification, payment, remedies,
28 jurisdiction, and choice of law shall survive the expiration, suspension, or termination of this
29 Agreement and continue in full force and effect.

1 **ARTICLE XXVII – COUNTERPARTS**

2 This Agreement may be executed in one or more counterparts, each of which shall be deemed
3 to be an original copy of this Agreement, but all of which, when taken together, shall constitute one
4 and the same agreement.

5 **ARTICLE XXVIII - ELECTRONIC SIGNATURE AND DELIVERY**

6 The Parties agree that a manually signed copy of this Agreement and any other document(s)
7 attached to this Agreement delivered by email shall be deemed to have the same legal effect as
8 delivery of an original signed copy of this Agreement. No legally binding obligation shall be created
9 with respect to a party until such party has delivered or caused to be delivered a manually signed
10 copy of this Agreement.

11 **[SIGNATURES CONTAINED ON NEXT PAGE]**

12 **[The remainder of this page is intentionally left blank.]**

13

1 **IN WITNESS WHEREOF**, the Parties hereto, through duly authorized representatives,
2 have executed this Agreement to be effective as of the Effective Date.

3 **CITY OF NEW ORLEANS**

4 **BY:** _____
5 **JOSEPH W. THREAT, SR.,**
6 **CHIEF ADMINISTRATIVE OFFICER**

7
8 **Executed on this ____ of _____, 2025.**
9

10 **FORM AND LEGALITY APPROVED:**
11 **Law Department**

12 **By:** _____

13 **Printed Name:** _____
14

1 **IN WITNESS WHEREOF**, the Parties hereto, through duly authorized representatives, have
2 executed this Agreement to be effective as of the Effective Date.

3 **CITY OF NEW ORLEANS, CITY COUNCIL**

4
5 **BY:** _____
6 **CITY COUNCIL PRESIDENT**

7
8
9
10
11 **FORM AND LEGALITY APPROVED:**
12 **Law Department**

13 **By:** _____

14 **Printed Name:** _____

TABLE OF ATTACHMENTS

Attachment I	Contract Analysis Document
Attachment II	Sources and Uses Statement
Attachment III	Legal Description / List of Properties
Attachment IV	Schedule of Work
Attachment V	Accounting and Financial Conditions of Agreement
Attachment VI	Monthly Reporting Requirements with Direct Benefit Profile
Attachment VII	Compliance Unit Reporting Requirements
Attachment VIII	HUD Compliance Provisions

CONTRACT ANALYSIS DOCUMENT
PROJECT DESCRIPTION
AND
BUDGET FORMS
FOR
HOME RENTAL PROJECTS



FOR OCD USE ONLY:

DATE: _____

CONTRACT NAME: NSA East Bank

CONTRACT NUMBER: _____

PROJECT INFORMATION SHEET

1. Project

Name: NSA East Bank
Program Category: General Obligation Bond 2 Funds
Type of Service: Rental Housing Development

2. Awarded Agency

Name: *NSAEB 603, LLC*
Address: 400 Poydras Street, Suite 2620
City, State, Zip: New Orleans, LA 70130
Telephone: 504-208-9015

3. Contact Person

Name: Emerson Gibbs
Address: 400 Poydras Street, Suite 2620
City, State, Zip: New Orleans, LA 70130
Telephone: 504-208-9015
Email address: emerson.r.gibbs@gmail.com

4. Executive Officer Name(s)

Name: Brian C. Gibbs
Address: 400 Poydras St., Suite 2620
City, State, Zip: New Orleans, La. 70130
Telephone: 504-613-4884 Fax: N/A
Email address: brgibbs@gmail.com

5. Bookkeeper or Accountant

Name/Firm: Dave M. Herdlick / Herdlick Tax Credit, LLC

Address: 12430 Tesson Ferry Road, Suite 355

City, State, Zip: Saint Louis, Missouri 63128

Telephone: 314-540-0890 Fax: N/A

Email address: daveherdlick@herdlicktaxcredit.com

6. Agency Type (Check One)

- Non-Profit Corporation
- For Profit Corporation
- Public Agency
- City of New Orleans Department
- Other (please specify)

7. Address(es) of Project:

Address	Number of Units
4420 - 4440 Dauphine Street, New Orleans, La 70117	294

8. Program Funding

a. Program Income:

*Identify and list amounts of projected/current program income (if applicable):
(As a result of HUD/Office of Community Development funds)*

	<i>SOURCE</i>	<i>AMOUNT</i>	<i>TIME PERIOD</i>
1.	N/A		
2.			
3.			

***Program Income: Please note that funds generated by a Developer and not returned to the City are not considered PI. Examples of PI for a Developer would include loan interest or loan repayments made to the City.**

***b. Recommended/Anticipated Funding:
(Includes all other federal, state, and private funding to be used in the Development. If the funding is a loan, please provide us with the interest rate, loan type, and loan period.)***

<i>SOURCE</i>	<i>AMOUNT</i>	<i>LOAN/GRANT</i>
HUD 1 st Mortgage	\$34,038,343	221d4 Loan, 6.00% APR + 0.25% MIP, 40 Year Amortization
LHC 2023 PRIME 3 CDBG	\$20,000,000	CDBG Loan, 0% APR, Payment from 50% Annual Surplus Cash.
Low Income Housing Tax Credits	\$79,345,317 +/-	TC's Sold to Private Investor
Federal Historic Tax Credits	\$26,062,481 +/-	TC's Sold to Private Investor
State Historic Tax Credits	\$33,289,815 +/-	TC's Sold to Private Investor

PROFESSIONAL/CONTRACTUAL SERVICES

Fill in the table below listing the following:

- name of person/firm providing professional/contractual services through this grant
- type of service rendered (e.g., accounting, legal, evaluation, etc.)
- the cost of the service to be provided.

NAME/FIRM	TYPE OF SERVICE	COST
John Williams Architects	Architecture	\$2,300,000
Little & Associates	Accounting/Consulting	\$50,000
Dwyer, Cambre, Suffren + Longwell Reiss	Legal	\$430,000 +/-
ICG	Environmental Reports	\$75,000 +/-

Please refer to the Bureau of Purchasing's Website <http://www.nola.gov/purchasing/> which outline all required procedures for compliance with the City of New Orleans's Federal Grant Procurement Policy for the formal procurement of any federally-funded goods, services, non-professional services, professional services or public works for the City of New Orleans. All procurements in which federal funds are contemplated or used must be conducted in accordance with federal procurement requirements.

PROJECT DESCRIPTION AND HISTORY

In the space provided below, describe the project to be implemented with HOME funds. Describe the entire project and identify the specific component/components funded through HOME.

NSA East Bank Apartments Phase I Development Narrative

Proposed Program: The proposed development will consist of a newly renovated, mixed-use, affordable workforce housing development. NSAEB 603, LLC (NSAEB 603) will completely rehabilitate two buildings that are 6-stories tall and the surrounding Lot 3A parcel in the process. All affordable workforce housing units will be contained within Building 603 fronting Poland Avenue. Both buildings are currently dilapidated and have been heavily vandalized.

Building 603 (4420 Dauphine Street)

NSAEB 603 will redevelop this 500,000 square feet structure upon receipt of HUD 221d4 funding with 294 units of 100% affordable workforce housing, approximately 32,000 square feet ground floor retail, all common areas and an approximate 21,241 square feet of the ground floor finished as a dark shell for future retail development.

The dark shell area will be completed as part of a Phase II Pedestrian Mall project using a separate funding source. Phase II work will not be included in the initial HUD mortgage collateral.

Building 602 (4440 Dauphine St) and Access Ramp Building 625

NSAEB 603 will redevelop this 500,000 square feet structure upon receipt of HUD 220 funding with 775+ covered parking spaces on the 3rd through 6th floors for use by multifamily tenants at no additional cost. Additionally, the parking garage access ramp building will be reconditioned for use as part of the Phase I renovation. ADA accessible parking spaces and access security controls will be included. Building 602 first and second floors will be finished as a dark shell as part of Phase I work.

Parking Improvements

The property will be improved with 1,000+ parking spaces. This consists of 230+ surface parking spaces available for commercial tenants and 775+ covered parking spaces available for tenants within Building 602. There

will also be approximately 3,900 square feet of walkway connectors between Building 602 and 603 that will be refurbished.

Unit Mix:

NSAEB 603, LLC received notice of award from HANO for 74 project-based vouchers (PBV's) at the NSAEB redevelopment project. An additional 220 units will be made available to families at $\leq 60\%$ AMI. There will be 49 one bedroom one bath units, 220 two-bedroom two bath units and 25 three-bedroom two bath units made available to qualifying families. The total development will provide 294 Affordable Workforce Housing Units.

Use of Funds:

NSAEB 603, LLC will use the \$2,500,000 HOME funds award to offset the added development cost associated with obtaining IBHS Fortified Multifamily Gold Certification.

ATTACHMENT II - SOURCES AND USES STATEMENT

CITY OF NEW ORLEANS
OFFICE OF COMMUNITY DEVELOPMENT

SOURCES AND USES STATEMENT

Date: May 30, 2025

Project Name: NSA East Bank Apartments

Project Address: 4420 Dauphine Street, New Orleans, LA 70117

Line Item & Number	TOTAL\$	HOMES\$	Private Funds	Other Public Funds
A1 Acquisition Cost (Land & Improvements) [§206(c)]	8,858,635.78	0.00	5,858,635.78	3,000,000.00
A2 Appraisal [§206(d)(2)]	0.00	0.00	0.00	0.00
A3 Legal, Recordation, Title Examination, etc. [§206(d)(2)]	0.00	0.00	0.00	0.00
A4 Total Acquisition Costs (A1 - A4)	8,858,635.78	0.00	5,858,635.78	3,000,000.00
B Construction (sq.ft. @ \$) [§206(a)]	142,179,803.57	2,500,000.00	125,179,803.57	14,500,000.00
C1 Architect Fee [§206(d)(1)]	4,229,247.15	0.00	4,229,247.15	0.00
C2 Financing Fees (i.e. Commitments) [§206(d)(2)]	23,692,011.74	0.00	22,192,011.74	1,500,000.00
C3 Related Finance (Closing) Costs (≠ A5) [§206(d)(2)]	874,014.64	0.00	874,014.64	0.00
C4 Building Permits [§206(d)(2)]	740,580.82	0.00	740,580.82	0.00
C5 Audit [§206(d)(3)]	0.00	0.00	0.00	0.00
C6 Affirmative Marketing/Fair Housing [§206(d)(4)]	0.00	0.00	0.00	0.00
C7 Initial Operating Deficit Reserve [§206(d)(5)]	3,892,112.49	0.00	3,892,112.49	0.00
C8 Work Write-up Preparation [§206(d)(6)]	0.00	0.00	0.00	0.00
C9 Rehab Inspection [§206(d)(6)]	0.00	0.00	0.00	0.00
C10 Housing Counseling [§206(d)(6)]	0.00	0.00	0.00	0.00
C11 CHDO Project-Specific Costs (Loan Only) [§301]	0.00	0.00	0.00	0.00
C12 Relocation Costs [§206(f)]	0.00	0.00	0.00	0.00
C13 Interim Financing Costs Appraisal [§206(g)]	0.00	0.00	0.00	0.00
C14 Other: Attach Complete Explanation & Justification	0.00	0.00	0.00	0.00
C15 Total Soft Costs	33,427,966.84	0.00	31,927,966.84	1,500,000.00
D TOTAL DEVELOPMENT COST (A4+B+C15)	184,466,406.20	2,500,000.00	162,966,406.20	19,000,000.00
E Developer's Fee [§206(d)(2)]	12,584,250.00	0.00	11,584,250.00	1,000,000.00
F Homebuyer Assistance [§205(a)]	0.00	0.00	0.00	0.00
G GRAND TOTAL PROJECT COST (D+E+F)	197,050,656.20	2,500,000.00	174,550,656.20	20,000,000.00

LEGAL PROPERTY DESCRIPTION (PROJECT SITES)

THAT CERTAIN LEASEHOLD INTEREST, created by Real Estate Ground Lease and Development Agreement by and between City of New Orleans and NSAEB 603, LLC, as evidenced by the Notice of Lease recorded October 17, 2025 at CIN 761391 and Instrument No. 2025-34714 in the conveyance records of Orleans Parish, Louisiana, as it affects a portion of the following described property:

A portion of the land and improvements located on Lot 3A of the NSA East Bank (designation pursuant to that certain Declaration of Title Change by Subdivision resubdividing Lots 1, 2, 3, 4, 5 and 6, of the Former NSAEB, being all or part of Original Squares 35, 36, 37, 38, 126, 127, 128, 184, 185, 186, 235 and 236 into Lots 1A, 2 A, and 3 A of New Square 185A, Third District City of New Orleans, Orleans Parish, Louisiana, by BFM Corporation LLC, a Professional Land Surveying Company, dated as of May 29, 2024 and recorded on August 8, 2024 at CIN 745005 and Instrument No. 2024-23829), and being more fully described as follows, to-wit:

Commencing at the intersection of the southern right-of-way line of Charters Street and the eastern right-of-way line of Poland Avenue, a 5/8" iron rod, the point of beginning, traverse along said right-of-way line of Poland Avenue North 13 degrees 59 minutes and 21 seconds East a distance of 628.36 feet to a 5/8" iron rod;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 72.52 feet to a 5/8" iron rod;

Thence North 13 degrees 59 minutes 21 seconds East a distance of 44.74 feet to a mag nail;

Thence South 76 degrees 00 minutes 39 seconds East a distance of 42.59 feet to a cross;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 573.27 feet to a cross;

Thence South 74 degrees 20 minutes 39 seconds East a distance of 22.97 feet to a cross;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 414.56 feet to a cross;

Thence North 76 degrees 00 minutes 39 seconds West a distance of 25.44 feet to a mag nail;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 743.77 feet to a 5/8" iron rod;

Thence North 75 degrees 43 minutes 07 seconds West a distance of 460.48 feet to a 5/8" iron rod;

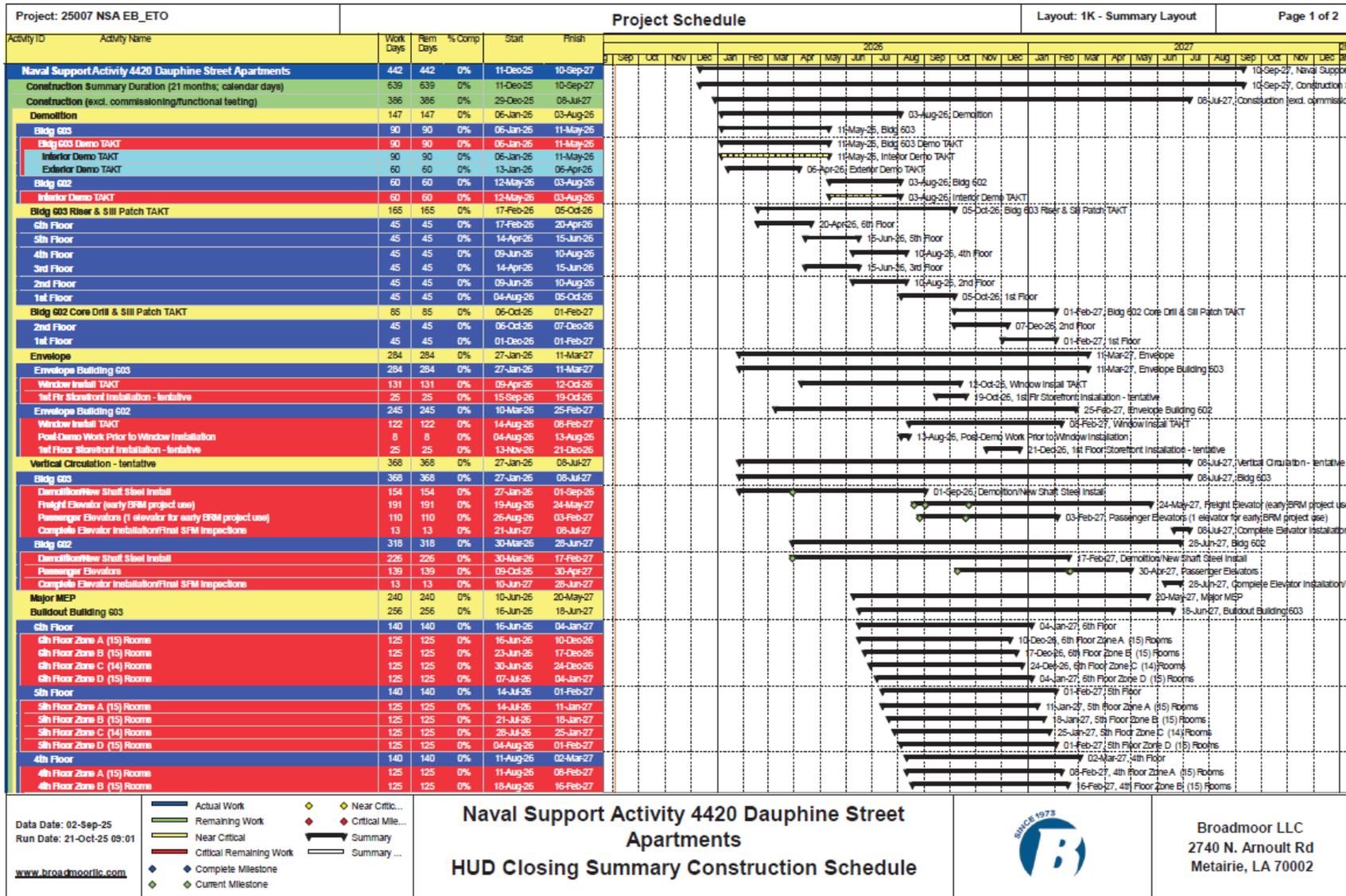
Thence North 13 degrees 56 minutes 27 seconds East a distance of 15.81 feet to a 5/8" iron rod;

Thence North 76 degrees 03 minutes 33 seconds West a distance of 24.86 feet to the point of beginning.

Less and except Units A, B and C located on the 1st floor of Building 603, containing approximately 21,241 square feet, and (ii) Floors 1 and 2 of Building 602.

The NSAEB 603 Leased Premises specifically includes, without limitation: (i) Units D, E and F located on the 1st Floor of Building 603, containing approximately 35,221 square feet, (ii) all common areas located on the 1st floor of Building 603, consisting of approximately 15,565 square feet, (iii) Floors 2-6 of Building 603, (iv) Floors 3-6 of Building 602, and (iv) Building 625, identified as the Parking Garage Access Ramp.

TOGETHER WITH the servitude rights created by that certain Declaration of Covenants, Conditions and Restrictions recorded _____, at CIN _____ and Instrument No. _____ in the conveyance records of Orleans Parish, Louisiana.



PART III
TERMS AND CONDITIONS

ACCOUNTING AND FINANCIAL MANAGEMENT
PROCEDURES

SECTION 1 - SYSTEM EVALUATION

It is agreed and understood between the parties that prior to the disbursement of funds, the City will determine that the Contractor's fidelity bonding coverage, accounting, reporting and internal control systems meet the minimum Department of HUD and City requirements. It is further agreed and understood that the City shall monitor the operations and accounting of the Contractor to assure that it is maintaining adequate systems and that the funds furnished are being used effectively and efficiently to accomplish the purposes for which the funds were made available.

SECTION 2 - CASH ADVANCE

Any advance made to the Contractor shall be amortized as the City shall order. Payments to the City from the Contractor shall be made as scheduled by the City. In any event, the balance of advance payments shall become due and payable to the City of New Orleans upon termination of this agreement.

SECTION 3 - RECEIPTS AND DISBURSEMENTS

- A. **Receipts** - Prior to any funding the Contractor shall designate a commercial bank as the depository and establish a separate checking account for the receipt of funds under this contract and give the City the Official Title and Number of the account. Furthermore, Title of the account is to be consistent with the name of the project. It is also agreed that should the Contractor decide to change the depository to another commercial bank after funds are received, the Contractor shall provide the City the name of the new depository at least five (5) days before such change occurs. The Contractor is encouraged, but not required, to use a minority owned and/or operated depository.
- B. **Disbursements** - Disbursements for goods and services of persons and/or firms not payrolled by the Contractor shall be supported by executed purchase orders or contracts. Purchase and contract procedures shall follow the City of New Orleans practices and policies, and shall be approved by the City of New Orleans prior to implementation. Disbursements must be supported by invoices or requisitions, and made by pre-numbered checks countersigned by two authorized officials other than the accountant or bookkeeper.

SECTION 4 - BOOKS OF ACCOUNTS

The Contractor shall establish and maintain on a current basis an adequate accounting system on an accrual basis, in accordance with generally accepted accounting principles and practices. This system must be adequate to enable the monthly preparation of a Cost Control Statement of the sources and applications of funds prepared in accordance with the provisions set forth in the HUD guidelines, and any other guidelines provided by the City, to be submitted to the City on the fifth (5th) working day of each calendar month.

SECTION 5 - DESCRIPTION OF ACCOUNTS

- A. **Accounts** - The accounting system shall follow the suggested general ledger account title consistent with the name of the project, or the City may provide titles at its discretion. The Contractor shall also maintain an "Ineligible Costs" ledger to record any cost incurred which is not eligible for reimbursement for program funds.
- B. **Special Account** - Contractor agrees to establish, within its present accounting system, a special numbered cost account for identification of all funds received and disbursed under this contract. This special numbered account shall be used solely for the purpose of making payments for items of allowable cost pursuant to this agreement.

SECTION 6 - RECORDS

Records shall identify adequately the source, program year, and application of funds received under this agreement. Said records shall contain information pertaining to the funding award, authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income. Records shall include the minutes of meetings of all Contractor (corporation) board meetings, pertaining to the funding received and its application.

SECTION 7 - ELIGIBLE AND INELIGIBLE COSTS

Contractor agrees that all costs incurred by it will be reasonable and of a nature which clearly relates to the specific purposes and end products of the contract. Contractor further agrees that it will exercise due care in incurring costs

1 and will assure that expenditures conform to the general standards and criteria for cost eligibility as set forth in the
2 Office of Management and Budget Super Circular 2 CFR part 200 Subpart E, and HUD regulations and guidelines
3 and others as may be imposed by the City. Contractor agrees to refund to the City any payments or portions of
4 payments which the City and/or Department of HUD determine are not properly due to the Contractor under the terms
5 of this agreement.
6

7 **SECTION 8 - FIDELITY BONDING**

8 Prior to initial disbursement of funds to the Contractor, the Contractor shall obtain fidelity/surety bonds on all persons
9 handling funds received or disbursed under the contract in an amount and manner consistent with the coverage
10 deemed necessary and reasonable, or as the City may require. If the bond is canceled or reduced, the Contractor
11 shall immediately notify the City. In that event, the City shall not make any further disbursements to the Contractor
12 until it is assured that bonding coverage has been obtained.
13

14 **SECTION 9 - AUDITS AND INTERNAL CONTROL SYSTEMS**

15 At any time during normal business hours and as often as the City may deem necessary, the Contractor shall make
16 available to the City or its agent all records for examination and will permit the City or its agent to audit, examine and
17 make excerpts or transcripts from such records and to make audits of all contracts, invoices, materials, payrolls,
18 records of personnel, conditions of improvements and other data relating to all matters covered by the contract. The
19 Contractor shall maintain a written description of its systematic method to assure timely and appropriate resolution of
20 audit findings and recommendations which shall include review of all audit findings by the Board of Directors of the
21 Contractor's corporation.
22

23 The Contractor shall perform an audit of all funds including Program Income (if applicable) received under this
24 agreement in accordance with the requirements of the Office of Management and Budget (OMB) Super Circular 2
25 CFR part 200 Subpart F. The Contractor shall upon execution of this agreement provide the City with two (2) copies
26 of all organizational audit reports inclusive of the period of time twenty-four months prior to the date of this agree-
27 ment. In the event that no organizational audit meeting the minimum requirements of OMB Super Circular 2 CFR part
28 200 Subpart (A-133 Audit) has been conducted within the last twenty-four months preceding the execution of this
29 contract, the agency shall take the necessary steps to direct an organizational audit to be implemented within 120
30 days of the execution date of this agreement, and upon completion shall provide two (2) copies of said audit to the
31 City. Failure to implement said audit shall constitute cause for the City to withhold any and all compensation due
32 under this agreement.
33

34 Any agency expending \$750,000 or more in total federal dollars is required to have an audit performed on the funds
35 that are allocated for the services of its specific agreement. The City shall, at the request of the Contractor, reimburse
36 the Contractor for the City's eligible portion of the audit cost, provided the contractor satisfies the audit requirements
37 of the City.
38

39 Any agency that expends less than \$750,000 of total federal dollars may be required by the City, at its option, to have
40 an audit performed on funds allocated for the services conducted under this agreement. This determination will be
41 based on "high risk" and "low risk" classification.
42

43 The Contractor further understands and agrees to maintain an internal control system in accordance with the Office of
44 Management and Budget (OMB) Circular No. A-123 Revised, Internal Control Systems.
45

46 **SECTION 10 - TECHNICAL ASSISTANCE**

47 The City agrees to make guidance and assistance available to the Contractor on request in establishing a suitable
48 accounting system. The provision of such assistance shall not relieve the Contractor of his responsibility to provide an
49 adequate accounting system as required by this agreement and as required by federal rules and regulations.
50

51 **SECTION 11 - PROPERTY RECORDS**

52 The Contractor shall maintain, and provide the City a copy of a record card of each item of non-expendable property
53 acquired for the project. Non-expendable property which will not be consumed or lose its identity by being
54 incorporated into another item of property, which cost \$100.00 or more per unit and is expected to have a useful life
55 of one (1) year or more. Grouping of like items, such as chairs with an aggregate cost in excess of \$100.00 shall also
56 be controlled and accounted for as non-expendable property even though the cost of a single item is less than
57 \$100.00. The record shall include (a) description of the item of property, including model and serial number, if
58 applicable, (b) date of acquisition, and (c) the acquisition cost of assigned value to the property.
59 Said record shall also include information as to whether the item of property was new or used at time of acquisition.
60 The aggregate of the individual costs shown on the record cards shall equal the balance in the subsidiary cost
61 account for non-expendable property.

1
2 A physical inventory shall be taken and reconciled with the record semi-annually, or more frequently if necessary, by
3 the Contractor. The reconciliations are to be submitted to the City within ten (10) days after completion. Any and all
4 non-expendable property purchased shall immediately upon delivery be tagged with standard City of New Orleans
5 I.D. tags, "Property of the City of New Orleans". The title to all non-expendable property acquired under the terms of
6 this contract, or any amendments thereto, including acquisition through lease-purchase agreement, shall immediately
7 vest in the City upon delivery of such property by the vendor. At the conclusion of a project or activity, all non-
8 expendable property acquired for the project shall be returned to the City of New Orleans.
9

10 **SECTION 12 - SUSPENSION OF FUNDS**

11 If at any time the Contractor is found to be in violation of any parts or sub-parts of this contract, or should the City find
12 that the Contractor is negligent in the administration or recording of funds made available through this contract, the
13 City shall have the authority to suspend any further funding and the ability to seize such Credit Balance in any
14 depository which consists of these funds.
15

16 **SECTION 13 - INSURANCE ON DEPOSITS**

17 The Contractor understands that all program funds shall be placed only in institutions covered by the Federal Deposit
18 Insurance Corporation (FDIC) organization or other appropriately Federal insured institution or depository. The
19 Contractor also understands that any portion of program funds, in excess of \$100,000, in any one institution, must be
20 fully (100%) and continuously collateralized with specific and identifiable U. S. Government or Agency securities. The
21 securities used as collateral must be owned by the Depository and the manner of collateralization must provide the
22 Contractor with a continuing perfected security interest in the collateral in accordance with applicable law and Federal
23 regulations. The Contractor shall have the option of placing program funds in excess of \$100,000 in another properly
24 insured institution instead of providing collateral for any additional funds in excess of \$10

**MONTHLY REPORTING REQUIREMENTS
Rental Housing Activity**

Project Name: _____
 Project Address: _____
 Activity Type: Rehab Only ___ New Construction Only ___ Acquisition Only ___
 Acquisition & Rehab ___ Acquisition & New Construction ___
 Property Type: Condominium ___ Cooperative ___ SRO ___ Apartment ___
 FHA Insured: Yes ___ No ___ Mixed Use: Yes ___ No ___ Mixed Income: Yes ___ No ___
 Total Units: _____
 Total HOME-assisted Units: _____
 Total 504 Units: Mobility-impaired _____ % of Total Units _____
 Sensory-impaired _____ % of Total Units _____
 Projected Start Date: _____
 Projected Completion Date: _____

Reporting Month: _____

1. CONSTRUCTION ACTIVITY

◆ **UNITS UNDERWAY**

Total Non-504 HOME-assisted Units

	<u>This Month</u>	<u>To Date</u>
How Many?	_____	_____
Percentage	_____	_____

Total 504 HOME-assisted units under construction

	<u>This Month</u>	<u>To Date</u>
How Many?	_____	_____
Percentage	_____	_____

Total HOME-assisted units

	<u>This Month</u>	<u>To Date</u>
How Many?	_____	_____
Percentage	_____	_____

◆ **UNITS COMPLETE (with Certificates of Occupancy)**

Total Non-504 HOME-assisted Units

	<u>This Month</u>	<u>To Date</u>
How Many?	_____	_____

Percentage	_____	_____
------------	-------	-------

Total 504 HOME-assisted Units

	<u>This Month</u>	<u>To Date</u>
How Many?	_____	_____

Percentage	_____	_____
------------	-------	-------

◆ **UNITS COMPLETE (with Certificates of Occupancy) (continued)**

Total HOME-assisted Units

	<u>This Month</u>	<u>To Date</u>
How Many?	_____	_____

Percentage	_____	_____
------------	-------	-------

2. OFFICE OF COMMUNITY DEVELOPMENT (OCD) CERTIFICATIONS

Total Non-504 HOME-assisted Unit Certifications Received

This Month	_____	To Date	_____
-------------------	-------	----------------	-------

Total 504 HOME-assisted Unit Certifications Received

	<u>This Month</u>	<u>To Date</u>
Mobility-impaired	_____	_____

Sensory-impaired	_____	_____
------------------	-------	-------

Total HOME-assisted Unit Certifications Received

This Month	_____	To Date	_____
-------------------	-------	----------------	-------

3. LEASE EXECUTIONS

Total Non-504 HOME-assisted Unit Lease Executions

This Month	_____	To Date	_____
-------------------	-------	----------------	-------

Total 504 HOME-assisted Unit Lease Executions

This Month	_____	To Date	_____
-------------------	-------	----------------	-------

Total HOME-assisted Unit Lease Executions

This Month _____

To Date _____

Describe any problems that are delaying the completion or occupancy of the project by the targeted completion date.

Describe your organization's outreach strategies for reaching your targeted Section 504 population.

List outreach activities your organization conducted this month. (Provide documentation to OCD.)

Describe the results of those activities.

DIRECT BENEFIT PROFILE

(For Compliance with 24CFR 570.506 and Section 109, Housing and Community Development Act of 1974, as Amended, and Section 217 (b)(1) Of Title II, the National Affordable Housing Act, as amended, Title VI, Civil Rights Act of 1964)

Project Name: _____

Project Number: _____

Name of Organization: _____

Name & Title of Reporting Officer: _____

Signature of Reporting Officer: _____

Note: This report is due on the 5th working day of each month along with the Monthly Reporting Requirements.

Report Period	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Total # of Persons Assisted	White	Black/African American	Asian	American Indian/Alaskan Native	Native Hawaiian/Other Pacific Islander	American Indian/Alaskan Native & White	Asian & White	Black/African American & White	American Indian/Alaskan Native & African American	Other Multi Racial	Hispanic	Female Headed Household	Extremely Low Income 0%-30%	Very Low Income 31%-50%	Low/Mod Income 51%-80%
(a) Month of: _____ New Clients Only	#	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %
(b) Cumulative from effective date of contract through this report period	#	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %	# %

INSTRUCTIONS FOR COMPLETING DIRECT BENEFIT PROFILE

Organizations are required to identify persons benefiting from each activity planned, and distinguish between those who will benefit directly and those who will benefit indirectly. A direct benefit will accrue to any activity where a personal record must be completed by the client or maintained by the organization in order for the client to receive services. Persons must be identified by racial and ethnic background. The individuals themselves make this determination.

Project Name: Enter the official project name as it appears on Page 1 of the Agreement.

Project Number: Enter the project number as it appears on Page 1 of the Agreement.

Organization Name: Enter the organization's name as it appears on Page 1 of the Agreement.

Name & Title of Reporting Officer: Enter the name and title of the person in the organization responsible for the Direct Benefit Profile.

Signature of Reporting Officer: Self-explanatory

Report Period: Enter the month for which the data is being reported.

Column 1: Enter the total number of persons receiving direct benefits for the current report month and cumulatively from execution of Agreement through report period.

Column 2: Of the total number of clients entered in Column 1, enter the number and percentage of White people receiving direct benefits (a person having origin in any of the original peoples of Europe, North Africa or the Middle East).

Column 3: Of the total number of clients entered in Column 1, enter the number and percentage of African American people receiving direct benefits (a person having origin in any of the black racial groups of Africa).

Column 4: Of the total number of clients entered in Column 1, enter the number and percentage of Asian people receiving direct benefits (a person having origin in any of the people of the Far East, Southeast Asia, and the Indian subcontinent, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam).

Column 5: Of the total number of clients entered in Column 1, enter the number and percentage of American Indian/Alaskan Native people receiving direct benefits (a person having origin in any of the original peoples of North, Central and South America, and who maintain tribal affiliation or community attachment).

Column 6: Of the total number of clients entered in Column 1, enter the number and percentage of Native Hawaiian/Other Pacific Islander people receiving direct benefits (a person having origin in any of the original peoples of Hawaii, Guam, Samoa or other Pacific Islands).

Column 7: Of the total number of clients entered in Column 1, enter the number and percentage of American Indian/Alaskan Native & White people receiving direct benefits.

Column 8: Of the total number of clients entered in Column 1, enter the number and percentage of Asian & White people receiving direct benefits.

- 1 **Column 9:** Of the total number of clients entered in Column 1, enter the number and percentage of
2 Black/African-American & White people receiving direct benefits.
3
- 4 **Column 10:** Of the total number of clients entered in Column 1, enter the number and percentage of American
5 Indian/Alaskan Native & Black/African-American people receiving direct benefits.
6
- 7 **Column 11:** Of the total number of clients entered in Column 1, enter the number and percentage of Other Multi-
8 racial people receiving direct benefits.
9
- 10 **Column 12:** Of the total number of clients entered in Column 1, enter the number and percentage of Hispanics
11 receiving direct benefits (a person of Mexican, Puerto Rican, Cuban, Central or South American or
12 other Spanish culture or origin, regardless of race).
13
- 14 **Column 13:** Of the total number of clients entered in Column 1, enter the number and percentage of Female-
15 headed households receiving direct benefits.
16
- 17 **Column 14:** Of the total number of clients entered in Column 1, enter the number and percentage of Extremely
18 Low Income persons receiving direct benefits (0% - 30% MFI).
19
- 20 **Column 15:** Of the total number of clients entered in Column 1, enter the number and percentage of Very Low
21 Income persons receiving direct benefits (31% - 50% MFI).
22
- 23 **Column 16:** Of the total number of clients entered in Column 1, enter the number and percentage of Low Income
24 persons receiving direct benefits (51% - 80% MFI).

Compliance Unit Reporting Requirements

Community Development Block Grant (CDBG) funding *requires* the following compliance monitoring:

- Adherence to Davis-Bacon monitoring for all Public Facility construction projects in excess of \$2,000 and all Residential construction projects involving 8 or more units
- Utilization of LCPTracker, electronic online system of entering certified payrolls
 - Weekly submissions of certified payrolls include affidavits of prime contractor, statements of compliance, and payroll spreadsheets
- Timely completion of Contract and Subcontract Activity Reports (CSAR) if any portion of funding was used for construction
- Equal Employment Opportunity and Affirmative Action monitoring for all subrecipients
- Section 3 monitoring for all recipients of federal assistance exceeding \$200,000 in any one year that is expended in part for housing construction, rehabilitation, or other public construction; and for construction contracts in excess of \$100,000 (clause included if applicable)
- Total Federal Funding Inquiry report to be completed by all subrecipients to determine if an A-133 Single Audit is required
- A-133 Single Audit to be performed by any subrecipient that expends \$750,000 or more in one fiscal year, effective for fiscal years beginning on or after January 1, 2015. For fiscal years starting prior to January 1, 2015, the threshold is \$500,000.

HOME funding *requires* the following compliance monitoring:

- Equal Employment Opportunity and Affirmative Action monitoring for all subrecipients
- Section 3 monitoring for all recipients of federal assistance exceeding \$200,000 in any one year that is expended in part for housing construction, rehabilitation, or other public construction; and for construction contracts in excess of \$100,000 (clause included if applicable)
- Total Federal Funding Inquiry report to be completed by all sub-recipients to determine if an A-133 Single Audit is required
- A-133 Single Audit to be performed by any subrecipient that expends \$750,000 or more in one fiscal year, effective for fiscal years beginning on or after January 1, 2015. For fiscal years starting prior to January 1, 2015, the threshold is \$500,000.

SECTION 3 CLAUSE

All bid packages and contracts of \$100, 000 or greater stimulating construction through the use of federal funds shall include the required “Section 3 clause” (below):

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S. C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities shall, to the greatest extent feasible, be directed to low- and very-low income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to the contract agree to comply with HUD’s regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker’s representative of the contractor’s commitments under

1 this Section 3 clause, and will post copies of the notice in conspicuous places at the work site
2 where both employees and applicants for training and employment positions can see the notice.
3 The notice shall describe the Section 3 preference, shall set forth minimum number and job titles
4 subject to hire, availability of apprenticeship and training positions, the qualifications of each;
5 and the name and location of the person(s) taking applications for each of the positions; and the
6 anticipated date the work shall begin.

- 7 D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance
8 with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an
9 applicable provision of the subcontract of in this Section 3 clause, upon a finding that a
10 subcontractor is in violation of the regulations in 24 CFR Part 135. The contract will not
11 subcontract with any subcontractor where the contractor has notice or knowledge that the
12 subcontractor is in violation of the regulations in 24 CFR Part 135.
- 13 E. The contractor will certify that any vacant employment positions, including training positions,
14 that are filled (1) after the contractor is selected but before the contract is executed, and (2) with
15 persons other than those to whom the regulations of 24 CFR Part 135 require employment
16 opportunities to be directed, were not filled to circumvent the contractor's obligations under 24
17 CFR Part 135.
- 18 F. Non compliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination
19 of this contract for default, and debarment or suspension from future HUD assisted contracts.
- 20 G. With respect to the work performed in connection with Section 3 covered Indian housing
21 assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25
22 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires
23 that to the greatest extent feasible (i) preference and opportunities for training and employment
24 shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be
25 given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract
26 are subject to Section 3 and Section 7(b) to the maximum extent feasible, but not in derogation of
27 compliance with Section 7(b).

**HUD COMPLIANCE PROVISIONS
FOR (Where Applicable)
HOME GRANTEES**

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- 53
- 54 1. **EQUAL EMPLOYMENT OPPORTUNITY (Equal Opportunity Clause)**
- 55 (Applicable to contracts and subcontracts above \$10,000)

1
2 During the performance of this contract, the Developer, Sponsor, Owner agrees as follows:
3

- 4 A. The Developer, Sponsor, or Owner will not discriminate against any employee or applicant for employment
5 because of race, color, religion, sex, or national origin. The Developer, Sponsor, or Owner will take
6 affirmative action to ensure that applicants are employed, and that employees are treated during employment,
7 without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be
8 limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment
9 advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training,
10 including apprenticeship. The Developer, Sponsor, or Owner agrees to post in conspicuous places, available
11 to employees and applicants for employment, notices to be provided setting forth the provisions of this
12 nondiscrimination clause.
13
- 14 B. The Developer, Sponsor, or Owner will, in all solicitations or advertisements for employees placed by or on
15 behalf of the Developer, Sponsor, or Owner state that all qualified applicants will receive consideration
16 without regard to race, color, religion, sex, or national origin.
17
- 18 C. The Developer, Sponsor, or Owner will not discharge or in any other manner discriminate against any
19 employee or applicant for employment because such employee or applicant has inquired about, discussed, or
20 disclosed the compensation of the employee or applicant or another employee or applicant. This provision
21 shall not apply to instances in which an employee who has access to the compensation information of other
22 employees or applicants as a part of such employee's essential job functions discloses the compensation of
23 such other employees or applicants to individuals who do not otherwise have access to such information,
24 unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation,
25 proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with
26 the contractor's legal duty to furnish information. The Developer, Sponsor, or Owner will send to each labor
27 union or representative of workers with which he has a collective bargaining agreement or other contract or
28 understanding, a notice to be provided by the Contract Compliance Officer advising the said labor union or
29 workers' representatives of the Developer's, Sponsor's, or Owner's commitment under this section, and shall
30 post copies of the notice in conspicuous places available to employees and applicants for employment.
31
- 32 D. The Developer, Sponsor, or Owner will comply with all provisions of Executive Order 11246 of September
33 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor.
34
- 35 E. The Developer, Sponsor, or Owner will furnish all information and reports required by Executive Order
36 11246 of September 24, 1965, as amended, and by rules, regulations, and orders of the Secretary of Labor,
37 or pursuant thereto, and will permit access to his books, records, and accounts by the Department and the
38 Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and
39 others.
40
- 41 F. In the event of the Developer's, Sponsor's, or Owner's, noncompliance with the non-discrimination clauses
42 of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated,
43 or suspended in whole or in part and the Developer, Sponsor, or Owner may be declared ineligible for further
44 Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24,
45 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
46
- 47 G. The Developer, Sponsor, or Owner will include the provisions of the sentence immediately preceding
48 paragraph A and the provisions of paragraphs A through G in every lower-tier agreement or purchase order
49 unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of
50 Executive Order 11246 of September 24, 1965, as amended, so that such provisions will be binding upon
51 each vendor. The Developer, Sponsor, or Owner will take such action with respect to any lower-tier or
52 purchase order as the Department may direct as a means of enforcing such provisions, including sanctions
53 for noncompliance. Provided, however, that in the event a Developer, Sponsor, or Owner becomes involved
in, or is threatened with, litigation with a vendor as a result of such direction by the Department, the

1 Developer, Sponsor, or Owner may request the United States to enter into such litigation to protect the interest
2 of the United States.

3
4 **2. STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION**
5 **CONTRACT SPECIFICATIONS**
6 (Applicable to contracts and awards above \$10,000)

7
8 A. As used in these specifications:

- 9
10 (1) "Covered area" means the geographical area described in the solicitation from which this contract
11 resulted;
- 12
13 (2) "Director" means Director, Office of Federal Contract Compliance Programs, United States
14 Department of Labor, or any person to whom the Director delegates authority;
- 15
16 (3) "Employer identification number" means the Federal Social Security number used on the
17 Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.
- 18
19 (4) "Minority" includes:
- 20
21 (a) Black (all persons having origins in any of the Black African racial groups not of
22 Hispanic origin);
- 23
24 (b) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South America or
25 other Spanish Culture or origin, regardless of race);
- 26
27 (c) Asian and Pacific Islander (all persons having origins in any of the original people of the
28 Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and
- 29
30 (d) American Indian or Alaskan Native (all persons having origins in any of the original
31 peoples of North America and maintaining identifiable tribal affiliations through
32 membership and participation or community identification).

33
34 B. When the Developer, Sponsor, or Owner, or any lower-tier organization, awards a portion of the work
35 involving any construction trade, it shall physically include in each lower-tier agreement, in excess of
36 \$10,000, the provisions of these specifications and the Notice which contains the applicable goals for
37 minority and female participation and which is set forth in the solicitations from which this contract resulted.

38
39 C. If the Developer, Sponsor, or Owner is participating (pursuant to 41 CFR 60 4.5) in a Hometown Plan
40 approved by the U.S. Department of Labor in the covered area either individually or through an association,
41 its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in
42 accordance with that Plan for those trades which have unions participating in the Plan. Developer, Sponsor,
43 or Owner must be able to demonstrate their participation in compliance with the provisions of any such
44 Hometown Plan. Each Developer, Sponsor, or Owner or lower-tier organization participating in an approved
45 Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith
46 effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith
47 performance by other lower-tier organizations toward a goal in an approved Plan does not excuse any covered
48 Developer's, Sponsor's, or Owner's, or lower-tier organization's failure to take good faith efforts to achieve
49 the Plan's goals and timetables.

50
51 D. The Developer, Sponsor, or Owner shall implement the specific affirmative action standards provided in
52 paragraphs G(1) through G(16) of these specifications. The goals set forth in the solicitation from which this
53 contract resulted are expressed as percentages of the total hours of employment and training of minority and
54 female utilization the Developer, Sponsor, or Owner should reasonably be able to achieve in each

1 construction trade in which it has employees in the covered area. Covered construction Developer, Sponsor,
2 or Owner performing contracts in geographical areas where they do not have a federal or federally-assisted
3 construction contract shall apply the minority and female goals established for the geographic area where the
4 contract is being performed. Goals are published periodically in the Federal Register in notice form and such
5 notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal
6 procurement contracting officers. The Developer, Sponsor, or Owner is expected to make substantially
7 uniform progress in meeting its goals in each craft during the period specified.
8

9 E. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the
10 Developer, Sponsor, or Owner has a collective bargaining agreement, to refer either minorities or women
11 shall excuse the Developer's, Sponsor's, or Owner's obligations under these specifications, Executive Order
12 11246, nor the regulations promulgated pursuant thereto.
13

14 F. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals,
15 such apprentices and trainees must be employed by the Developer, Sponsor, or Owner during the training
16 period, and the Developer, Sponsor, or Owner must have made a commitment to employ the apprentices and
17 trainees at the completion of their training, subject to the availability of employment opportunities. Trainees
18 must be trained pursuant to training programs approved by the U.S. Department of Labor.
19

20 G. The Developer, Sponsor, or Owner shall take specific affirmative action to ensure equal employment
21 opportunity. The evaluation of the Developer's, Sponsor's, or Owner's compliance with these specifications
22 shall be based upon its effort to achieve maximum results from its actions. The Developer, Sponsor, or
23 Owner shall document these efforts fully, and shall implement affirmative action steps at least as extensive
24 as the following:
25

26 (1) Ensure and maintain a working environment free of harassment, intimidation, and coercion
27 at all sites, and in all facilities at which the Developer's, Sponsor's, or Owner's employees
28 are assigned to work. Developer, Sponsor, or Owner, where possible, will assign two or
29 more women to each construction project. The Developer, Sponsor, or Owner shall
30 specifically ensure that all foremen, superintendents and other on-site supervisory
31 personnel are aware of and carry out the Developer's, Sponsor's, or Owner's obligation to
32 maintain such a working environment, with specific attention to minority or female
33 individuals working at such sites or in such facilities.
34

35 (2) Establish and maintain a current list of minority and female recruitment sources, provide
36 written notification to minority and female recruitment sources and to community
37 organizations when the Developer, Sponsor, or Owner or its unions have employment
38 opportunities available, and maintain a record of the organization's responses.
39

40 (3) Maintain a current file of the names, addresses, and telephone numbers of each minority
41 and female off-the-street applicant and minority or female referral from a union, a
42 recruitment source, or community organization and of what action was taken with respect
43 to each such individual. If such individual was sent to the union hiring hall for referral and
44 was not referred back to the Developer, Sponsor, or Owner by the union or, if referred, not
45 employed by the Developer, Sponsor, or Owner Developer, Sponsor, or Owner, this shall
46 be documented in the file with the reason therefore, along with whatever additional actions
47 the Developer, Sponsor, or Owner may have taken.
48

49 (4) Provide immediate written notification to the Director when the union or unions with which
50 the Developer, Sponsor, or Owner has a collective bargaining agreement have not referred
51 to the Developer, Sponsor, or Owner a minority person or woman sent by the Developer,
52 Sponsor, or Owner, or when the Developer, Sponsor, or Owner has other information that
53 the union referral process has impeded the Developer's, Sponsor's, or Owner's efforts to
54 meet its obligations.

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- (5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly includes minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Developer's, Sponsor's, or Owner's employment needs, especially those programs funded or approved by the Department of Labor. The Developer, Sponsor, or Owner shall provide notice of these programs to the sources compiled under G(2) above.
- (6) Disseminate the Developer's, Sponsor's, or Owner's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Developer, Sponsor, or Owner in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on a bulletin board accessible to all employees at each location where construction work is performed.
- (7) Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foreman, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.
- (8) Disseminate the Developer's, Sponsor's, or Owner's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Developer's, Sponsor's, or Owner's EEO policy with other housing organizations with whom the Developer, Sponsor, or Owner does or anticipates doing business.
- (9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Developer's, Sponsor's, or Owner's recruitment area and employment needs. Not later than one month prior to the date for acceptance of applications for apprenticeship or other training by any recruitment source, the Developer, Sponsor, or Owner shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
- (10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a Developer's, Sponsor's, or Owner's work force.
- (11) Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60 3.
- (12) Conduct, at least annually, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
- (13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and

- 1 employment related activities to ensure that the EEO policy and the Developer's,
2 Sponsor's, or Owner's obligations under these specifications are being carried out.
- 3 (14) Ensure that all facilities and company activities are nonsegregated except that separate or
4 single-user toilet and necessary changing facilities shall be provided to assure privacy
5 between the sexes.
- 6
- 7 (15) Document and maintain a record of all solicitations of offers for lower-tier contracts from
8 minority and female construction firms and suppliers, including circulation of solicitation
9 to minority and female owned associations and other business associations.
- 10
- 11 (16) Conduct a review, at least annually, of all supervisors' adherence to and performance under
12 the Developer's, Sponsor's, or Owner's EEO policies and affirmative action obligations.
- 13
- 14 H. Developer, Sponsor, or Owners are encouraged to participate in voluntary associations which assist in
15 fulfilling one or more of their affirmative action obligations G(1) through G(16)). The efforts of a
16 Developer's, Sponsor's, or Owner's association, joint Developer, Sponsor, or Owner and minority- and
17 female-owned venture, minority and female owned associations, or other similar group of which the
18 Developer, Sponsor, or Owner is a member and participant, may be asserted as fulfilling any one or more of
19 its obligations under G(1) through G(16) of these specifications provided that the Developer, Sponsor, or
20 Owner actively participates in the group, makes every effort to assure that the group has a positive impact on
21 the employment of minorities and women in the industry, ensures that the concrete benefits of the program
22 are reflected in the Developer's, Sponsor's, or Owner's minority and female workforce participation, makes
23 a good faith effort to meet its individual goals and timetables, and can provide access to documentation which
24 demonstrates the effectiveness of actions taken on behalf of the Developer, Sponsor, or Owner. The
25 obligation shall not be a defense for the Developer's, Sponsor's, or Owner's non-compliance.
- 26
- 27 I. A single goal for minorities and a separate single goal for women has been established. The Developer,
28 Sponsor, or Owner, however, is required to provide equal employment opportunity and to take affirmative
29 action for all minority groups, both male and female, and all women, both minority and non-minority.
30 Consequently, the Developer, Sponsor, or Owner may be in violation of the Executive Order if a particular
31 group is employed in a substantially disparate manner (for example, even though the Developer, Sponsor, or
32 Owner has achieved its goals for women generally, the Developer, Sponsor, or Owner may be in violation of
33 the Executive Order if a specific minority group of women is underutilized).
- 34
- 35 J. The Developer, Sponsor, or Owner shall not use the goals and timetables or affirmative action standards to
36 discriminate against any persons because of race, color, religion, sex, or national origin.
- 37
- 38 K. The Developer, Sponsor, or Owner shall not enter into any subcontract with any person or firm that is
39 debarred from government contracts pursuant to E.O. 11246.
- 40 L. The Developer, Sponsor, or Owner shall carry out such sanctions and penalties for violation of these
41 specifications and of the Equal Opportunity Clause including suspension, termination, and cancellation of
42 existing contracts as may be imposed or ordered pursuant to E.O. 11246, as amended.
- 43
- 44 M. The Developer, Sponsor, or Owner, in fulfilling its obligations under these specifications, shall implement
45 specific affirmative action steps, at least as extensive as those standards prescribed in paragraph G of these
46 specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If
47 the Developer, Sponsor, or Owner fails to comply with the requirements of the Executive Order, the
48 implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60
49 4.8.
- 50
- 51 N. The Developer, Sponsor, or Owner shall designate a responsible official to monitor all employment related
52 activity to ensure that its organization's EEO policy is being carried out, to submit reports relating to the
53 provisions hereof as may be required by the government and to keep records. Records shall at least include
54 for each employee, the name, address, telephone numbers, construction trade, union affiliation if any,

1 employee identification number where assigned, social security number, race, sex, status (e.g., mechanic,
2 apprenticeship trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated
3 trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily
4 understandable and retrievable form; however, to the degree that existing records satisfy this requirement,
5 Developers, Sponsors, or Owners shall not be required to maintain separate records.
6

- 7 O. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish
8 different standards of compliance or upon the application or requirements for the hiring of local or other area
9 residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development
10 Block Grant Program).
11

12
13 **3. NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION**
14 (Applicable to contracts and awards over \$10,000)
15

- 16 A. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal
17 Equal Employment Opportunity Construction Contract Specifications" set forth herein.
18
19 B. The goals and timetables for minority and female participation, expressed in percentage terms for the
20 Contractor's aggregate workforce in each trade on all construction work in the covered area are applicable to
21 all the Contractor's construction work (whether or not it is federal or federally assisted) performed in the
22 covered area. If the Contractor performs construction work in a geographic area located outside of the
23 covered area, it shall apply the goals established for such geographic area where the work is actually
24 performed.
25

26 With regard to this second area, the Contractor also is subject to the goals for both its federally involved and
27 non-federally involved construction. The Contractor's compliance with the Executive Order and the
28 regulations in 41 CFR Part 60 4 shall be based on its implementation of the Equal Opportunity Clause,
29 specific affirmative action obligations required by the specifications set forth in 41 CFR 60 4.3 (a) and its
30 efforts to meet the goals established for the geographical area where the contract resulting from this
31 solicitation is to be performed. The hours of minority and female employment and training must be
32 substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make
33 a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority
34 or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose
35 of meeting the Contractor's goals shall be a violation of the contract, the Executive Order, and the regulations
36 in 41 CFR Part 60 4. Compliance with the goals will be measured against the total work hours performed.
37

- 38 C. The Contractor shall provide written notification to the Director of the Office of Federal Contract
39 Compliance Programs within 10 working days of award of any construction subcontract in excess of
40 \$10,000 at any tier for construction work under the contract resulting from this solicitation. The
41 notification shall list the name, address, and telephone number of the subcontractor; employer identification
42 number; estimated dollar amount of the subcontract; estimated starting and completion dates of the sub-
43 contract; and the geographical area in which the contract is to be performed.
44
45 D. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is (insert
46 description of the geographical areas where the contract is to be performed, giving the State, parish, and
47 city, if any):
48

49 **4. CERTIFICATION OF NONSEGREGATED FACILITIES**
50 (Applicable to contracts and awards over \$10,000)
51

52 By the submission of this contract, the Developer, Sponsor, or Owner certifies that he/she does not maintain
53 or provide for his/her establishments, and that he/she does not permit employees to perform their services at
54 any location, under his/her control, where segregated facilities are maintained. He/she certifies further that

1 he/she will not maintain or provide for employees any segregated facilities at any of his/her establishments,
2 and he/she will not permit employees to perform their services at any location under his/her control where
3 segregated facilities are maintained. The Developer, Sponsor, or Owner agrees that a breach of this
4 certification is a violation of the equal opportunity clause of this contract.
5

6 As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms
7 and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing
8 areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities
9 provided for employees which are segregated by explicit directive or are, in fact, segregated on the basis of
10 race, color, religion, or national origin because of habit, local custom, or any other reason.
11

12 He/she further agrees that (except where he/she has obtained for specific time periods) he/she will obtain
13 identical certification from proposed lower-tier organizations prior to the award of contracts exceeding
14 \$10,000 which are not exempt from the provisions of the equal opportunity clause; that he/she will retain
15 such certifications in his/her files; and that he/she will forward the following notice to such proposed lower-
16 tier organizations (except where proposed lower-tier organizations have submitted identical certifications for
17 specific time periods).
18

19
20 **5. CIVIL RIGHTS**

21
22 The Developer, Sponsor, or Owner shall comply with the provisions of Title VI of the Civil Rights Act of
23 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in,
24 be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal
25 financial assistance.
26

27
28 **6. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT**
29 **OF 1974**
30

31 The Developer, Sponsor, or Owner shall comply with the provisions of Section 109 of the Housing and
32 Community Development Act of 1974. No person in the United States shall on the grounds of race, color,
33 national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to
34 discrimination under any program or activity funded in whole or in part with funds made available under this
35 title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act
36 of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the
37 Rehabilitation Act of 1973, as amended, is prohibited.
38

39 **7. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968- (Section 3 Clause)**
40 **(Applicable to HUD contracts and lower-tier agreements above \$100,000)**
41

42 During the performance of this contract, the Developer, Sponsor, or Owner agrees as follows (Where Applicable):
43

- 44 A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and
45 Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to
46 ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted
47 projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income
48 persons, particularly persons who are recipients of HUD assistance for housing.
- 49 B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement
50 Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are
51 under no contractual or other impediment that would prevent them from complying with the part 135
52 regulations.
53

- 1 C. The Developer, Sponsor, or Owner agrees to send to each labor organization or representative of workers
2 with which the Developer, Sponsor, or Owner has a collective bargaining agreement or other understanding,
3 if any, a notice advising the labor organization or workers' representative of the Developer's, Sponsor's, or
4 Owner's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places
5 at the work site where both employees and applicants for training and employment positions can see the
6 notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles
7 subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name
8 and location of the person(s) taking applications for each of the positions, and the anticipated date the work
9 shall begin.
- 10
- 11 D. The Developer, Sponsor, or Owner agrees to include this Section 3 clause in every lower-tier agreement
12 subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided
13 in an applicable provision of the contract or in this Section 3 clause, upon a finding that the Developer,
14 Sponsor, or Owner is in violation of the regulations in 24 CFR part 135. The Developer, Sponsor, or Owner
15 will not issue contracts with any lower-tier organization where the Developer, Sponsor, or Owner has notice
16 or knowledge that the lower-tier organization has been found in violation of the regulations in 24 CFR part
17 135.
- 18
- 19 E. The Developer, Sponsor, or Owner will certify that any vacant employment positions, including training
20 positions, that are filled (1) after the Developer, Sponsor, or Owner is selected but before the contract is
21 executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require
22 employment opportunities to be directed, were not filled to circumvent the Developer's, Sponsor's, or
23 Owner's obligations under 24 CFR part 135.
- 24
- 25 F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this
26 contract for default, and debarment or suspension from future HUD assisted contracts.
- 27
- 28 G. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b)
29 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to
30 be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and
31 opportunities for training and employment shall be given to Indians, and (ii) preference in the award of
32 contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises.
33 Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with
34 Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- 35 **8. SECTION 504 OF THE REHABILITATION ACT OF 1973 (29 USC 793)**
36 (Applicable to contracts and awards over \$10,000)
- 37
- 38 A. The Developer, Sponsor, or Owner will not discriminate against any employee or applicant for employment
39 because of physical or mental handicap in regard to any position for which the employee or applicant for
40 employment is otherwise qualified. The Developer, Sponsor, or Owner agrees to take affirmative action to
41 employ, advance in employment and otherwise treat qualified handicapped individuals without
42 discrimination based upon their physical or mental handicap in all employment practices such as the
43 following: employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates
44 of pay or other forms of compensation, and selection for training, including apprenticeship.
- 45
- 46 B. The Developer, Sponsor, or Owner agrees to comply with the rules, regulations, and relevant orders of the
47 Secretary of Labor issued pursuant to the Act.
- 48
- 49 C. In the event of the Developer's, Sponsor's, or Owner's noncompliance with the requirements of this clause,
50 actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the
51 Secretary of Labor issued pursuant to the Act.
- 52 D. The Developer, Sponsor, or Owner agrees to post in conspicuous places, available to employees and
53 applicants for employment, notices in a form to be prescribed by the Director, provided by or through the
54 contracting officer. Such notices shall state the Developer's, Sponsor's, or Owner's obligation under the law

1 to take affirmative action to employ and advance in employment qualified handicapped employees and
2 applicants for employment, and the rights of applicants and employees.
3

4 E. The Developer, Sponsor, or Owner will notify each labor union or representative of workers with which it
5 has a collective bargaining agreement or other contract understanding, that the Developer, Sponsor, or Owner
6 is bound by the terms of Section 503 of the Rehabilitation Act of 1973, and is committed to take affirmative
7 action to employ and advance in employment physically and mentally challenged individuals.
8

9 F. The Developer, Sponsor, or Owner will include the provisions of this clause in every subcontract or purchase
10 order of \$10,000 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to
11 Section 503 of the Act, so that such provisions will be binding upon each Developer, Sponsor, or Owner or
12 vendor. The Developer, Sponsor, or Owner will take such action with respect to any contract or purchase
13 order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such
14 provisions, including action for noncompliance.
15

16 9. **SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED**
17

18 The Developer, Sponsor, or Owner agrees that no otherwise qualified individual with disabilities shall, solely
19 by reason of his disability, be denied the benefits, or be subjected to discrimination including discrimination
20 in employment, any program or activity that receives the benefits from the federal financial assistance.
21

22 10. **AGE DISCRIMINATION ACT OF 1975**
23

24 The Developer, Sponsor, or Owner shall comply with the provisions of the Age Discrimination Act of 1975.
25 No person in the United States shall, on the basis of age, be excluded from participation in, be denied the
26 benefits of, or be subjected to discrimination under, any program or activity receiving federal financial
27 assistance.
28

29 11. **CERTIFICATION OF COMPLIANCE WITH AIR AND WATER ACTS**
30 (Applicable to contracts and awards exceeding \$100,000)
31

32 The Developer, Sponsor, or Owner and all sub-recipients shall comply with the requirements of the Clean
33 Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC
34 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR
35 Part 15, as amended.
36

37 In addition to the foregoing requirements, all nonexempt Developers, Sponsors, or Owners and lower-tier
38 organizations shall furnish to the owner, the following:
39

40 A. A stipulation by the Developer, Sponsor, or Owner or lower-tier organization, that any facility to be
41 utilized in the performance of any nonexempt contract or award, is not listed on the List of Violating
42 Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR Part 15, as
43 amended.
44

45 B. Agreement by the Developer, Sponsor, or Owner to comply with all the requirements of Section
46 114 of the Clean Air Act, as amended, (42 USC 1857 c 8) and Section 308 of the Federal Water
47 Pollution Control Act, as amended, (33 USC 1318) relating to inspection, monitoring, entry, reports
48 and information, as well as all other requirements specified in said Section 114 and Section 308,
49 and all regulations and guidelines issued there under.
50

51 C. A stipulation that as a condition for the award of the contract, prompt notice will be given of any
52 notification received from the Director, Office of Federal Activities, EPA, indicating that a facility
53 utilized, or to be utilized for the contract, is under consideration to be listed on the EPA List of
54 Violating Facilities.

1
2 D. Agreement by the Developer, Sponsor, or Owner that he/she will include, or cause to be included,
3 the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt lower-
4 tier contract and requiring that the Developer, Sponsor, or Owner will take such action as the
5 government may direct as a means of enforcing such provisions.

6 12. **SPECIAL CONDITIONS PERTAINING TO HAZARDS, SAFETY STANDARDS AND ACCIDENT**
7 **PREVENTION**

8
9 A. **Lead-Based Paint Hazards**

10
11 The construction or rehabilitation of residential structures is subject to the HUD Lead-Based Paint
12 regulations, 24 CFR Part 35. The Developer, Sponsor, or Owner and lower-tier organizations shall comply
13 with the provisions for the elimination of lead-based paint hazards under Subpart B of said regulations. The
14 Owner will be responsible for the inspections and certifications required under Section 35.14 (f) thereof.

15
16 B.. **Danger Signals and Safety Devices**

17
18 The Developer, Sponsor, or Owner shall make all necessary precautions to guard against damages to property
19 and injury to persons. He shall put up and maintain in good condition, sufficient red or warning lights at
20 night, suitable barricades and other devices necessary to protect the public. In case the Developer, Sponsor,
21 or Owner fails or neglects to take such precautions, the Owner may have such lights and barricades installed
22 and charge the cost of this work to the Sub-recipient. Such action by the Owner does not relieve the
23 Developer, Sponsor, or Owner of any liability incurred under these specifications or contract.

24
25 13. **FLOOD DISASTER PROTECTION**

26
27 This contract is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93 234).
28 Nothing included as a part of this contract is approved for acquisition or construction purposes as defined
29 under Section 3(a) of said Act, for use in an area identified by the Secretary of HUD as having special flood
30 hazards which is located in a community not then in compliance with the requirements for participation in
31 the National Flood Insurance Program pursuant to Section 201(d) of said Act; and the use of any assistance
32 provided under this contract for such acquisition for construction in such identified areas in communities
33 then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of
34 flood insurance requirements or Section 102(a) of said Act.

35
36 Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with
37 assistance provided under this Agreement shall contain, if such land is located in an area identified by the
38 Secretary as having special flood hazards and in which the sale of flood insurance has been made available
39 under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq., provisions obligating
40 the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such
41 flood insurance as required with respect to financial assistance for acquisition or construction purposes under
42 Section 102(a) of Flood Disaster Protection Act of 1973.

43
44 14. **ACCESS TO RECORDS - MAINTENANCE OF RECORDS**

45
46 The State of Louisiana, the Department of Housing and Urban Development, the Comptroller General of the
47 United States, or any of their duly authorized representatives, shall have access to any books, documents,
48 papers and records of the Developer, Sponsor, or Owner which are directly pertinent to this specific contract,
49 for the purpose of audits, examinations, and making excerpts and transcriptions. All records connected with
50 this contract will be maintained in a central location by the unit of local government and will be maintained
51 for a period of five (5) years from the date of the repayment of the loan or grant.

52
53 15. **INSPECTION**

1 The authorized representative and agents of the State of Louisiana and the Department of Housing and Urban
2 Development shall be permitted to inspect all work, materials, payrolls, records of personnel, invoices of
3 materials, and other relevant data and records.
4

5 **16. REPORTING REQUIREMENTS**
6

7 The Developer, Sponsor, or Owner shall complete and submit all reports, in such form and according to such
8 schedule, as may be required by the City of New Orleans.
9

10 **17. CONFLICT OF INTEREST**
11

12 A. No officer or employee of the local jurisdiction or its designees or agents, no member of the
13 governing body, and no other public official of the locality who his/her tenure or for one year
14 thereafter, shall have any interest, direct or indirect, in any contract or lower-tier agreement, or the
15 proceeds thereof, for work to be performed. Further, the Developer, Sponsor, or Owner shall cause
16 to be incorporated in all subcontracts the language set forth in this paragraph prohibiting conflict of
17 interest.
18

19 B. No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share
20 or part of this contract or to any benefit that may arise there from, but this provision shall not be
21 construed to extend to this contract if made with a corporation for its general benefit.
22

23 **18. ACTIVITIES AND CONTRACTS NOT SUBJECT TO EXECUTIVE ORDER 11246, AS AMENDED**
24 *(Applicable only to contracts and awards of \$10,000 and under)*
25

26 During the performance of this contract, the Developer, Sponsor, or Owner agrees as follows:
27

28 A. The Developer, Sponsor, or Owner shall not discriminate against any employee or applicant for employment
29 because of race, color, religion, sex, or national origin. The Developer, Sponsor, or Owner shall take
30 affirmative action to ensure that applicants for employment are employed, and that employees are treated
31 during employment, without regard to their race, color, religion, sex, or national origin. Such action shall
32 include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or
33 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for
34 training, including apprenticeship.
35

36 B. The Developer, Sponsor, or Owner shall post in conspicuous places, available to employees and applicants
37 for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-
38 discrimination clause. The Developer, Sponsor, or Owner shall state that all qualified applicants will receive
39 consideration for employment without regard to race, color, religion, sex, or national origin.
40

41 C. Developers, Sponsors, or Owners shall incorporate foregoing requirements in all lower-tier contracts.
42

43 **19. TERMINATION FOR CAUSE**
44

45 If, through any cause, the Developer, Sponsor, or Owner shall fail to fulfill in a timely and proper manner his
46 obligations under this contract, or if the Developer, Sponsor, or Owner shall violate any of the covenants,
47 agreements, or stipulations of this contract, the City shall thereupon have the right to terminate this contract
48 by giving written notice to the Developer, Sponsor, or Owner of such termination and specifying the effective
49 date thereof, at least thirty (30) days before the effective date of such termination. In such event, all finished
50 or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared
51 by the Developer, Sponsor, or Owner under this contract shall, at the option of the City, become the City's
52 property and the Developer, Sponsor, or Owner shall be entitled to receive just and equitable compensation
53 for any work satisfactorily completed hereunder. Notwithstanding the above, the Developer, Sponsor, or
54 Owner shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach

1 of the contract by the Developer, Sponsor, or Owner, and the City may withhold any payments to the City
2 for the purpose of set-off until such time as the exact amount of damages due the City from the Developer,
3 Sponsor, or Owner is determined.

4
5 **20. TERMINATION FOR CONVENIENCE**

6
7 The City may terminate this contract at any time by giving at least ten (10) days' notice in writing to the
8 Developer, Sponsor, or Owner. If the contract is terminated by the City as provided herein, the Developer,
9 Sponsor, or Owner will be paid for the time provided and expenses incurred up to the termination date.

10
11 **21. ENERGY EFFICIENCY**

12
13 The Developer, Sponsor, or Owner shall comply with mandatory standards and policies relating to energy
14 efficiency which are contained in the state energy conservation plan issued in compliance with the Energy
15 Policy and Conservation Act (Public Law 94-163).

16 **22. LOWER-TIER CONTRACTS**

17
18 The Developer, Sponsor, or Owner shall not enter into any subcontract with any contractor who has been
19 debarred, suspended, declared ineligible, or voluntarily excluded from participating in contracting programs
20 by any agency of the United States Government or the State of Louisiana.

21
22 B. The lower-tier contractors shall be as fully responsible to the Developer, Sponsor, or Owner for the acts and
23 omissions of persons either directly or indirectly employed by them, as he is for the acts and omissions of
24 persons directly employed by the lower-tier contractors.

25
26 C. The Developer, Sponsor, or Owner shall cause appropriate provisions to be inserted in all lower-tier contracts
27 relative to the work to bind contractor to the Developer, Sponsor, or Owner by the terms of the contract
28 documents insofar as applicable to the work of lower-tier contractors and to give the Developer, Sponsor, or
29 Owner the same power as regards terminating any lower-tier contract that the City may exercise over the
30 Developer, Sponsor, or Owner under any provision of the contract documents.

31
32 **23. DEBARMENT, SUSPENSION, AND INELIGIBILITY**

33
34 The Developer, Sponsor, or Owner represents and warrants that it and its lower-tier contractors are not
35 debarred, suspended, or placed in ineligibility status under the provisions of 2 CFR 200.213 (government
36 debarment and suspension regulations).

37
38 **24. PROTECTION OF LIVES AND HEALTH**

39
40 The Developer, Sponsor, or Owner shall exercise proper precaution at all times for the protection of persons
41 and property and shall be responsible for all damages to persons or property, either on or off the worksite,
42 which occur as a result of his prosecution of the work. The safety provisions of applicable laws and building
43 and construction codes, in addition to specific safety and health regulations described by Chapter XIII,
44 Bureau of Labor Standards, Department of Labor, Part 1518, Safety and Health Regulations for Construction,
45 as outlined in the Federal Register, Volume 36, No. 75, Saturday, April 17, 1971, Title 29 - LABOR, shall
46 be observed and the Developer, Sponsor, or Owner shall take or cause to be taken, such additional safety and
47 health measures as the City may determine to be reasonably necessary.

48
49
50 **25. BREACH OF CONTRACT TERMS**

51
52 Any violation or breach of terms of this contract on the part of the Developer, Sponsor, or Owner or the
53 lower-tier contractors may result in the suspension or termination of this contract or such other action that
54 may be necessary to enforce the rights of the parties of this contract. The duties and obligations imposed by

1 the contract documents and the rights and remedies available there under shall be in addition to and not a
2 limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

3
4 **26. PROVISIONS REQUIRED BY LAW DEEMED INSERTED**

5
6 Each and every provision of law and clause required by law to be inserted in this contract shall be deemed to
7 be inserted herein and the contract shall be read and enforced as though it were included herein, and if through
8 mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application
9 of either party the contract shall forthwith be physically amended to make such insertion or correction.

10
11 **27. CHANGES**

12
13 The City may, from time to time, request changes in the scope of the services of the Developer, Sponsor, or
14 Owner to be performed hereunder. Such changes, including any increase or decrease in the amount of the
15 Developer's, Sponsor's, or Owner's compensation which are mutually agreed upon by and between the City
16 and the Developer, Sponsor, or Owner, shall be incorporated in written and executed amendments to this
17 Agreement.

18
19 **28. PERSONNEL**

20
21 The Developer, Sponsor, or Owner represents that it has, or will secure at its own expense, all personnel
22 required in performing the services under this Agreement. Such personnel shall not be employees of or have
23 any contractual relationship with the City.

24
25 All the services required hereunder will be performed by the Developer, Sponsor, or Owner or under its
26 supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or
27 permitted under State and local law to perform such services.

28
29 No person who is serving sentence in a penal or correctional institution shall be employed on work under this
30 Agreement.

31
32 **29. ANTI-KICKBACK RULES**

33
34 Salaries of personnel performing work under this Agreement shall be paid unconditionally and not less often
35 than once a month without payroll deduction or rebate on any account except only such payroll deductions
36 as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant
37 to the "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. 874;
38 and Title 40 U.S.C. 276c). The Developer, Sponsor, or Owner shall comply with all applicable "Anti-
39 Kickback" regulations and shall insert appropriate provisions in all lower-tier contracts covering work under
40 this contract to insure compliance by the lower-tier contractors with such regulations, and shall be responsible
41 for the submission of affidavits required of Developers, Sponsors, or Owners thereunder except as the
42 Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

43
44 **30. ASSIGNABILITY**

45
46 The Developer, Sponsor, or Owner shall not assign any interest in this Agreement, and shall not transfer any
47 interest in the same (whether by assignment or novation) without prior written approval of the City provided
48 that claims for money due or to become due the Developer, Sponsor, or Owner from the City under this
49 Agreement may be assigned to a bank, trust company, or other financial institution, or to a Trustee in
50 Bankruptcy, without such approval. Notice of any such assignment or transfer shall be furnished promptly
51 to the City.

52
53 **31. POLITICAL ACTIVITY**

1 The Developer, Sponsor, or Owner will comply with the provisions of the Hatch Act (5 U.S.C. 1501 et seq.),
2 which limits the political activity of employees.
3

4 **32. COMPLIANCE WITH THE OFFICE OF MANAGEMENT AND BUDGET**

5
6 The parties agree to comply with the regulations, policies, guidelines, and requirements of the Office of
7 Management and Budget, Circulars 2 CFR 200, as they relate to the use of Federal funds under this contract.
8

9 **33. DISCRIMINATION DUE TO BELIEFS**

10
11 No person with responsibilities in operation of the project to which this grant relates will discriminate with
12 respect to any program participant or any applicant for participation in such program because of political
13 affiliation or beliefs.
14

15 **34. CONFIDENTIAL FINDINGS**

16
17 All of the reports, information, data, etc., prepared or assembled by the Developer, Sponsor, or Owner under
18 this Agreement are confidential, and the Developer, Sponsor, or Owner agrees that they shall not be made
19 available to any individual or organization without prior written approval of the Owner.
20

21 **35. LOBBYING**

22
23 The Developer, Sponsor, or Owner certifies, to the best of his or her knowledge and belief that:

- 24
25 1. No federally appropriated funds have been paid or will be paid, by or on behalf of the Developer, Sponsor,
26 or Owner, to any person for influencing or attempting to influence an officer or employee of any agency, a
27 member of Congress, an officer or employee of Congress, or an employee of a member of Congress in
28 connection with the awarding of any federal contract, the making of any federal grant, the making of any
29 federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal,
30 amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
31
32 2. If any funds other than federally appropriated funds have been paid or will be paid to any person for
33 influencing or attempting to influence an officer or employee of any agency, a member of Congress, an
34 officer or employee of Congress, or an employee of a member of Congress in connection with this federal
35 contract, grant, loan, or cooperative agreement, the Developer, Sponsor, or Owner shall complete and submit
36 Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
37

38 **36. FEDERAL LABOR STANDARDS PROVISIONS**

39 (Applicable to contracts for the construction of affordable housing with 12 or more HOME-assisted units)

40
41 The Developer, Sponsor, or Owner shall abide by the requirements of the Federal Labor Standards Provisions (form
42 HUD-4010) as follows:
43

44 **Federal Labor Standards Provisions**
45 **U.S. Department of Housing and Urban Development**
46 **Office of Labor Relations**

47
48 **Applicability**

49
50 The Project or Program to which the construction work covered by this contract pertains is being assisted by the United
51 States of America and the following Federal Labor Standards Provisions are included in this Agreement pursuant to
52 the provisions applicable to such Federal assistance.
53

1 **A. 1. (i) Minimum Wages.** All laborers and mechanics employed or working upon the site of the work will be paid
2 unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account
3 (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland
4 Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time
5 of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor
6 which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to
7 exist between the Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated
8 for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are
9 considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular
10 contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans,
11 funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred
12 during such weekly period.
13

14 Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination
15 for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4).
16 Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for
17 each classification for the time actually worked therein: Provided That the employer's payroll records accurately set
18 forth the time spent in each classification in which work is performed. The wage determination (including any
19 additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-
20 1321) shall be posted at all times by the Contractor and its contractors at the site of the work in a prominent and
21 accessible, place where it can be easily seen by the workers.
22

23 **(ii) (a)** Any class of laborers or mechanics which is not listed in the wage determination and which is to be
24 employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an
25 additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:
26

27 **(1)** The work to be performed by the classification requested is not performed by a classification in the wage
28 determination; and
29

30 **(2)** The classification is utilized in the area by the construction industry; and
31

32 **(3)** The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage
33 rates contained in the wage determination.
34

35 **(b)** If the Contractor and the laborers and mechanics to be employed in the classification (if known), or their
36 representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated
37 for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the
38 Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor,
39 Washington, D.C. every additional classification action within 30 days of receipt and so advise HUD or its designee
40 or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the
41 Office of Management and Budget under OMB control number 1215-0140.)
42

43 **(c)** In the event the Contractor, the laborers or mechanics to be employed in the classification or their
44 representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the
45 amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including
46 the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for
47 determination. The Administrator, or an authorized representative, will issue a determination within 30 days of
48 receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that
49 additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number
50 1215-0140.)

51 **(d)** The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1) (ii) (b) or
52 (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the
53 first day on which work is performed in the classification.
54

1 (iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a
2 fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit as stated in the
3 wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
4

5 (iv) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part
6 of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide
7 fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request
8 of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may
9 require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or
10 program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)
11

12 **2. Withholding.** HUD or its designee shall upon its own action or upon written request of an authorized
13 representative of the Department of Labor withhold or cause to be withheld from the Contractor under this contract
14 or any other Federal contract with the same prime Contractor, or any other Federally-assisted contract subject to
15 Davis-Bacon prevailing wage requirements, which is held by the same prime Contractor so much of the accrued
16 payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices,
17 trainees and helpers, employed by the Contractor or any contractor the full amount of wages required by the
18 contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper,
19 employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee
20 may, after written notice to the Contractor, sponsor, applicant, or owner, take such action as may be necessary to
21 cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD
22 or its designee may, after written notice to the Contractor, disburse such amounts withheld for and on account of the
23 Contractor or Contractor to the respective employees to whom they are due. The Comptroller General shall make
24 such disbursements in the case of direct Davis-Bacon Act contracts.
25

26 **3. (i) Payrolls and basic records.** Payrolls and basic records relating thereto shall be maintained by the Contractor
27 during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working
28 at the site of the work. Such records shall contain the name, address, and social security number of each such
29 worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs
30 anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1 (b) (2) (B) of
31 the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid.
32 Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic
33 include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in
34 Section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment
35 to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or
36 program has been communicated in writing to the laborers or mechanics affected, and records which show the costs
37 anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees
38 under approved programs shall maintain written evidence of the registration of apprenticeship programs and
39 certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates
40 prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control
41 Numbers 1215-0140 and 1215-0017.)
42

43 **(ii) (a)** The Contractor shall submit weekly for each week in which any contract work is performed a copy of all
44 payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the
45 Contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD
46 or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be
47 maintained under 29 CFR 5.5(a) (3) (i). This information may be submitted in any form desired. Optional Form
48 WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock
49 Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The Prime Contractor is
50 responsible for the submission of copies of payrolls by all contractors. (Approved by the Office of Management and
51 Budget under OMB Control Number 1215-0149.)
52

1 (b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Contractor or
2 Contractor or his or her agent who pays or supervises the payment of the persons employed under the contract and
3 shall certify the following:
4

5 (1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5
6 (a)(3)(i) and that such information is correct and complete;
7

8 (2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during
9 the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that
10 no deductions have been made either directly or indirectly from the full wages earned, other than permissible
11 deductions as set forth in 29 CFR Part 3;
12

13 (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash
14 equivalents for the classification of work performed, as specified in the applicable wage determination incorporated
15 into the contract.
16

17 (c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-
18 347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph
19 A.3.(ii)(b).
20

21 (d) The falsification of any of the above certifications may subject the Contractor or Contractor to civil or criminal
22 prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.
23

24 (iii) The Contractor or contractor shall make the records required under subparagraph A.3.(i) available for
25 inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of
26 Labor, and shall permit such representatives to interview employees during working hours on the job. If the
27 Contractor or Contractor fails to submit the required records or to make them available, HUD or its designee may,
28 after written notice to the Contractor, sponsor, applicant or owner, take such action as may be necessary to cause the
29 suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required
30 records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR
31 5.12.
32

33 4. Apprentices and Trainees. 34

35 (i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed
36 when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with
37 the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training,
38 Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is
39 employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program,
40 who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training,
41 Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary
42 employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft
43 classification shall not be greater than the ratio permitted to the Contractor as to the entire work force under the
44 registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise
45 employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the
46 classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the
47 ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage
48 determination for the work actually performed. Where a Contractor is performing construction on a project in a locality
49 other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the
50 journeyman's hourly rate) specified in the contractor's or contractor's registered program shall be observed. Every
51 apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of
52 progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination.
53 Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the
54 apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits

1 listed on the wage determination for the applicable classification. If the Administrator determines that a different
2 practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that
3 determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State
4 Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the Contractor
5 will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed
6 until an acceptable program is approved.
7

8 **(ii) Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined
9 rate for the work performed unless they are employed pursuant to and individually registered in a program which has
10 received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training
11 Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan
12 approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate
13 specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman
14 hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with
15 the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid
16 the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour
17 Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate
18 on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on
19 the payroll at a trainee rate that is not registered and participating in a training plan approved by the Employment and
20 Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work
21 actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the
22 registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually
23 performed. In the event the Employment and Training Administration withdraws approval of a training program, the
24 Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work
25 performed until an acceptable program is approved.
26

27 **(iii) Equal employment opportunity.** The utilization of apprentices, trainees and journeymen under 29 CFR Part 5
28 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended,
29 and 29 CFR Part 30.
30

31 **5. Compliance with Copeland Act requirements.** The Contractor shall comply with the requirements of 29 CFR
32 Part 3 which are incorporated by reference in this contract
33

34 **6. Subcontracts.** The Contractor or Contractor will insert in any subcontracts the clauses contained in subparagraphs
35 1 through 11 of this paragraph A and such other clauses as HUD or its designee may by appropriate instructions
36 require, and a copy of the applicable prevailing wage decision, and also a clause requiring the contractors to include
37 these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for the compliance by any
38 Contractor or lower tier Contractor with all the contract clauses in this paragraph.
39

40 **7. Contract termination; debarment.** A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination
41 of the contract and for debarment as a Contractor and a Contractor as provided in 29 CFR 5.12.
42

43 **8. Compliance with Davis-Bacon and Related Act Requirements.** All rulings and interpretations of the Davis-
44 Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.
45

46 **9. Disputes concerning labor standards.** Disputes arising out of the labor standards provisions of this contract shall
47 not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the
48 procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this
49 clause include disputes between the Contractor (or any of its contractors) and HUD or its designee, the U.S.
50 Department of Labor, or the employees or their representatives.
51

52 **10. (i) Certification of Eligibility.** By entering into this contract the Contractor certifies that neither it (nor he or she)
53 nor any person or firm who has an interest in the Contractor's firm is a person or firm ineligible to be awarded

1 Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD
2 contracts or participate in HUD programs pursuant to 24 CFR Part 24.

3
4 **(ii)** No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract
5 by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate
6 in HUD programs pursuant to 24 CFR Part 24.

7
8 **(iii)** The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally,
9 U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part:
10 "Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters or
11 publishes any statement knowing the same to be false..... shall be fined not more than \$5,000 or imprisoned not more
12 than two years, or both."

13
14 **11. Complaints, Proceedings, or Testimony by Employees.** No laborer or mechanic to whom the wage, salary, or
15 other labor standards provisions of this Agreement are applicable shall be discharged or in any other manner
16 discriminated against by the Contractor or any contractor because such employee has filed any complaint or instituted
17 or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to
18 the labor standards applicable under this Agreement to his employer.

19
20 **B. Contract Work Hours and Safety Standards Act.** The provisions of this paragraph B are applicable only where
21 the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics"
22 include watchmen and guards.

23
24 **(1) Overtime requirements.** No Contractor or Contractor contracting for any part of the contract work which may
25 require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in
26 any workweek in which he or she is employed on such work to work in excess of 40 hours in such workweek unless
27 such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for
28 all hours worked in excess of 40 hours in such workweek.

29
30 **(2) Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in
31 subparagraph (1) of this paragraph, the Contractor and any Contractor responsible therefore shall be liable for the
32 unpaid wages. In addition, such Contractor and Contractor shall be liable to the United States (in the case of work
33 done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated
34 damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including
35 watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum
36 of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard
37 workweek of 40 hours without payment of the overtime wages required by the clause set forth in sub paragraph (1) of
38 this paragraph.

39
40 **(3) Withholding for unpaid wages and liquidated damages.** HUD or its designee shall upon its own action or upon
41 written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any
42 moneys payable on account of work performed by the Contractor or contractor under any such contract or any other
43 Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work
44 Hours and Safety Standards Act which is held by the same prime Contractor such sums as may be determined to be
45 necessary to satisfy any liabilities of such Contractor or contractor for unpaid wages and liquidated damages as
46 provided in the clause set forth in subparagraph (2) of this paragraph.

47
48 **(4) Subcontracts.** The Contractor or contractor shall insert in any subcontracts the clauses set forth in subparagraph
49 (1) through (4) of this paragraph and also a clause requiring the contractors to include these clauses in any lower tier
50 subcontracts. The prime Contractor shall be responsible for compliance by any Contractor or lower tier contractor
51 with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

52
53 **C. Health and Safety.** The provisions of this paragraph C are applicable only where the amount of the prime contract
54 exceeds \$100,000.

1
2 (1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are
3 unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health
4 standards promulgated by the Secretary of Labor by regulation.

5
6 (2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926
7 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards
8 Act, 40 USC 3701 et seq.

9
10 (3) The Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be
11 binding on each contractor. The Contractor shall take such action with respect to any subcontract as the Secretary of
12 Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

13
14 **37. REPAYMENT OF FUNDS**

15 The Developer, Sponsor, or Owner acknowledges that funds provided through this Agreement are Federal
16 funds administered by HUD and that all funds provided by this Agreement are subject to audit, disallowance,
17 and repayment. Any disagreement with adverse findings by HUD may be challenged pursuant to Federal
18 regulations, however, the Developer, Sponsor, or Owner shall promptly return to Grantee any and all funds
19 that are found to be ineligible, unallowable, unreasonable, a duplication of benefits, or non-compliance, no
20 matter the cause. This clause shall survive indefinitely the termination of this Agreement for any reason.

21 **38. LIMITED ENGLISH PROFICIENCY (LEP)**

22
23 Assistance to Those with Limited English Proficiency. The Developer, Sponsor, or Owner agrees to
24 take all reasonable actions to communicate with persons who have Limited English Proficiency (LEP) to ensure
25 that such persons have meaningful access and an equal opportunity to participate in the program(s) and/or services
26 funded under this Agreement

OFFICE OF COMMUNITY DEVELOPMENT (OCD) – FISCAL and COMPLIANCE UNIT

An overview of Policies and Procedures

I. Purpose

The following procedures are to assist staff members assigned to the Office of Community Development for the purpose of monitoring sub-grantee agencies for compliance with federal and state regulations regarding the use of funds awarded by these governmental agencies and to reduce and/or eliminate ineligible costs incurred by programs administered by the City of New Orleans.

II. Authorization

The Office of Community Development is authorized to monitor sub-grantee agencies which receive federal and/or state funding via the granting agencies (Office of Criminal Justice, New Orleans Police Department, Mayor’s Office, Divisions of Federal and State Programs, Intergovernmental Relations...) The Office of Community Development and other monitors will review the fiscal and programmatic records of all agencies receiving grant funding through city departments and agencies. The review of these sub-grantees will be conducted by two teams of monitors, the City’s Compliance Monitors and Contracted Monitors. OCD Fiscal and Compliance Unit will conduct monthly fiscal desk reviews and some site reviews based on a risk. Contracted Monitors will conduct programmatic and fiscal reviews based on risk.

III. Guidelines

A. Contract Compliance Guidelines

1. A copy of all agency award letters to sub-grantees must be submitted to the OCD Fiscal and Compliance Unit by the granting agency. Also, all new, renewed and amended contractual agreements must be forwarded to the OCD Fiscal and Compliance Unit upon execution.
2. All contractual agreements must include a copy of the OCD – Fiscal and Compliance Unit Policies and Procedures and authorizing federal legislation and thereby made a part of the documents.
3. Measurable goals, objectives and performance indicators must be specifically stated in the verbiage of the contract document for meaningful monitoring purposes.
4. All contractual agreements, meeting the expenditure requirement, must include a statement requiring sub-recipients to provide an engagement letter from a certified public accounting firm to conduct an audit of federal funding. A copy of the engagement letter must be submitted to the director of the granting agency within a month of the agencies ending fiscal year. The director of the granting agency will forward a copy to OCD – Fiscal and Compliance Unit. The audit must be completed within nine (9) months after the project fiscal year ends. A copy of the completed audit should be received within nine months of the agencies fiscal year as outlined in OMB Circular 2 CFR 200.

B. Monitoring Responsibilities of the Office of Community Development

The Office of Community Development monitoring responsibilities are conducted by the Fiscal and Compliance Unit. The fiscal unit will perform monthly fiscal desk reviews of Cost Control Statements and the compliance unit will conduct site reviews of sub-recipient agencies receiving grant funding from the City.

Fiscal Unit Payment Processing Procedures:

The Subrecipients will prepare the following for submission to OCD’s front desk:

1. The original cost control statement with supporting backup documentations.
2. The submission of cost control statements should occur at least by the fifth (5) working day of every month.

1 OCD receptionist will clock-in the cost control statement(s) and forward the original to the Program Analyst.
2 The Program Analyst will review the documents for proper documentation and then forward the cost control
3 statement(s) to the fiscal unit for processing. The Fiscal Accountant will verify costs documented in column
4 two (2) on the original cost control statement(s) with the backup documents submitted by the Subrecipients.
5 If costs submitted for reimbursement are questionable the Fiscal Accountant will email the Program Analyst
6 and the subrecipient. It is the responsibility of the Subrecipient to recoup any questionable costs on the next
7 period cost control statement(s). After total review, the Fiscal Accountant will forward all cost control
8 statements to the Accounting/Finance Department for payment processing and filing. Subrecipients should
9 expect to receive payment in approximately twenty (20) days after submitting cost control statement(s) to
10 OCD – Fiscal Unit. All checks are mailed to the subrecipients.

11
12 **The following documents are required for payment review and processing, which will include but is**
13 **not limited to such items as:**

- 14 1. Invoices
- 15 2. Payroll journal
- 16 3. General ledgers
- 17 4. Letters of approval and subcontract agreement for professional services
- 18 5. Bid information for supplies, materials and equipment when required
- 19 6. Letter of approval from Granting Agency if indirect cost is being requested
- 20 7. Lease agreements

21
22
23
24 **Compliance Monitor Site Review Responsibility**

25 Compliance Monitors will conduct site reviews in accordance with the schedule devised by the Team Leader,
26 based on risk and need.

27
28 Site visits responsibilities for Compliance Monitors will include the review of the following documented
29 records:

- 30
31 1. Personal Services
 - 32 a. Personnel policy
 - 33 b. Time Sheets
 - 34 c. Leave records
 - 35 d. Payroll register
 - 36 e. Federal and State withholding records for each employee
 - 37 f. State unemployment tax forms
 - 38 g. Convention and travel expense reports
 - 39 h. Mileage reimbursement reports
 - 40 i. Quarterly federal and state tax reports
 - 41 j. Yearly 1099 and W2 forms
- 42
43 2. Accounting Journals
 - 44 a. Cash Disbursements journal
 - 45 b. Cash Receipts journal
 - 46 c. General journal
 - 47 d. General ledger
 - 48 e. Subsidiary accounts payable ledgers
- 49
50 3. Bank Accounts
 - 51 a. Signature cards
 - 52 b. Separate bank account
 - 53 c. Separate program income bank account
 - 54 d. Monthly reconciled bank statements

- 1
- 2
- 3
4. Fidelity or Surety Bond
- 4
5. Contractual Services
 - 5 a. Professional Services
 - 6 Three (3) "request for Proposal" (Bid's)
 - 7 Letter of Approval from the granting agency
 - 8 b. Subcontract agreement
 - 9 c. Cost allocation plans for utilities, if necessary, and pre-approved by the Granting Agency.
 - 10 d. Rent and lease agreements (Land and Building)
 - 11 e. Rent and lease agreement (Equipment)
 - 12 f. Long-distance telephone logs
 - 13 g. Indirect cost rate pre-approved by the Granting Agency
 - 14 h. An automobile mileage log
- 15 6. Supplies and Materials
 - 16 a. Invoices
 - 17 b. Bids required for purchase as follows:
 - 18 1. Purchases less than \$250.00, no solicitation of bids is required
 - 19 2. \$ 250.01 to \$1000.00 - needs three (3) telephone bids from vendors
 - 20 3. \$1000.01 to \$5000.00 - need three (3) Request for Quotations (RFQ's) from
 - 21 vendors
 - 22 4. \$5,000.01 up - need prior approval from Granting Agency
 - 23
 - 24 c. Verification of Invoices must include:
 - 25 1. Approval of payment;
 - 26 2. Marked paid; and,
 - 27 3. Indicate check number
- 28
- 29 7. Equipment
 - 30 a. Bids required for purchase as follows:
 - 31 1. Purchases less than \$250.00, no solicitation of bids is required
 - 32 2. \$ 250.01 to \$1000.00 - needs three (3) telephone bids from vendors
 - 33 3. \$1000.01 to \$5000.00 - need three (3) Request for Quotations (RFQ's) from
 - 34 vendors
 - 35 4. \$5,000.01 up - need prior approval from Granting Agency
 - 36
- 37 8. Signed Corporate minutes to the Board of Directors regular meetings
- 38
- 39 9. Obtain and read copies of the pertinent documents from City of New Orleans personnel
- 40
- 41 10. Review of fiscal documentation
- 42
- 43 11. Review the independent audit report
- 44

D Compliance Team Leader

Compliance Team Leader - responsibilities of review and distribution of assignments, documents and reimbursements are as follows:

- 45
- 46
- 47
- 48
- 49
- 50 1. The Team Leader will generate and distribute a schedule of all programs to be monitored.
- 51
- 52 2. The Team Leader and Compliance Monitors will collect, review, and distribute reports to both the
- 53 sub-grantee agencies and the granting agencies. Any findings in the monitoring report which would
- 54 prevent reimbursement will be noted and reported to the Bureau of Accounting for the necessary

1 action;

- 2
3 3. The Team Leader will be responsible for all personnel supervision of staff members assigned to
4 the OCD – Compliance Unit. These responsibilities include monitoring reported work time, the
5 signing of all time sheets, disciplinary actions and annual evaluations;
6

7 Note: All employees assigned to the OCD – Fiscal and Compliance Unit will abide by the personnel
8 policies and procedures of the Office of Community Development. An employee handbook will be
9 provided to each assigned employee, delineating items such as dress code requirements, work hours,
10 office conduct, etc.
11

12 **E. Granting Agencies**

13
14 The Health Department, the Mayor’s Office, OCD, the Police Department and any other department receiving
15 grant funding:
16

- 17 1. The Granting agencies must submit to the OCD Fiscal and Compliance a copy of all new, renewed
18 and amended sub-grantee contracts for review.
19
20 2. The Granting agencies will be responsible for contract development consistent with the guidelines
21 and regulations of the respective grantor agency (federal or state government). Contracts must
22 include measurable performance criteria for sub-grantee adherence and effective monitoring. Also,
23 contracts must include the engagement letter for the services of a certified public accounting firm to
24 conduct an audit of subrecipients funding for agencies meeting the expenditure requirements.
25
26 3. The granting agencies will provide for certified public accounting firm reviews through grant
27 funding.
28

29 **IV. Reimbursement Schedule**

30
31 The Accounting/Finance Department will generate a check twenty (20) days after the final backup document
32 is received in the OCD – Fiscal and Compliance Unit’s office. The check will be mailed to the subrecipients.
33

34 **V. Inquiries**

35 Detailed questions on any section of these policies and procedures should be directed to the team leader at
36 658-4200.
37
38
39

Revised-06.30.15

EXHIBIT B

SUBORDINATION AGREEMENT

[COVER PAGE]

**Subordination Agreement -
Public**

U.S. Department of Housing
and Urban Development
Office of Housing

OMB Approval No. 2502-0598
(Exp. 12/31/2027)

Public Reporting Burden for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.

Project Name: NSA East Bank Apartments
HUD Project No: 064-35760

THIS **SUBORDINATION AGREEMENT ("Agreement")** is entered into as of the 1st day of December, 2025, to be effective December 10, 2025 by and among (i) WALKER & DUNLOP, LLC, a Delaware limited liability company ("**Senior Lender**"), (ii) the CITY OF NEW ORLEANS ("**Subordinate Lender**"), and (iii) NSAEB 603, LLC, a Louisiana limited liability company ("**Borrower**").

Recitals

WHEREAS, Borrower is the owner of that certain 294 unit residential rental development known as "NSA East Bank Apartments" ("**Project**"), located in New Orleans, Louisiana. Senior Lender has made or is making the senior mortgage loan as described on Schedule A hereto to Borrower in the original principal amount(s) as shown on Schedule A, evidenced by the Note described in Schedule A ("**Senior Note**"), and secured by, among other things, the Security Instrument as described in Schedule A (collectively, "**Senior Security Instrument**"), covering the property described in Exhibit A attached hereto together with all improvements thereon and personal property used relative thereof, all as more particularly described in the Senior Security Instrument ("**Mortgaged Property**").

WHEREAS, Borrower has requested Senior Lender to permit Subordinate Lender to make a subordinate loan to Borrower in the amount of \$2,500,000.00 ("**Subordinate Loan**"), pursuant to the Subordinate Loan Documents as defined below, and secured by, among other things, a mortgage lien against the Mortgaged Property.

WHEREAS, Senior Lender, with the approval of the U.S. Department of Housing and Urban Development ("**HUD**"), has agreed to permit Subordinate Lender to make the Subordinate Loan and to place a subordinate mortgage lien against the Mortgaged Property subject to all of the conditions contained in this Agreement and in accordance

with Program Obligations. **“Program Obligations”** means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Agreement rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on HUD’s official website: Handbooks, guides, notices, and mortgagee letters are available on “HUDCLIPS,” at www.hud.gov.

NOW, THEREFORE, in order to induce Senior Lender to permit Subordinate Lender to make the Subordinate Loan to Borrower and to place a subordinate mortgage lien against the Mortgaged Property, and in consideration thereof, Senior Lender, Subordinate Lender and Borrower agree as follows:

1. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

(a) **"Affiliate"** is any person or business concern that directly or indirectly controls policy of a principal or has the power to do so is an affiliate. Persons and business concerns controlled by the same third party are also affiliates.

(b) **"Bankruptcy Proceeding"** means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

(c) **"Borrower"** means all entities identified as "Borrower" in the first paragraph of this Agreement, together with any successors, heirs, and assigns (jointly and severally). Borrower shall include any entity taking title to the Mortgaged Property, whether or not such entity assumes the Senior Note, provided that the term "Borrower" shall not include Senior Lender in the event that Senior Lender may acquire title to the Mortgaged Property. Whenever the term "Borrower" is used herein, the same shall be deemed to include the obligor of the debt secured by the Senior Security Instrument.

(d) **"Business Day"** means any day other than Saturday, Sunday or any other day on which Senior Lender or HUD is not open for business.

(e) **"Covenant Event of Default"** is defined in the Senior Security Instrument.

(f) **"Entity"** means an estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

(g) **"Monetary Event of Default"** is defined in the Senior Security Instrument.

(h) **"Non-Project Sources"** means any funds that are not derived from Project Sources.

(i) **"Project Sources"** means the Mortgaged Property (as defined in the Senior Security Instrument), any proceeds of the Senior -Indebtedness, and any reserve or deposit made with Senior Lender or any other party as required by HUD in connection with the Senior Indebtedness.

(j) **"Senior Indebtedness"** means all present and future indebtedness, obligations, and liabilities of Borrower to Senior Lender under or in connection with the Senior Loan Documents.

(k) **"Senior Lender"** means the Entity named as such in the first paragraph on page 1 of this Agreement, its successors and assigns.

(l) **"Senior Loan Documents"** means the Senior Note, the Senior Security Instrument, and the Regulatory Agreement between Borrower and HUD, as such documents may be amended from time to time and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Senior Indebtedness, as identified in Schedule A.

(m) **"Senior Security Instrument Default"** means a "Monetary Event of Default" or a "Covenant Event of Default" as defined in the Senior Security Instrument.

(n) **"Subordinate Indebtedness"** means all present and future indebtedness, obligations, and liabilities of Borrower to Subordinate Lender under or in connection with the Subordinate Loan or the Subordinate Loan Documents.

(o) **"Subordinate Lender"** means the Entity named as such in the first paragraph on page 1 of this Agreement.

(p) **"Subordinate Loan Documents"** means the Subordinate Note, the Subordinate Mortgage, and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as identified in Schedule B. The terms Subordinate Note and Subordinate Mortgage are defined in Schedule B.

(q) **"Subordinate Loan Enforcement Action"** means the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any

other of the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the taking of any other enforcement action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

(r) "**Subordinate Mortgage Default**" means any act, failure to act, event, conditions, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Lender to take a Subordinate Loan Enforcement Action.

(s) "**Surplus Cash**" is defined herein to mean the same as that term is defined in the Regulatory Agreement between Borrower and HUD.

2. **Permission to Place Mortgage Lien Against Mortgaged Property.**

Senior Lender consents, subject to the provisions of this Agreement, to permit Subordinate Lender to record the Subordinate Mortgage and other recordable Subordinate Loan Documents against the Mortgaged Property (which are subordinate in all respects to the lien of the Senior Security Instrument) to secure Borrower's obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of Borrower to Subordinate Lender under and in connection with the Subordinate Loan. Senior Lender agrees that the existence of the Subordinate Loan does not create a basis for default of the Senior Indebtedness. Such permission is subject to the condition that each of the representations and warranties made by Borrower and Subordinate Lender in Section 3 are true and correct on the date of this Agreement and on the date on which the proceeds of the Subordinate Loan are disbursed to Borrower. If any of the representations and warranties made by Borrower and Subordinate Lender in Section 3 are not true and correct on [the date of this Agreement] [both of those dates], the provisions of the Senior Loan Documents applicable to unpermitted liens on the Mortgaged Property shall apply.

3. **Borrower's and Subordinate Lender's Representations and Warranties.**

Borrower and, with respect to subsections (a) through (d) below, Subordinate Lender each make the following representations and warranties to Senior Lender:

(a) **Subordinate Loan Documents.** The Subordinate Loan is evidenced by the Subordinate Note and is secured by the Subordinate Mortgage.

(b) **Terms of the Subordinate Loan.** The original principal amount of the Subordinate Note is **\$2,500,000.00**. Interest on the Subordinate Note accrues monthly at the rate of **1% per annum, simple interest**. The Subordinate Note is due and payable in full on **[42 years, one month]**, ("Maturity"). The Maturity term of the Subordinate Note does not end before the maturity term of the Senior Note, unless the Subordinate Note is forgivable as set forth below and Borrower satisfies all requirements in the Subordinate Loan Documents to result in the Subordinate Note being eligible for forgiveness. The principal of the Subordinate Note will have a balloon principal payment of all outstanding principal and interest due at Maturity. The promissory note

evidencing the Subordinate Note obligates Borrower to make payments as follows: annual payments of 50% of unrestricted cash remaining at the end of each fiscal year of the Borrower after payment of all accrued Operating Expenses for the Project, subject to Section 3(c) immediately below.

(c) Required HUD Language in Subordinate Note. The Subordinate Note contains or incorporates the following provisions:

“As long as HUD is the insurer or holder of the Senior Note (as such term and other capitalized terms are defined in the form Subordination Agreement, HUD-92420M) on FHA Project No. 064-35760, the following provisions (“**HUD Provisions**”) shall be in full force and effect:

(1) any payments due under the Subordinate Note shall be payable only (i) from permissible distributions from Surplus Cash of the Project; but in no event greater than seventy-five percent (75%) of the total amount of Surplus Cash; or (ii) from monies received from Non-Project Sources. In no event may payments due under all subordinate debt of Maker cumulatively exceed 75% of available Surplus Cash. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the Borrower to pay the indebtedness evidenced by the Subordinate Note;

(2) no prepayment of the Subordinate Note shall be made until after final endorsement by HUD of the Senior Note, unless such prepayment is made from Non-Project Sources and is approved in writing by HUD.

(3) this Subordinate Note is non-negotiable and may not be sold, transferred, assigned, or pledged by the Subordinate Lender except with the prior written approval of HUD;

(4) interest on the Subordinate Note shall not be compounded as long as HUD is the insurer or holder of the Note secured by the Security Instrument;

(5) Maker hereby waives presentment, demand, protest and notice of demand, protest and nonpayment of this Subordinate Note;

(6) the terms and provisions of this Subordinate Note are also for the benefit of and are enforceable by HUD against any party hereto, their successors and assigns. This Subordinate Note may not be modified or amended without the written consent of HUD; and

(7) in the event of any conflict between the terms of the Subordinate Note and the HUD Provisions, the terms of the HUD

Provisions shall control.”

(d) Relationship of Borrower to Subordinate Lender. Subordinate Lender is not an Affiliate of Borrower.

(e) Subordinate Loan Documents. Borrower certifies that the executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, HUD prior to the date of this Agreement. Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

(f) Senior Loan Documents. The executed Senior Loan Documents are the same forms as approved by HUD prior to the date of this Agreement. Upon execution and delivery of the Senior Loan Documents, Borrower shall deliver to Subordinate Lender an executed copy of each of the Senior Loan Documents, certified to be true, correct and complete.

4. Deliveries.

Borrower shall submit the following items to Senior Lender and HUD at closing :

(a) Title Evidence. Evidence of title (title policy or title policy endorsement, as appropriate) insuring the lien of the Senior Security Instrument which insures that (i) the lien of the Subordinate Mortgage is subordinate to the lien of the Senior Mortgage, and (ii) this Agreement has been recorded among the applicable land records.

(b) Loan Documents. A complete set of the Subordinate Loan Documents, including this Subordination Agreement.

5. Terms of Subordination.

(a) Agreement to Subordinate. Senior Lender and Subordinate Lender agree that: (i) the indebtedness evidenced by the Subordinate Loan Documents is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement, to the prior payment of the indebtedness evidenced by the Senior Loan Documents, and (ii) the Subordinate Mortgage and the other Subordinate Loan Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Security Instrument and the other Senior Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Security Instrument and the other Senior Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Security Instrument, curing defaults by Borrower under the Senior Loan Documents or for any other purpose expressly permitted by the Senior Security Instrument, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the

Mortgaged Property).

(b) Subordination of Subrogation Rights. Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Loan Documents, it acquires by right of subrogation or otherwise a lien on the Mortgaged Property which (but for this subsection) would be senior to the lien of the Senior Security Instrument, then, in that event, such lien shall be subject and subordinate to the lien of the Senior Security Instrument.

(c) Payments Before Senior Security Instrument Default. Until Subordinate Lender receives a default notice of a Senior Security Instrument Default from Senior Lender, Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents provided that such payments are otherwise permitted under the terms of this Agreement.

(d) Payments After Senior Security Instrument Default. Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a Senior Security Instrument Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without Senior Lender's prior written consent. Subordinate Lender agrees that, after it receives a default notice from Senior Lender with written instructions directing Subordinate Lender not to accept payments from Project Sources on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) unless either (i) such payment is being made solely from Non-Project Sources or (ii) such payment is made with Senior Lender's prior written consent. If Subordinate Lender receives written notice from Senior Lender that the Senior Security Instrument Default which gave rise to Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by Senior Lender, the restrictions on payment to Subordinate Lender in this Section 5 shall terminate, and Senior Lender shall have no right to any subsequent payments made to Subordinate Lender by Borrower prior to Subordinate Lender's receipt of a new default notice from Senior Lender in accordance with the provisions of this Section 5(d).

(e) Remitting Subordinate Loan Payments to Senior Lender. If, after Subordinate Lender receives a default notice from Senior Lender in accordance with subsection (d) above, Subordinate Lender receives any payments under the Subordinate Loan Documents (other than payments permitted under subsection (d) above), Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Senior Lender and unless Senior Lender otherwise notifies Subordinate Lender in writing, will be promptly remitted, in kind to Senior Lender, properly endorsed to Senior Lender, to be applied to the principal of,

interest on and other amounts due under the Senior Loan Documents in accordance with the provisions of the Senior Loan Documents. By executing this Agreement, Borrower specifically authorizes Subordinate Lender to endorse and remit any such payments to Senior Lender, and specifically waives any and all rights to have such payments returned to Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by Subordinate Lender, and remitted to Senior Lender under this Section 5, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to Senior Lender waive any Subordinate Mortgage Default which may arise from the inability of Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) Agreement Not to Commence Bankruptcy Proceeding.

Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any Bankruptcy Proceeding with respect to Borrower, without Senior Lender's prior written consent.

6. Default Under Subordinate Loan Documents.

(a) Notice of Default and Cure Rights. Subordinate Lender shall deliver to Senior Lender a default notice within five Business Days in each case where Subordinate Lender has given a default notice to Borrower. Failure of Subordinate Lender to send a default notice to Senior Lender shall not prevent the exercise of Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. Senior Lender shall have the opportunity, but not the obligation, to cure any Subordinate Mortgage Default within 60 days following the date of such notice; provided, however that Subordinate Lender shall be entitled, during such 60-day period, to continue to pursue its rights and remedies under the Subordinate Loan Documents, subject to the limitations set forth in Section 6(b) below.

(b) Subordinate Lender's Exercise of Remedies After Notice to Senior Lender.

(1) If a covenant Subordinate Mortgage Default occurs and is continuing, Subordinate Lender agrees that it will not, for a period of one hundred eighty (180) days after giving notice of such Subordinate Mortgage Default to Senior Lender and HUD (the "**Standstill Period**"), commence foreclosure proceedings with respect to the Mortgaged Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents with respect to the Mortgaged Property, including, but not limited to accelerating the Subordinate Loan, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder without Senior Lender's prior written consent. During the Standstill Period, Subordinate Lender agrees to use best efforts to resolve the Subordinate Mortgage Default, in an effort to avoid the pursuit of available remedies by the Subordinate Lender. After the expiration of the Standstill Period and in

the event Subordinate Lender forecloses on the Mortgaged Property, the purchaser must comply with HUD's Previous Participation regulations and processes, Transfer of Physical Asset requirements, and Program Obligations before it can take title to the Mortgaged Property.

(2) Subordinate Lender further agrees that if a monetary Subordinate Mortgage Default occurs and is continuing, it will not commence foreclosure proceedings with respect to the Mortgaged Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents with respect to the Mortgaged Property, including, but not limited to accelerating the Subordinate Loan, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder without Senior Lender's prior written consent. The preceding prohibition on foreclosure for a monetary Subordinate Mortgage Default excludes the acceleration of any part or all of the Subordinate Indebtedness resulting from a covenant Subordinate Mortgage Default.

(3) Nothing in this subsection (b) shall (i) limit Subordinate Lender's right to bring an action seeking recovery solely from Non-Project Sources or (ii) preclude Subordinate Lender from exercising or enforcing all the rights available to Subordinate Lender under the Subordinate Loan Documents and/or under applicable law to enforce covenants and agreements of Borrower relating to income, rent or affordability restrictions.

7. **Default Under Senior Loan Documents.**

(a) **Notice of Default and Cure Rights.** Senior Lender shall deliver to Subordinate Lender a default notice within five Business Days in each case where Senior Lender has given a default notice to Borrower (provided that Senior Lender shall have no liability to Borrower, Subordinate Lender or to any other Entity for failure to timely give such notice). Failure of Senior Lender to send a default notice to Subordinate Lender shall not prevent the exercise of Senior Lender's right and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. Borrower agrees that Subordinate Lender shall have the opportunity, but not the obligation, to cure either a Monetary Event of Default or a Covenant Event of Default within 30 days following the date of such notice, or any time prior to an assignment of the Senior Security Instrument from Senior Lender to HUD, whichever date is later. Subordinate Lender acknowledges that Senior Lender shall be entitled during such period described above to continue to pursue its remedies under the Senior Loan Documents. Subordinate Lender shall have the opportunity to cure a Covenant Event of Default during such period described above so long as there is no Monetary Event of Default under the Senior Loan Documents. All amounts paid by Subordinate Lender to Senior Lender to cure any default under the Senior Loan Documents shall be deemed to have been advanced by Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgage.

(b) Cross Default. Subordinate Lender certifies that the Subordinate Loan Documents do not contain a cross default provision. Notwithstanding any contrary provision contained in the Subordinate Loan Documents, a Senior Security Instrument Default shall not constitute a default under the Subordinate Loan Documents if no other default occurred under the Subordinate Loan Documents.

8. Conflict.

Borrower, Senior Lender and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, the Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of Senior Lender and Subordinate Lender in the Mortgaged Property; and (b) solely as between Senior Lender and Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which Senior Lender and Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Senior Security Instrument Default or Subordinate Mortgage Default, as the case may be; give Borrower the right to notice of any Senior Security Instrument Default or Subordinate Mortgage Default, as the case may be other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents, as applicable; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

9. Rights and Obligations of Subordinate Lender under the Subordinate Loan Documents and of Senior Lender under the Senior Loan Documents.

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Loan Documents covering the same subject matter:

(a) Protection of Security Interest. Subordinate Lender shall not, without the prior written consent of Senior Lender in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that Subordinate Lender shall have the right to advance funds to cure Senior Security Instrument Defaults pursuant to Section 7(a) above and advance funds pursuant to the Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Mortgaged Property and curing other defaults by Borrower under the Subordinate Loan Documents.

(b) Condemnation or Casualty. In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Mortgaged Property (collectively, a "Taking"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Mortgaged Property (collectively, a "Casualty"), at any time or times when the Senior Security Instrument remains a lien on the Mortgaged Property the following provisions shall apply:

(1) Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents with respect thereto, and Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by or with the written consent of Senior Lender; and

(2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (to payment of the costs and expenses of repair and restoration and/or to payment of the Senior Security Instrument) in the manner determined by Senior Lender in its sole discretion consistent with the Senior Loan Documents; provided, however, that if Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Security Instrument, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Security Instrument shall be paid to, and may be applied by, Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents. Any proceeds then remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Subordinate Loan Documents shall be paid by the Subordinate Lender to Borrower.

(c) **No Modification of Subordinate Loan Documents.** Borrower and Subordinate Lender each agrees that, until the principal of, interest on and all other amounts payable under the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender in each instance, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan, or otherwise amend the Subordinate Loan terms in a manner that creates an adverse effect upon Senior Lender under the Senior Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents without Senior Lender's consent shall be void ab initio and of no effect whatsoever.

10. Modification of Senior Loan Documents; Refinancing of Senior Indebtedness; Transfer of Physical Assets.

(a) Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money, provided however, there shall be no modification of the Senior Loan Documents without the consent of the Subordinate Lender if such modification would increase the principal amount of the Senior Indebtedness beyond the original principal amount of the Senior Indebtedness (excluding any amounts having been advanced by Senior Lender for the protection of its security interest

pursuant to the Senior Loan Documents), increase the interest rate of the Senior Indebtedness, or decrease the original maturity term of the Senior Indebtedness.

- (b) Subordinate Lender agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Indebtedness in accordance with Program Obligations (including reasonable and necessary costs associated with the closing and/or the refinancing); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Indebtedness, the Senior Note, the Senior Security Instrument, the Senior Loan Documents and Senior Lender shall mean, respectively, the indebtedness related to the refinance loan, the refinance note, the security instrument securing the refinance note, all documents evidencing, securing or otherwise pertaining to the refinance note and the holder of the refinance note, provided however, there shall be no refinancing of the Senior Indebtedness without the consent of the Subordinate Lender if such refinancing would increase the principal amount of the Senior Indebtedness beyond the original principal amount of the Senior Indebtedness (excluding any amounts having been advanced by Senior Lender for the protection of its security interest pursuant to the Senior Loan Documents), increase the interest rate of the Senior Indebtedness, or decrease the original maturity term of the Senior Indebtedness.
- (c) Subordinate Lender agrees that the term of the Subordinate Indebtedness will be extended if HUD grants a deferment of amortization or forbearance that results in an extended maturity of the Senior Indebtedness.
- (d) Subordinate Lender agrees that the term of the Subordinate Indebtedness will be extended if the Subordinate Note is due, and there are no Surplus Cash funds or Residual Receipts (if applicable) available for repayment, and the Senior Indebtedness has not been repaid in full. (The parties agree that distributions of Residual Receipts must be approved by HUD and can only be approved by the terms of a written agreement between HUD and the Borrower).
- (e) Subordinate Lender further agrees that the Subordinate Indebtedness is assumable when a sale or transfer of physical assets occurs, and the Senior Indebtedness remains in place.

11. Default by Subordinate Lender or Senior Lender.

If Subordinate Lender or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting Lender shall have the right to all available legal and equitable relief.

12. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which Senior Lender or Subordinate Lender is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating next Business Day delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two Business Days after mailing in the United States), addressed to the respective parties as follows:

SENIOR LENDER:

Walker & Dunlop, LLC
7272 Wisconsin Avenue, Ste. 1300
Bethesda, Maryland 20814

With a copy to:

U.S. Department of Housing and Urban Development
Director - Office of Multifamily Asset Management
Room 6160
451 Seventh Street, S.W.
Washington, DC 20410

SUBORDINATE LENDER:

Director of Housing Policy and Community
Development
c/o Tyra Johnson Brown
City of New Orleans
1340 Poydras Street, Suite 1000
New Orleans, Louisiana 70112

And:

City Attorney
City of New Orleans
1300 Perdido Street, 5E03
New Orleans, Louisiana 70112

BORROWER:

NSAEB 603, LLC
 c/o Lincoln Avenue Communities, LLC
 401 Wilshire Blvd., 11th Floor
 Santa Monica, California 90401

And:

Lincoln Avenue Communities
 401 Wilshire Blvd., 11th Floor
 Santa Monica, California 90401
 Attention: David Garcia and Hanna Jamar, Esq.

With copies to:

Dwyer, Cambre & Suffern
 3000 West Esplanade Avenue, Suite 200
 Metairie, Louisiana 70002
 Attention: Stephen I. Dwyer

Longwell Riess, L.L.C.
 Attn: Kelly Longwell
 650 Poydras Street, Suite 2600
 New Orleans, Louisiana 70130

With a copy to:
 Nixon Peabody LLP
 55 West 46th Street
 New York, New York 10036
 Attention: Aaron Yowell

Either party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

13. General.

(a) Assignment/Successors. This Agreement shall be binding upon Borrower, Senior Lender and Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of Senior Lender and Subordinate Lender.

(b) No Partnership or Joint Venture. Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute Senior Lender as a joint venturer or partner of Subordinate Lender. Neither party hereto

shall hold itself out as a partner, agent or Affiliate of any other party hereto.

(c) Senior Lender's and Subordinate Lender's Consent. Wherever Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) Further Assurances; UCC Financing Statements. Subordinate Lender, Senior Lender and Borrower each agree, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Loan Documents are subordinate to the lien, covenants and conditions of the Senior Loan Documents, or to further evidence the intent of this Agreement. Senior Lender is hereby authorized to file any and all UCC financing statement amendments required to reflect the priority of the Senior Indebtedness.

(e) Amendment. This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) Governing Law. This Agreement shall be governed by the laws of the State in which the Mortgaged Property is located, except, so long as the Senior Indebtedness is insured or held by HUD, and solely as to rights and remedies of HUD, federal jurisdiction may be appropriate pursuant to any federal requirements. The State courts, and with respect to HUD's rights and remedies, federal courts, and governmental authorities in the State in which the Mortgaged Property is located, shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Subordinate Loan Documents. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

(g) Severable Provisions. If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) Term. The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 5 hereof; (iii) the acquisition by Senior Lender of title to the Mortgaged Property pursuant to a foreclosure; or (iv) the acquisition by

Subordinate Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement. Notwithstanding the foregoing, in the event the Senior Indebtedness is refinanced or a transfer of physical assets occurs, the term of this Agreement shall continue and the Subordinate Indebtedness and Subordinate Loan Documents shall be subordinate to any such indebtedness related to the refinanced or transferred loan as provided in Section 10 above.

(i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

Each signatory below hereby certifies that each of their statements and representations contained in this Agreement and all their supporting documentation thereto are true, accurate, and complete. This Agreement has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

[Signature pages follow]

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

SENIOR LENDER:

THUS DONE AND PASSED on this ____ day of _____, 2025, in the presence of the undersigned competent witnesses and me, Notary, in the County of _____, State of _____, effective as of the date first above written.

WALKER & DUNLOP, LLC,
a Delaware limited liability company

By: _____
Heather L. Cox,
Senior Vice President & FHA Closing Manager

WITNESSES:

Print Name: _____

WITNESSES:

Print Name: _____

Notary Public in and for
_____ County, State of _____
My commission expires: _____

THUS DONE AND PASSED on this ____ day of _____, 2025, in the presence of the undersigned competent witnesses and me, Notary, in the Parish of Orleans, State of Louisiana, effective as of the date first above written.

SUBORDINATE LENDER:

CITY OF NEW ORLEANS

WITNESSES:

BY: JOSEPH W. THREAT, SR., CHIEF ADMINISTRATIVE OFFICER

Print Name: _____

Print Name: _____

NOTARY PUBLIC

Executed on the ____ day of _____, 202_.

FORM AND LEGALITY APPROVED:

Law Department

By: _____

Printed Name: _____

THUS DONE AND PASSED on this ____ day of _____, 2025, in the presence of the undersigned competent witnesses and me, Notary, in the Parish of Orleans, State of Louisiana, effective as of the date first above written.

SUBORDINATE LENDER:

WITNESSES:

CITY COUNCIL OF NEW ORLEANS

Print Name: _____

BY: COUNCIL PRESIDENT

Print Name: _____

NOTARY PUBLIC

Executed on the ____ day of _____, 202_.

FORM AND LEGALITY APPROVED:

Law Department

By: _____

Printed Name: _____

THUS, DONE AND PASSED, in multiple originals, on the date hereinabove first mentioned, in the presence of the undersigned witnesses, who hereunto sign their names with Borrower and me, Notary.

BORROWER:

NSAEB 603, LLC,
a Louisiana limited liability company

By: NSAEB 603 Member, LLC,
a Louisiana limited liability company
its sole member

By: NSA East Bank Apartments MM LLC,
a Delaware limited liability company
its managing member

By: NSA East Bank JV LLC,
a Delaware limited liability company
its sole member

By: Lincoln Avenue Capital Management, LLC,
a Delaware limited liability company
its co-manager

Witnesses:

By: _____

Print Name: _____

By: _____

Print Name: _____

By: _____

Name: Russell Condas

Title: Vice President

EXHIBIT A: LEGAL DESCRIPTION

THAT CERTAIN LEASEHOLD INTEREST, created by Real Estate Ground Lease and Development Agreement by and between City of New Orleans and NSAEB 603, LLC, as evidenced by the Notice of Lease recorded October 17, 2025 at CIN 761391 and Instrument No. 2025-34714 in the conveyance records of Orleans Parish, Louisiana, as it affects a portion of the following described property:

A portion of the land and improvements located on Lot 3A of the NSA East Bank (designation pursuant to that certain Declaration of Title Change by Subdivision resubdividing Lots 1, 2, 3, 4, 5 and 6, of the Former NSAEB, being all or part of Original Squares 35, 36, 37, 38, 126, 127, 128, 184, 185, 186, 235 and 236 into Lots 1A, 2 A, and 3 A of New Square 185A, Third District City of New Orleans, Orleans Parish, Louisiana, by BFM Corporation LLC, a Professional Land Surveying Company, dated as of May 29, 2024 and recorded on August 8, 2024 at CIN 745005 and Instrument No. 2024-23829), and being more fully described as follows, to-wit:

Commencing at the intersection of the southern right-of-way line of Charters Street and the eastern right-of-way line of Poland Avenue, a 5/8" iron rod, the point of beginning, traverse along said right-of-way line of Poland Avenue North 13 degrees 59 minutes and 21 seconds East a distance of 628.36 feet to a 5/8" iron rod;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 72.52 feet to a 5/8" iron rod;

Thence North 13 degrees 59 minutes 21 seconds East a distance of 44.74 feet to a mag nail;

Thence South 76 degrees 00 minutes 39 seconds East a distance of 42.59 feet to a cross;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 573.27 feet to a cross;

Thence South 74 degrees 20 minutes 39 seconds East a distance of 22.97 feet to a cross;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 414.56 feet to a cross;

Thence North 76 degrees 00 minutes 39 seconds West a distance of 25.44 feet to a mag nail;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 743.77 feet to a 5/8" iron rod;

Thence North 75 degrees 43 minutes 07 seconds West a distance of 460.48 feet to a 5/8" iron rod;

Thence North 13 degrees 56 minutes 27 seconds East a distance of 15.81 feet to a 5/8" iron rod;

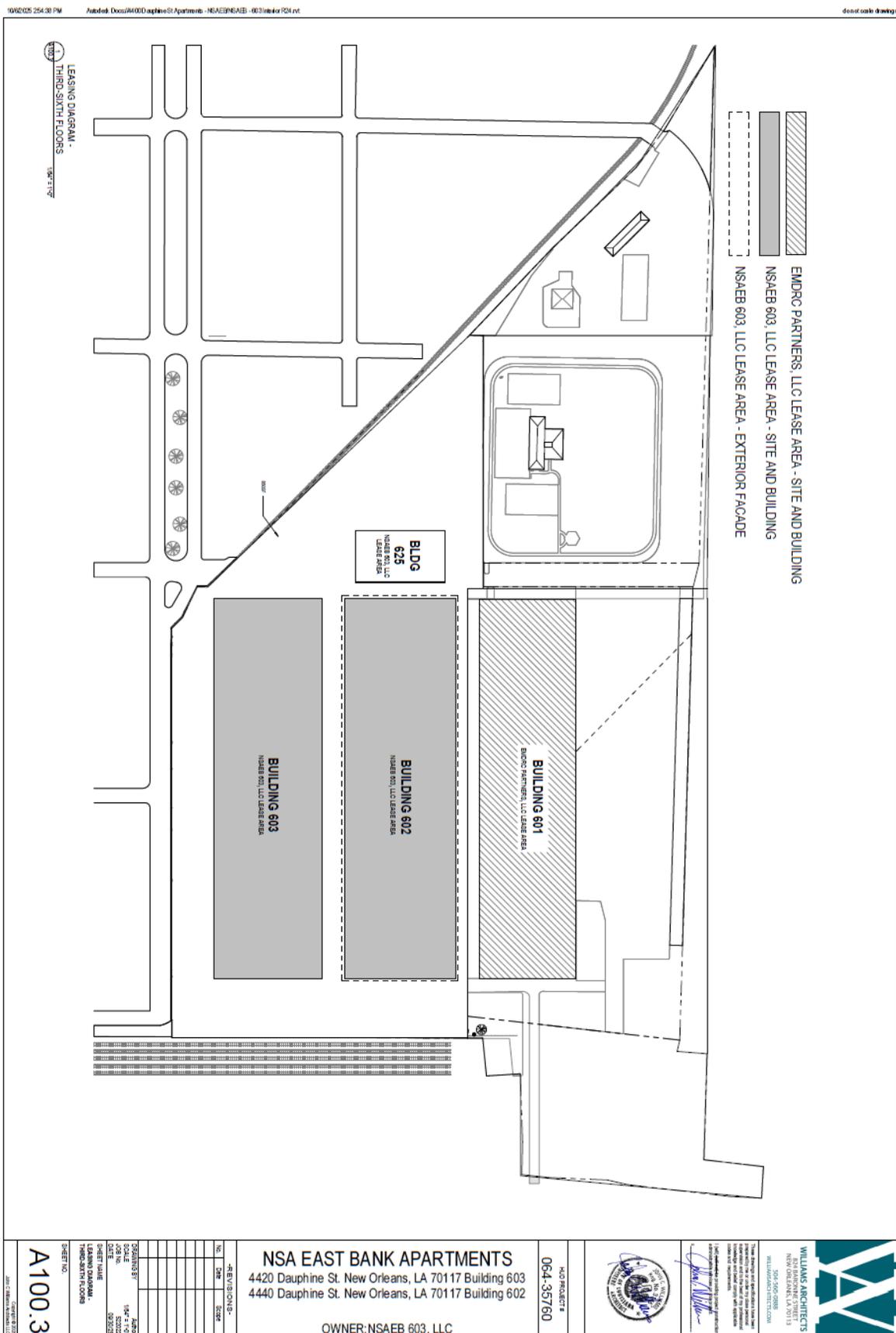
Thence North 76 degrees 03 minutes 33 seconds West a distance of 24.86 feet to the point of beginning.

Less and except Units A, B and C located on the 1st floor of Building 603, containing approximately 21,241 square feet, and (ii) Floors 1 and 2 of Building 602.

The NSAEB 603 Leased Premises specifically includes, without limitation: (i) Units D, E and F

located on the 1st Floor of Building 603, containing approximately 35,221 square feet, (ii) all common areas located on the 1st floor of Building 603, consisting of approximately 15,565 square feet, (iii) Floors 2-6 of Building 603, (iv) Floors 3-6 of Building 602, and (iv) Building 625, identified as the Parking Garage Access Ramp.

TOGETHER WITH the servitude rights created by that certain Declaration of Covenants, Conditions and Restrictions recorded _____, at CIN _____ and Instrument No. _____ in the conveyance records of Orleans Parish, Louisiana.



Schedule A –
List of Senior Loan Documents

1. **“Senior Note”** – That certain Note (HUD-94001M) in the original principal amount of \$_____ (and Rider thereto) executed by Borrower for the benefit of Senior Lender, dated of even date herewith;
2. **“Senior Security Instrument”** – That certain Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement executed by Borrower in favor of Senior Lender, dated of even date herewith;
3. **“HUD Regulatory Agreement”** – That certain U.S. Department of Housing and Urban Development Regulatory Agreement for Multifamily Projects executed by Borrower in favor of HUD, dated of even date herewith;
4. Master Tenant Regulatory Agreement – That certain U.S. Department of Housing and Urban Development Regulatory Agreement for Multifamily Projects executed by NSAEB Historic Master Tenant LLC in favor of HUD, dated of even date herewith;
5. Commercial Tenant Regulatory Agreement – That certain U.S. Department of Housing and Urban Development Regulatory Agreement for Multifamily Projects executed by NSAEB Retail Lessee LLC in favor of HUD, dated of even date herewith; and
6. UCC-1 Financing Statement naming Borrower as debtor and Senior Lender and HUD as secured parties.

All other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Senior Indebtedness.

Schedule B –
List of Subordinate Loan Documents

1. **“Subordinate Note”** – That certain CITY OF NEW ORLEANS GO BOND FUNDS PROGRAM SECURED PROMISSORY NOTE in the original principal amount of \$2,500,000 executed by Borrower for the benefit of Subordinate Lender, dated of approximate even date herewith;
2. **“Subordinate Mortgage”** – That certain CITY OF NEW ORLEANS GO BOND PROGRAM ACT OF LEASEHOLD INTEREST MORTGAGE, PLEDGE OF LEASES AND RENTS AND SECURITY AGREEMENT, securing the Subordinate Note, executed by Borrower in favor of Subordinate Lender and recorded in the land records of Orleans Parish concurrently herewith;
3. That certain LOAN AGREEMENT by and between Borrower and Subordinate Lender;
4. That certain CITY OF NEW ORLEANS GENERAL OBLIGATION BOND FUND PARTNERSHIP PROGRAM REGULATORY AGREEMENT executed by Borrower and Subordinate Lender, and recorded in the land records of Orleans Parish concurrently herewith; and
5. All other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness.

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

Buchalter, a Professional Corporation
1000 Wilshire Blvd., Suite 1500
Los Angeles, California 90017
Attention: C. Tyler Ohanian, Esq.

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT
(CNO GO Loan)**

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into as of _____, 2025 and effective as of December 10, 2025 (the "Effective Date") by and among (i) NSAEB HISTORIC MASTER TENANT LLC, a Louisiana limited liability company ("Tenant"); (ii) NSAEB 603, LLC, a Louisiana limited liability company ("Owner"); (iii) THE CITY OF NEW ORLEANS, represented by Joseph W. Threat, Sr., Chief Administrative Officer (together with any permitted successors or assigns, the "Lender"); and (iv) CHASE COMMUNITY EQUITY, LLC, a Delaware limited liability company ("Investor").

Recitals

A. Owner has a long-term ground leasehold interest in certain buildings located at 4420 Dauphine Street and 4400 Dauphine Street, New Orleans, Louisiana and commonly known as "U.S. Army Supply Base New Orleans, Naval Support Activity (NSA) East Bank Building 603 and Building 602" (collectively, the "Buildings"), which Owner is in the process of rehabilitating.

B. Owner has a long-term ground leasehold interest in the certain tract(s) of land upon which the Buildings are located, together with certain other improvements and all appurtenances, easements, rights of way and other rights belonging to or in any way pertaining thereto or to the Buildings, more particularly described on Exhibit A attached hereto (collectively, the "Land" and, together with the Buildings, the "Property").

C. Owner intends to rehabilitate the Buildings in a manner that qualifies for the historic rehabilitation tax credit allowed for qualified rehabilitation expenditures incurred in connection with the "certified rehabilitation" of a "certified historic structure" (the "Historic Tax Credit") pursuant to Section 47 of the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law (the "Code").

D. Tenant has leased the Property including the rehabilitated Buildings from Owner pursuant to the terms of that certain Master Lease Agreement dated as of the Effective Date between Owner, as landlord, and Tenant, as tenant (the “Lease”).

E. Pursuant to that certain Amended and Restated Operating Agreement of Tenant dated as of the Effective Date (the “Tenant’s Operating Agreement”), Investor has acquired a 99% interest in Tenant and has made or will make a substantial investment therein.

F. NSAEB 603 Member, LLC, a Louisiana limited liability company (“Owner Sole Member”), is the sole member of Owner. Owner Sole Member will elect under Section 50 of the Code to pass-through to Tenant the Historic Tax Credit to which Owner Sole Member is otherwise entitled as a result of the rehabilitation of the Buildings.

G. Lender is the lender under that certain Loan Agreement dated as of the Effective Date by and between Lender and Owner (the “Loan Agreement”) relating to a loan in the maximum principal amount of \$2,500,000 by Lender to Owner, as amended (the “Loan”), which Loan is secured by means of a GO Bond Program Act of Leasehold Interest Mortgage, Pledge of Leases and Rents and Security Agreement on the Property (the “Mortgage”) and other related security documents and financing statements given by Owner in favor of Lender, as amended (together with the Mortgage, collectively, the “Security Instruments,” and together with the Loan Agreement and all other documents evidencing the Loan, collectively, the “Loan Documents”).

H. The Loan Documents require that Lender consent to any lease of the Property and Tenant’s Operating Agreement requires that Investor consent to any mortgage financing on the Property.

I. Investor requires that Lender provide certain assurances as to non-disturbance of Tenant’s rights under the Lease.

Agreement

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Lease. In addition to the defined terms set forth in the Recitals to this Agreement, the following defined terms used herein have the meanings specified below:

“Disqualified Transferee” means any of the following:

(a) a tax exempt organization described in Section 50(b)(3) of the Code unless the property is used by such organization predominantly in an unrelated trade or business the income of which is subject to tax under Section 511 of the Code;

(b) the United States, any State or political subdivision thereof, any possession of the United States, or any agency or instrumentality of any of the foregoing;

(c) a foreign person or entity (as defined in Section 168(h)(2)(C) of the Code) unless more than 50 percent of the gross income derived by the foreign person or entity is subject to U.S. tax or included under Section 951 of the Code in the gross income of a United States shareholder for the taxable year with or within which ends the taxable year of the controlled foreign corporation in which such income was derived;

(d) a mutual savings bank, cooperative bank, or domestic building and loan association to which Section 593 of the Code applies;

(e) a regulated investment company or real estate investment trust subject to taxation under subchapter M, Chapter 1 of the Code (but not including a “taxable REIT subsidiary,” as defined in Section 856(l) of the Code);

(f) a cooperative organization described in Section 1381(a) of the Code; or

(g) a partnership or other pass-through entity in which any Disqualified Transferee described in subparts (a) through (f) above owns a direct or indirect partner or member interest.

“Effective Period” means the period commencing as of the date hereof and ending on the next business day following the fifth (5th) anniversary of the date on which the last “qualified rehabilitation expenditure” as defined in Section 47(c)(3) of the Code with respect to the Property is first placed in service.

“Enforcement Action” means (a) the institution of any foreclosure or other proceeding (whether judicial or non-judicial) to collect the Loan, to foreclose any of the Security Instruments, or otherwise to realize upon any collateral for the Loan, including but not limited to (i) the appointment of a receiver for Owner or the Property, or (ii) the exercise of rights to collect rents under the Loan Documents or an assignment of rents, or (b) any proceeding under the United States Bankruptcy Code, 11 U.S.C. §101 *et seq.*, (the “Bankruptcy Code”), in which the Owner is a debtor, or any insolvency proceedings with respect to the Owner under applicable state laws.

“Managing Member” means NSA East Bank Apartments MM LLC, a Delaware limited liability company, which is the managing member of Owner Sole Member and the managing member of Tenant.

“Recapture Event” means any event that results in a disallowance, loss or recapture of Historic Tax Credits under the Code or any applicable law (other than a disallowance, loss or recapture arising as a result of a sale or disposition of the Investor’s membership interest in the Tenant or due to the acts or omissions of the Investor).

“Transfer” means any sale, assignment, or other transfer of the Owner’s interest in the Property by (a) any judicial or non-judicial sale of the Property or any portion thereof pursuant to any Enforcement Action or otherwise in connection with any default by Owner under the Loan Documents, (b) the acceptance by Lender or its successor or assignee of a deed in lieu of foreclosure for the Property, (c) any general assignment of the assets of Owner for the benefit of creditors, (d) any sale, transfer or abandonment of possession of the Property to Lender or its successor or assigns, or any other person or entity, including, but not limited to, sales, transfers or abandonment of possession in connection with any proceedings affecting Owner under the Bankruptcy Code, or (e) taking direct or indirect ownership of any member interest (“Ownership Interest”) in the Owner in connection with any Enforcement Action or otherwise on account of a default under the Loan.

“Transferee” means Lender, its successors and assigns, any designee of Lender or any other party taking title to the Property or Ownership Interest in connection with or following a Transfer.

2. Consent. Lender hereby consents to the Lease, the acquisition by the Investor of an interest in the Tenant, the execution of the Tenant’s Operating Agreement and related documents and the acquisition by the Tenant of an interest in Owner Sole Member, and agrees that the execution and delivery thereof by Owner and/or the Tenant, as the case may be, will not constitute a default under the Loan. Investor hereby consents to the Loan Documents in the forms entered into as of the date hereof.

3. Subordination. So long as Lender complies with the provisions of this Agreement, the Mortgage is and will unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the Lease and all rights and privileges of Tenant thereunder, or any subtenant thereunder, and the Lease, and all rights and privileges of Tenant or any subtenant are hereby unconditionally subjected and made subordinate to the lien or charge of the Mortgage, subject to the non-disturbance limitations set forth in this Agreement.

4. Lender’s Exercise of Remedies: Non-Disturbance.

(a) During the Effective Period, neither Lender nor any Transferee may foreclose or terminate the Lease or disturb Tenant’s right of possession thereunder, either during or as a result of any Enforcement Action, or thereafter pursuant to remedies a landlord may otherwise have under applicable state laws (whether statutory or common law), and regardless of whether the Tenant is then in default under the Lease (even if such default has not been cured within any grace or cure period thereunder), nor may Lender or any Transferee cause or permit any Transfer to a Disqualified Transferee regardless of the manner or forum in which any such Transfer may occur. This provision does not preclude Lender from: (i) accelerating the Loan; (ii) pursuing and completing any Enforcement Action against the Owner, any guarantor of the Loan, or other person or entity that may be liable to Lender in connection with the Loan, or otherwise exercising its rights and remedies to effectuate a Transfer to an entity that is not a Disqualified Transferee; or (iii) exercising any other right or remedy, including, but not limited to, suing Owner for

monetary damages or specific performance; provided, that in no event may Tenant be named in or made a party to any Enforcement Action unless, and except to the extent that, the Tenant is deemed to be a necessary party to such Enforcement Action on account of its interest in the Property (and in such case the Tenant may be joined in such Enforcement Action solely for such purpose, subject to the parties to such Enforcement Action stipulating therein that Tenant's interests may not be foreclosed, terminated, or otherwise disturbed except in accordance with this Agreement).

(b) Prior to commencing any Enforcement Action and prior to effectuating a Transfer during the Effective Period, Lender must provide written notice to Investor of its intention to commence such Enforcement Action and of its intention to effectuate a Transfer. Lender may not effectuate such Transfer unless Lender has received, within ten (10) business days after such notice to Investor, the consent of Investor to such Transfer, which consent will be given if the Transfer is consistent with the limitations set forth in this Agreement and does not cause a Recapture Event, as confirmed by (among other things) an opinion of Investor's counsel that such Transfer, in and of itself, should not cause a Recapture Event. Lender agrees to provide to Investor all information and documentation regarding the proposed Transfer and the proposed Transferee as Investor may reasonably require to make such determination. Any attempted Transfer in violation of this Section 4(b) will be void *ab initio*.

(c) After the Effective Period, Lender may foreclose or terminate the Lease solely if the Tenant is in default thereunder beyond all applicable grace and cure periods thereunder (a "Tenant Default") and may take any other action otherwise prohibited by Section 4(a). Prior to commencing any action to effect a foreclosure or termination of the Lease upon a Tenant Default thereunder after the end of the Effective Period, Lender must first give written notice to Investor of its intention to terminate the Lease, and Investor will have a reasonable time, but at least thirty (30) days and not more than sixty (60) days from the date of Investor's receipt of such written notice, to cause Tenant to cure any Tenant Default, such that upon such cure the Tenant would be entitled to the non-disturbance of the Lease.

(d) Nothing in the Loan Documents or any replacement documents with any Transferee will preclude Investor's right to receive any distribution on account of the Priority Return and the Special Tax Distribution (as such terms are defined in the Tenant's Operating Agreement) from Tenant, Owner, Managing Member and/or any guarantor of such obligations to Investor; provided, however, that if at any time during the Effective Period the Tenant is in default of its obligations to pay rent, additional rent or any other amounts due under the Lease, no distributions of Net Cash Flow (as defined in Tenant's Operating Agreement) may be made to any member of Tenant under the Tenant's Operating Agreement, and Tenant must pay to Owner or Transferee, as applicable, all amounts of Net Cash Flow available from any source, up to the amount then due and payable under the Lease, after the payment of reasonable and necessary operating

expenses. Such amounts paid will be applied to Tenant's obligations under the Lease to pay rent, additional rent or any other amounts due under the Lease with any unsatisfied obligations accruing until Tenant has cash flow available to pay all such amounts due.

(e) No event of default under the Loan Documents or any replacement documents with any Transferee will result from (i) the exercise of the "Put Option" as described in the Put Option Agreement dated as of the Effective Date between Investor and Managing Member; or (ii) the removal and replacement of the Managing Member as the managing member of Tenant by Investor, pursuant to the Tenant's Operating Agreement; or (iii) the removal and replacement of Managing Member as the managing member of Owner Sole Member pursuant to the Owner Sole Member's operating agreement. Any such replacement of Managing Member as the managing member of Tenant or the managing member of Owner Sole Member will be subject to the prior consent of Lender, which consent may not be unreasonably withheld, conditioned or delayed; provided, that Lender and Fiscal Agent hereby consent to any entity affiliated with or controlled by the Investor or JPMorgan Chase Bank, N.A. as a replacement to Managing Member as the managing member of Tenant or the managing member of Owner Sole Member.

(f) After a Transfer, provided that the rehabilitation of the Buildings has been or is thereafter substantially completed, if Owner has not yet received approval by the National Park Service of Part 3 of the Historic Preservation Certification Application – Request for Certification of Completed Work (the "Part 3 Approval"), then Lender and/or Transferee agrees to take all commercially reasonable actions requested by Tenant and Investor to obtain such approval (at the sole expense of Tenant or Investor), including, without limitation, the execution of the Part 3 application and providing access to the Property for inspection by the Investor, its consultants, the National Parks Service and any similar state agency.

(g) During the Effective Period, without the prior written consent of Investor, neither Lender nor Owner nor any Transferee may take any action, authorize or consent to any action or otherwise permit any physical alterations to Property that might reasonably impact the status of any of the Buildings as a certified historic structure or that violate or conflict with the Part 3 Approval or the Part 2 Approval (as defined in Tenant's Operating Agreement). Such alterations include, but are not limited to (i) alteration of the façade of the Buildings including the alteration, repair or replacement of window and door elements, (ii) construction of a new building addition which overshadows the historic structure, or (iii) the demolition or destruction of any portion of the Buildings.

(h) The provisions of this Agreement binding on Lender will also be binding on any Transferee.

5. Attornment.

(a) Tenant must attorn to any Transferee, including Lender if Lender becomes a Transferee, as the landlord under the Lease, provided such Transfer complies with the provisions of this Agreement. Said attornment is subject to the limitation of Transferee's obligations set forth in Section 5(b) below and will be effective and self-operative without the execution of any further instruments upon Transferee succeeding to the interest of the landlord under the Lease. Within ten (10) business days after receipt of a written request therefor from a Transferee, Tenant agrees to provide such Transferee with a written confirmation of its attornment and any other matter set forth in this Agreement.

(b) Upon a Transfer of the Property to a Transferee, which Transfer complies with the provisions of this Agreement, the Lease will be recognized as a direct lease from Transferee to Tenant upon such Transfer for the balance of the term thereof. In the event that the Lease is recognized as a direct lease from a Transferee as aforesaid, then the liability of a Transferee under the Lease will exist only so long as such Transferee is the owner of the Property, and such liability will not continue or survive with respect to claims accruing after further transfer of ownership. A Transferee will not be: (i) liable for any act or omission of any prior landlord (including Owner), (ii) subject to any offsets or counterclaims which Tenant may have against a prior landlord (including Owner), unless expressly provided for herein, (iii) bound by any prepayment of the Base Lease Payment which Tenant may have made in excess of the amounts then due for the next succeeding month, unless specifically approved in writing by Lender, or be liable or responsible for any security deposit or other sums which Tenant may have paid under the Lease unless such deposit or other sums have been physically delivered to Transferee, (iv) bound by any notices given by Tenant to Owner of which it did not also receive notice, (v) required after a fire, casualty or condemnation of the Property to repair or rebuild the same to the extent that such repair or rebuilding requires funds in excess of the insurance or condemnation proceeds specifically allocable to the Property and arising out of such fire, casualty or condemnation which have actually been received by a Transferee, and then only to the extent required by the terms of the Lease, (vi) bound by any modification to the Lease made without Lender's consent, or (vii) required to undertake or complete any of Landlord's Work.

6. Notice and Cure Rights.

(a) Tenant and Owner each agrees, simultaneously with the giving of any notice under the Lease, to give a duplicate copy thereof to Lender. Should either Owner or Tenant default in respect of any of the provisions of the Lease, Lender will have the right, but not the obligation, to cure such default, and either Tenant or Owner, as the case may be, must accept performance by or on behalf of Lender as though, and with the same effect as if, it had been done or performed by the defaulting party. The Lender will have a period of time after the service of such notice upon it within which to cure the default specified in such notice, or cause it to be cured, which is the greater of ten (10) business days or the same

period for cure, if any, as is given under the Lease in respect of the specified default after the giving of any required notice thereunder.

(b) The Lender and Owner each agrees, simultaneously with the giving of any notice with respect to the Loan, to give a duplicate copy thereof to Tenant and to Investor. Lender acknowledges, and Owner and Tenant each irrevocably agrees, that Investor has the ability to communicate directly with Lender in connection with any matters regarding the Loan and Loan Documents, including without limitation, the existence of any defaults or breaches, the financial condition of the Owner or any guarantors of the Owner's obligations, or the status or condition of the Property and request from the Lender copies of any information provided to the Lender by any of Owner, guarantors, Tenant or their respective constituent entities. Should (i) Owner default in respect of any of the provisions of the Loan or (ii) Owner or Tenant default in respect of any of the provisions of the Lease, Investor will have the right, but not the obligation, to cure such default or cause it to be cured, and Lender and Owner, as the case may be, must accept performance by or on behalf of Investor as though, and with the same effect as if, it had been done or performed by Owner or Tenant, as the case may be. Tenant and Investor each will have a period of time (co-terminously) after the service of such notice upon it within which to cure or cause to be cured the default specified in such notice, or cause it to be cured, which is the greater of ten (10) business days or the same period for cure, if any, as is given under the Loan Documents in respect of the specified default after the giving of any required notice thereunder.

7. Miscellaneous.

(a) This Agreement will inure to the benefit of, and be binding upon, the parties hereto, their successors and assigns (including all Transferees); provided, however, that in the event of the assignment or transfer of the interest of a Transferee, all obligations and liabilities of such Transferee under this Agreement will terminate, and thereupon all such obligations and liabilities will be the responsibility of the party to whom the Transferee's interest is assigned or transferred.

(b) This Agreement is the whole and only agreement among the parties hereto with regard to the subordination of the Lease to the lien or charge of the Mortgage, and supersedes and cancels all other subjection or subordination agreements, including, but not limited to, those provisions, if any, contained in the Lease that provide for the subjection or subordination of said Lease to a deed of trust or to a mortgage or mortgages, or other similar mortgage loan documents. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto.

(c) This Agreement will be governed by, construed, applied and enforced in accordance with the laws of the State of Louisiana. The invalidity, illegality or unenforceability of any provision of this Agreement will not affect or impair the validity,

legality or enforceability of the remainder of this Agreement, and to this end, the provisions of this Agreement are declared to be severable.

(d) In the event any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising out of, this Agreement, or to recover damages for the breach thereof, the party prevailing in any such action or proceeding will be entitled to recover from the non-prevailing party all reasonable attorneys' fees, costs and expenses incurred by the prevailing party.

(e) Except to the extent permitted under the terms of the Lease, the Lease may not be modified or amended so as to reduce the rent or other payments due Owner thereunder or shorten the Term provided thereunder or so as to adversely affect in any other respect to any material extent the rights of Lender, nor will the Lease be canceled or surrendered, without the consent, in each instance, of Lender.

(f) Any notices required hereunder will be in writing and will be either given by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or sent by email promptly confirmed in writing, or sent by personal delivery by a nationally recognized courier service for next day delivery. The current mailing addresses and email addresses of the parties to which any notice provided for herein must be sent as follows:

If to Owner or Tenant:

c/o Lincoln Avenue Capital LLC
401 Wilshire Blvd., Suite 1100,
Santa Monica, CA 90401
Attention: David Garcia and Russell Condas

And:

c/o Brian Gibbs Development, LLC
400 Poydras Street, #2620
New Orleans, LA 70130
Attention: Brian Gibbs
Email: brgibbs@gmail.com

With a copy to:

Nixon Peabody LLP
55 West 46th Street
New York, New York 10036-4120
Attention: Aaron J. Yowell, Esq.

Email: ayowell@nixonpeabody.com

And:

Dwyer, Cambre & Suffern
3000 West Esplanade Ave., Suite 200
Metairie, Louisiana 70002
Attention: Stephen I. Dwyer
Email: sdwyer@dwycambre.com

And:

Longwell Riess, L.L.C.
650 Poydras Street, Suite 2600
New Orleans, Louisiana 70130
Attention: Kelly Longwell
Email: klongwell@longwellriess.com

If to Investor:

Chase Community Equity, LLC
c/o JPMorgan Chase Bank, N.A.
10 S. Dearborn, 19th Floor
Mail Code: IL1-0953
Chicago, Illinois 60603-5506
Attention: HTC Asset Management
Facsimile: (312) 325-5050
Email: cdb.htc.assetmanagement@chase.com
Project Name: NSA East Bank NOLA

And:

Chase Community Equity, LLC
c/o JPMorgan Chase Bank, N.A.
300 S. Grand, Suite 300
Los Angeles, California 90071
Attention: Timothy C. Karp
Telephone: (213) 621-8404
Email: timothy.c.karp@chase.com
Project Name: NSA East Bank NOLA

And:

Buchalter, a Professional Corporation
1000 Wilshire Boulevard, Suite 1500
Los Angeles, California 90017
Attention: C. Tyler Ohanian, Esq.
Telephone: (213) 891-5041
Email: tohanian@buchalter.com
Project Name: NSA East Bank NOLA; J0732-0149

If to Lender:

Director of Housing Policy and Community Development
c/o Tyra Johnson Brown
City of New Orleans
1340 Poydras Street, Suite 1000
New Orleans, LA 70112

With a copy to:

City Attorney
City of New Orleans
1300 Perdido Street, 5E03
New Orleans, LA 70112

Any party may designate another addressee (and/or change its address or email address) for notices hereunder by a notice given pursuant to this Section 7(f). Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the return receipt requested.

(g) This Agreement may be executed in several counterparts and all so executed constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

(h) In the case of conflict between the terms of the Loan Documents and the terms of this Agreement, the terms of this Agreement will control.

[Signatures on following pages]

IN WITNESS WHEREOF, the parties have hereunto set their signatures and seals to this Subordination, Non-Disturbance and Attornment Agreement as of the date first above written.

WITNESSES:

TENANT:

NSAEB HISTORIC MASTER TENANT LLC,
a Louisiana limited liability company

Print Name: _____

By: NSA East Bank Apartments MM LLC,
a Delaware limited liability company,
its managing member

Print Name: _____

By: NSA East Bank JV LLC,
a Delaware limited liability company,
its sole member

By: Lincoln Avenue Capital Management, LLC,
a Delaware limited liability company,
its manager

By: _____
Name: Russell Condas
Title: Vice President

[Notary block on following page]

IN WITNESS WHEREOF, the parties have hereunto set their signatures and seals to this Subordination, Non-Disturbance and Attornment Agreement as of the date first above written.

WITNESSES:

LANDLORD:

NSAEB 603, LLC,
a Louisiana limited liability company

Print Name: _____

By: NSAEB 603 Member, LLC,
a Louisiana limited liability company,
its sole member

Print Name: _____

By: NSA East Bank Apartments MM LLC,
a Delaware limited liability company,
its managing member

By: NSA East Bank JV LLC,
a Delaware limited liability company,
its sole member

By: Lincoln Avenue Capital Management, LLC,
a Delaware limited liability company,
its manager

By: _____
Name: Russell Condas
Title: Vice President

[Notary block on following page]

Exhibit A

Legal Description

THAT CERTAIN LEASEHOLD INTEREST, created by Real Estate Ground Lease and Development Agreement by and between City of New Orleans and NSAEB 603, LLC, as evidenced by the Notice of Lease recorded October 17, 2025 at CIN 761391 and Instrument No. 2025-34714 in the conveyance records of Orleans Parish, Louisiana, as it affects a portion of the following described property:

A portion of the land and improvements located on Lot 3A of the NSA East Bank (designation pursuant to that certain Declaration of Title Change by Subdivision resubdividing Lots 1, 2, 3, 4, 5 and 6, of the Former NSAEB, being all or part of Original Squares 35, 36, 37, 38, 126, 127, 128, 184, 185, 186, 235 and 236 into Lots 1A, 2 A, and 3 A of New Square 185A, Third District City of New Orleans, Orleans Parish, Louisiana, by BFM Corporation LLC, a Professional Land Surveying Company, dated as of May 29, 2024 and recorded on August 8, 2024 at CIN 745005 and Instrument No. 2024-23829), and being more fully described as follows, to-wit:

Commencing at the intersection of the southern right-of-way line of Charters Street and the eastern right-of-way line of Poland Avenue, a 5/8" iron rod, the point of beginning, traverse along said right-of-way line of Poland Avenue North 13 degrees 59 minutes and 21 seconds East a distance of 628.36 feet to a 5/8" iron rod;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 72.52 feet to a 5/8" iron rod;

Thence North 13 degrees 59 minutes 21 seconds East a distance of 44.74 feet to a mag nail;

Thence South 76 degrees 00 minutes 39 seconds East a distance of 42.59 feet to a cross;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 573.27 feet to a cross;

Thence South 74 degrees 20 minutes 39 seconds East a distance of 22.97 feet to a cross;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 414.56 feet to a cross;

Thence North 76 degrees 00 minutes 39 seconds West a distance of 25.44 feet to a mag nail;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 743.77 feet to a 5/8" iron rod;

Thence North 75 degrees 43 minutes 07 seconds West a distance of 460.48 feet to a 5/8" iron rod;

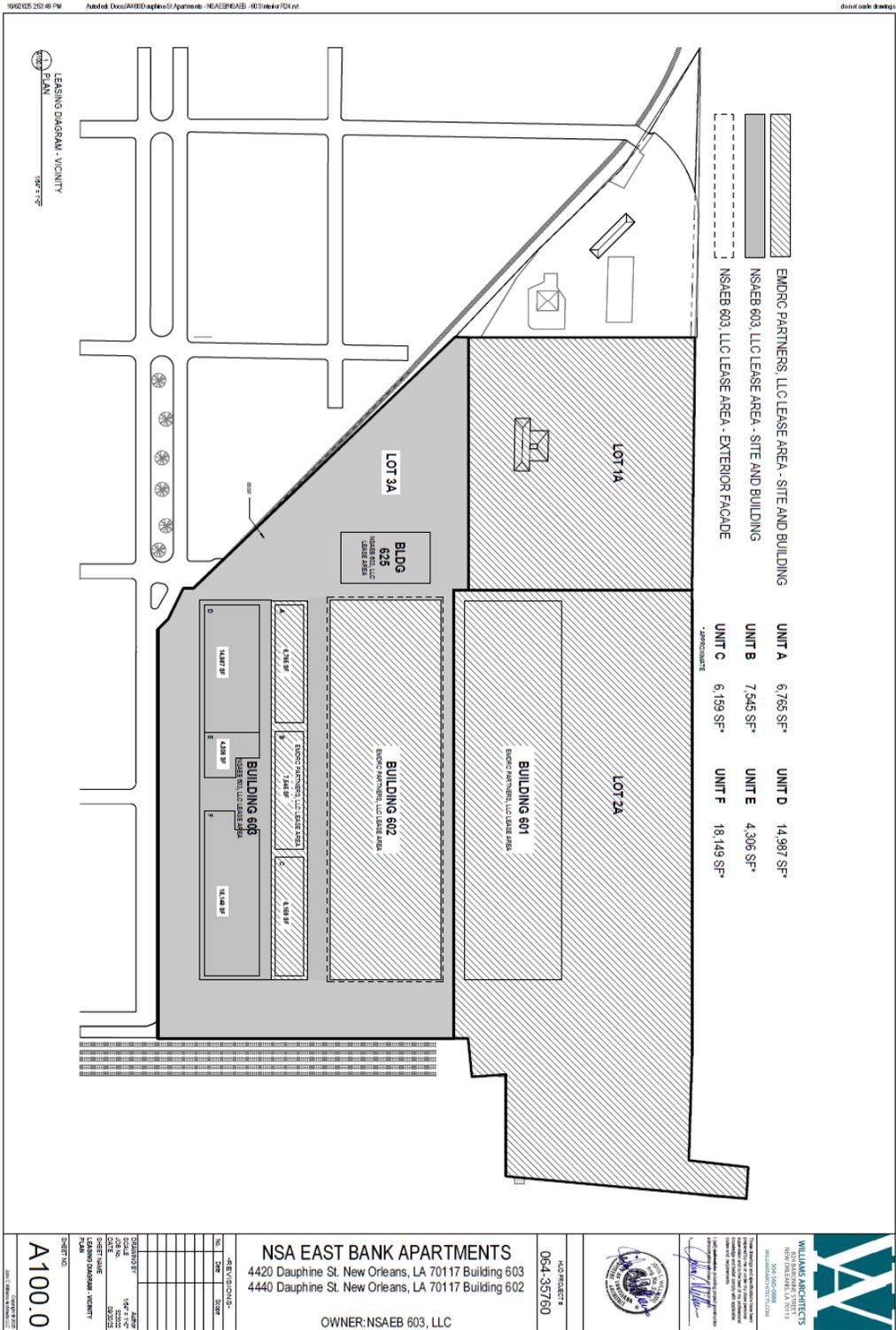
Thence North 13 degrees 56 minutes 27 seconds East a distance of 15.81 feet to a 5/8" iron rod;

Thence North 76 degrees 03 minutes 33 seconds West a distance of 24.86 feet to the point of beginning.

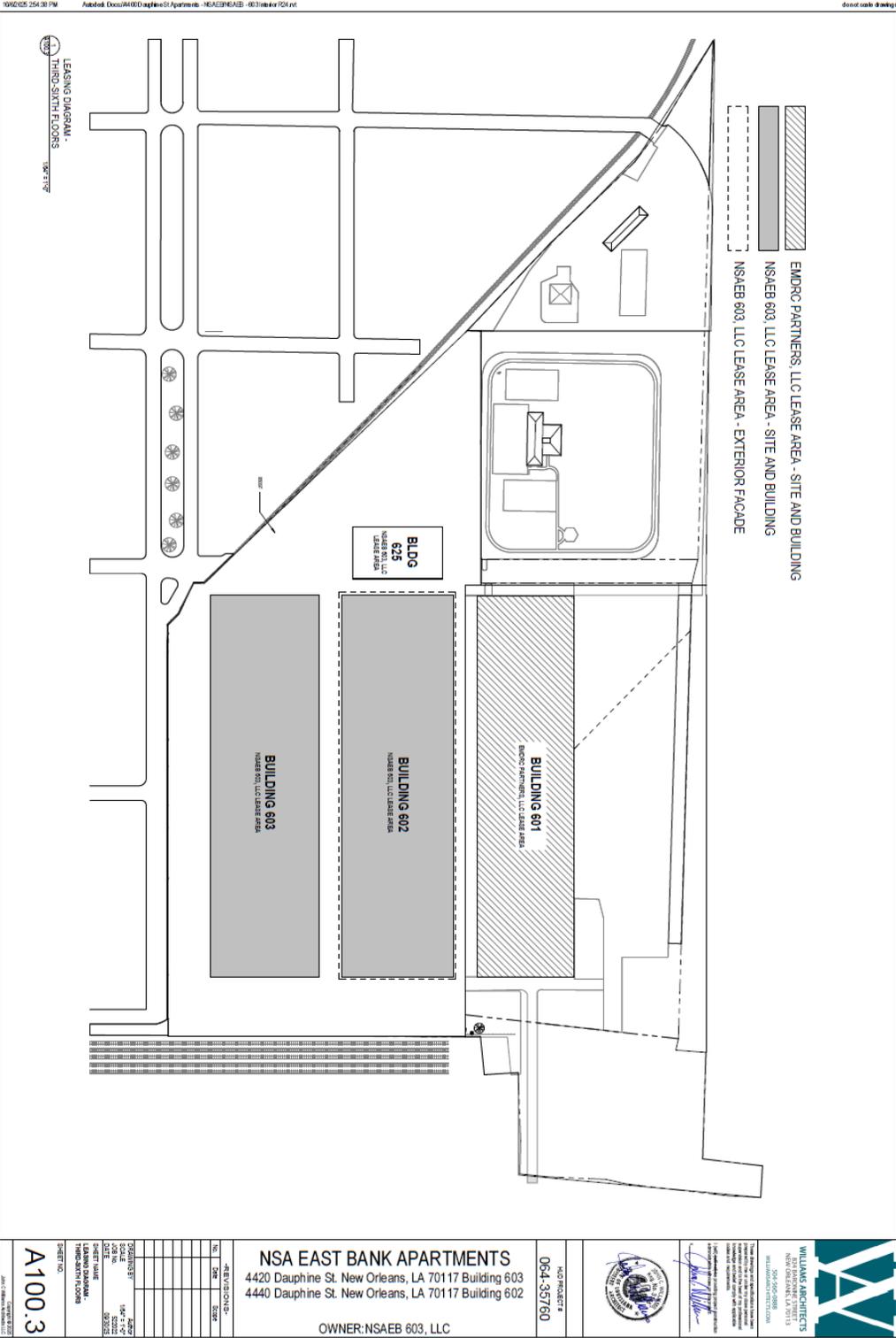
Less and except Units A, B and C located on the 1st floor of Building 603, containing approximately 21,241 square feet, and (ii) Floors 1 and 2 of Building 602.

The NSAEB 603 Leased Premises specifically includes, without limitation: (i) Units D, E and F located on the 1st Floor of Building 603, containing approximately 35,221 square feet, (ii) all common areas located on the 1st floor of Building 603, consisting of approximately 15,565 square feet, (iii) Floors 2-6 of Building 603, (iv) Floors 3-6 of Building 602, and (iv) Building 625, identified as the Parking Garage Access Ramp.

TOGETHER WITH the servitude rights created by that certain Declaration of Covenants, Conditions and Restrictions recorded _____, at CIN _____ and Instrument No. _____ in the conveyance records of Orleans Parish, Louisiana.



Subordination, Non-Disturbance
 and Attornment Agreement
 (CNO GO Loan)
 (NSA East Bank NOLA)



Subordination, Non-Disturbance
and Attornment Agreement
(CNO GO Loan)
(NSA East Bank NOLA)

EXHIBIT C

**CITY OF NEW ORLEANS AFFORDABLE RENTAL HOUSING PROGRAM
REGULATORY AGREEMENT**

[COVER PAGE]

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CITY OF NEW ORLEANS
GENERAL OBLIGATION BOND FUND PARTNERSHIP PROGRAM
REGULATORY AGREEMENT

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General Obligation Bonds Fund Program (hereinafter referred to as “GO Bond”) Regulatory Agreement (hereinafter referred to as the “Agreement”) is made and entered into by and between the City of New Orleans, represented by LaToya Cantrell, Mayor (the “City”) and NSAEB 603, LLC, represented by Russell Condas (Vice-President) its authorized representative (hereinafter referred to as the “Developer”); and is hereby promulgated to mandate, under penalty of repayment of GO Bond funds invested in the project named herein, the Developer’s compliance that units assisted in the Project with GO Bond funds awarded by the City of New Orleans will remain affordable to the targeted income population for the applicable Period of Affordability as cited elsewhere in this Agreement. This Agreement is effective upon execution by both parties (the “Effective Date”).

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WHEREAS, Developer acknowledges that the City is recipient of GO Bond funds, authorized and issued pursuant to Part XIV, Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority. The Bonds were specifically authorized by special election held in New Orleans on November 16, 2019; and

WHEREAS, Developer acknowledges that the City administers GO Bond Funds in accordance with regulations promulgated by the United States Department of Housing and Urban Development (“HUD”) and contained in Volume 24, Part 92 of the *Code of Federal Regulations* (24 CFR Part 92), also known as the HOME Investment Partnerships Act (“HOME Regulations”); and

WHEREAS, Developer acknowledges that City has provided a loan of said funds in the amount of \$2,500,000.00 to Developer, as applicable, pursuant to a Loan Agreement dated _____, to acquire and/or construct the Project, as defined herein below, in accordance with HOME Regulations, as applicable; and

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises hereinafter set forth, the Developer, intending to be legally bound, agrees as follows:

ARTICLE I

PROJECT DESCRIPTION

SECTION 1.1 Project-Specific Provisions

- (A) Project Description
- (1) Name of Project: NSA East Bank Apartments
- (2) Address: 4420 & 4440 Dauphine Street
- City/State: New Orleans, LA 70117
- (3) Percentage of Commercial Space
- (a) Project's Gross Floor Area (GFA) 877,344 S.F.
- (b) Net Rentable Area (Commercial) []
- (c) Commercial As Percent of GFA 2.42%
- (B) Maximum Assistance \$ 2,500,000.00
- (C) HOME Period of Affordability from Completion Date
(No. of Years) (Period of Affordability): 20 Years
- (D) City Period of Affordability from Termination of Period of Affordability
(No. of Years) (Period of Affordability): 22 Years and one month
- (E) _____ Acquisition Only

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- New Construction Only or Conversion to Rental Property
- Moderate/Substantial Rehabilitation Only
- Acquisition and Rehabilitation

(F) Income Classes:
Go Bond financed rental projects require that certain percentages of the Go Bond assisted units in the Project be occupied by specific income classes as follows:

- A minimum of 20% of the GO Bond assisted units should be occupied by households whose incomes do not exceed 50% of the area median income (AMI) adjusted by family size.
- A minimum of 90% of the GO Bond-assisted units should be occupied by households whose incomes do not exceed 60% of the area median income adjusted by family size at initial occupancy.

Specify the number of GO Bond /City units in the project occupied by the designated income classes.

Unit Type	Total No. of Units in Project	Affordable Units Controlled by this Regulatory Agreement			
		Total GO Bond/City Units	Tenants ≤ 50%	Tenants > 50% ≤ 60%	Tenants > 60 < 80%
EFF					
1BR	49	13	13		
2BR	220	51	51		
3BR	25	10	10		
4BR					
Other					
TOTAL	294	74	74		0

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- 1 (I) Project Construction/Rehabilitation Start December 1, 2025
- 2
- 3 (J) Estimated or Actual Completion Date November 1, 2027
- 4

5 SECTION 1.2 Definitions

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7 The definitions of terms in this section shall apply throughout this Agreement unless their context
8 clearly requires otherwise:
9

10 Act means the Cranston-Gonzalez National Affordable Housing Act, as amended.

11
12 Agreement means this Go Bond Regulatory Agreement.

13
14 Application means the Developer's or Sponsor's, or its agents' or designees'
15 application to the City, along with all submissions, documents and correspondence
16 related thereto, for funding to develop the Project. This includes the approved Activity
17 Budget and Payment Invoices for the Project.

18
19 City means the City of New Orleans, a Home Rule municipal corporation.

20
21 City Period of Affordability means the number of years that the City is requiring rental
22 housing affordability requirements apply to the Project after completion of GO Bond
23 Period of Affordability, in accordance with HOME Regulations, as applicable.

24
25 Completion Date means the date the activity is
26 physically complete, has drawn down all payments, and has leased all affordable units
27 controlled by this Regulatory Agreement.

28
29 Loan Agreement means the Loan Agreement between Developer and the City of New
30 Orleans, dated _____, 202_, which will provide or has provided the GO
31 Bond Funds used to develop the Project.

32
33 GO Bond Funds means those funds provided or to be provided by the City to the
34 Developer pursuant to the terms of this Agreement, as specified in Section 1.1(B) of
35 this Agreement.

36
37 GO Bond Program means the General Obligation Bonds Fund Program established by
38 the City of New Orleans and authorized pursuant to Part XIV, Chapter 4 of Title 39 of
39 the Louisiana Revised Statutes of 1950, as amended, and other constitutional and
40 statutory authority.

41
42 HOME Period of Affordability means the number of years that the GO Bond rental
43 housing affordability requirements, as stipulated in 24 CFR 92.252(e), apply to the
44 Project.

45
46 HOME Regulations means the regulations contained at 24 CFR Part 92.

47
48 Housing Quality Standards means, at a minimum, standards specified at 24 CFR
49 882.109 and the cost-effective energy and conservation and effectiveness standards in
50 24 CFR Part 39, established by HUD.

51
52 HUD means the U. S. Department of Housing and Urban Development.

53
54 Investor means BF NSAEB Apartments, LLC, a Delaware limited liability company
55 and J.P. Morgan Chase, N.A.

56
57 Low Income Units means units identified in Section 1.1 of this Agreement with rents,
58 determined in accordance with Section 42 of the Internal Revenue Code of 1986, as
59 amended.

60
61 Developer means one or more individuals, corporations, partnerships or other legal
62 entities that hold valid title to, or have a long-term leasehold interest in, the Project
63 developed or to be developed pursuant to this Agreement.
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Participating Party means any person, firm, corporation, or public or private entity that has agreed to provide financial or other resources to carry out the Project, and is identified below:

City: City of New Orleans, through the Office of Community Development
1340 Poydras Street, Suite 1000
New Orleans, Louisiana 70112
(504) 658-4200; (504) 658-4247 (FAX)

Developer: NSAEB 603, LLC
400 Poydras Street, Suite 2620
New Orleans, La 70130

With a copy to:
Lincoln Avenue Communities
401 Wilshire Blvd., 11th Floor
Santa Monica, California 90401
Attention: David Garcia and Hanna Jamar, Esq.

With a copy to:
Dwyer, Cambre & Suffern
3000 West Esplanade Avenue, Suite 200
Metairie, Louisiana 70002
Attention: Stephen I. Dwyer

With a copy to:
Longwell Riess, L.L.C.
Attn: Kelly Longwell
650 Poydras Street, Suite 2600
New Orleans, Louisiana 70130

With a copy to:
Nixon Peabody LLP
55 West 46th Street
New York, New York 10036
Attention: Aaron Yowell

If to Investor:
JPMorgan Chase Bank, N.A.
10 S. Dearborn, 19th Floor
Mail Code: IL1-0953
Chicago, Illinois 60603-5506
Attention: HTC Asset Management

And:

JPMorgan Chase Bank, N.A.
300 S. Grand, Suite 300
Los Angeles, California 90071
Attention: Timothy C. Karp

BF NSAEB Apartments, LLC
225 Franklin St., 28th Floor
Boston, MA 02110
Attn: Asset Management – NSA East Bank

With copy to:

Kutak Rock LLP
1650 Farnam St.
Omaha, NE 68102
Attn: Shane Deaver, Esq.

Capital One, National Association Attention: Community Finance, 299 Park Avenue, 14th Floor New York, NY 10171 Attention: Loan Administrator

Greenberg Traurig, LLP 1000 Louisiana, Suite 6700 Houston, Texas 77002 Attn: Wayne A. Yaffee, Esq.

1 Identification as a "Participating Party" means that the City, in selecting the Developer
2 or Sponsor for the award of Go Bond Funds, relied in material part upon a
3 representation by the Developer or Sponsor that the parties so identified have completed
4 or will complete a specified portion of the Project or a specific activity necessary for
5 the completion of the Project.

6
7 Project means one or more buildings containing residential units, the site(s) on which
8 the building or buildings is/are located, and any functionally related facilities, as more
9 specifically described in Section 1.1(A) of this Agreement.

10
11 Project Site means the land described in Attachment A.

12
13 Project Term means sum of the GO Bond Period of Affordability described in Section
14 1.1(C) of this Agreement and the City Period of Affordability described in Section
15 1.1(D).

16
17 Regulatory Agreement means this Agreement between Developer and the City of New
18 Orleans, dated the ____ day of _____, 2025, which will provide or has
19 provided the GO Bond Funds used to develop the Project.

20
21 Security Agreement means a mortgage or other security device.

22
23 Sponsor, if applicable, means the organization that directly received the GO Bond funds
24 from the City to develop the Project, and subsequently conveyed to the Developer ,
25 which shall be responsible for compliance with all Go Bond Program requirements and
26 obligations.

27
28 Substantive Violation means a breach of the Developer's obligations under Article II
29 of this Agreement.

30
31 SECTION 1.3 Incorporation by Reference

32
33 The provisions of the Application, including the certifications and sources and uses and
34 all representations made therein, and all correspondence related thereto, are hereby
35 incorporated by reference into this Agreement, and the contents of the Application and
36 the certifications contained therein shall constitute a material part of this Agreement
37 and shall be deemed to have served as the inducement to the City to award the GO Bond
38 Funds referred to herein and shall have the same effect as they would otherwise have
39 had if fully set forth herein.

40
41 SECTION 1.4 Supplemental Provisions

42
43 The City and the Developer may include in this Agreement provisions (such as a
44 description of any compliance with other federal requirements at 24 CFR Part 92,
45 Subpart H) in addition to those stated herein in Articles I, II, III and IV, provided that
46 such supplemental provisions are not in conflict with HOME Program requirements, as
47 applicable. Such supplemental provisions shall be included as Attachment G of this
48 Agreement.

49
50 SECTION 1.5 Schedule of Attachments

51
52 The following attachments are appended to this Agreement and are hereto incorporated
53 by reference:

- 54
55 Attachment A. Legal Property Description
56 Attachment B. Tenant Eligibility
57 Attachment C. Affirmative Fair Housing Marketing Plan
58 Attachment D. Go Bond Covenants

1 Attachment E. Rental Housing Completion Report
2 Attachment F. Unobtained Approvals
3 Attachment G. HUD Rider to Restrictive Covenants
4

5 **ARTICLE II**

6
7 **PROJECT DEVELOPMENT AND MANAGEMENT**

8
9 SECTION 2.1 General Provisions

- 10
11 (A) The Developer's obligations shall be enforced through, among other things,
12 this Agreement and the Go Bond Covenants set forth in Attachment D as
13 covenants running with the land. The covenants shall be in effect for at least
14 the Project Term and shall be binding upon the Developer and its successors,
15 assigns, heirs, grantees or lessees to the land or the Project for the Project
16 Term, unless earlier terminated in accordance with the provisions set forth in
17 the Go Bond Covenants as Attachment D of this Agreement.
18
19 (B) The Developer shall execute a Secured Promissory Note and Mortgage which
20 shall secure the Developer's compliance with its obligations under this
21 Agreement, the Sponsor or Developer's compliance with the Loan
22 Agreement, and the HOME Regulations, as applicable (the "Security
23 Instruments"). The terms of the Security Instruments shall be set by the City,
24 and at a minimum the Security Instruments shall evidence that the GO Bond
25 Funds may become a debt which must be repaid in the event of Substantive
26 Violations of this Agreement or any other contract, security instrument or such
27 other document incorporated herein by reference or attached hereto. All of
28 the terms, conditions, and provisions of the Security Instruments are, by
29 reference thereto, incorporated herein as part of this Agreement.
30
31 (C) The Developer's performance will be monitored by the City which, if
32 necessary, will take legal action, as appropriate, to enforce the HOME
33 Regulations, as applicable, and compliance with the Developer's
34 responsibilities under this Agreement.
35
36 (D) Any duly authorized representative of the City shall, at all reasonable times
37 and with twenty-four (24) hours' advance written notice, be granted access by
38 the Developer to any portion of the Project.
39
40 (E) Within 60 days of final disbursement of Go Bond Funds, whichever is later,
41 the Developer shall complete and submit to the City the Rental Housing
42 Completion Report attached as Attachment E to this Agreement.
43
44 (F) Consistent with Executive Orders 11625, 12432 and 12138, the Developer has
45 prepared, and shall implement and maintain a minority and women-owned
46 business development plan which contains specific measurable goals and an
47 affirmative strategy to promote awareness and participation by such
48 businesses in the contracting and procurement activities generated by the
49 Project.
50
51 (G) The Developer shall comply with Title VIII of the Civil Rights Act of 1968,
52 42 U.S.C. 3601-19 (Public Law 90-284) and implementing regulations;
53 Executive Order 11063 and regulations at 24 CFR Part 107; Title VI of the
54 Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 CFR Part
55 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-07); Section 504 of
56 the Rehabilitation Act of 1973, 29 U.S.C. 794 and implementing regulations
57 at 24 CFR Part 8; Executive Order 11246 and regulations at 41 CFR Chapter
58 60; and the requirements of Section 3 of the Housing and Urban Development
59 Act of 1968 and implementing regulations at 24 CFR Part 135.
60

61 SECTION 2.2 Development Phase

- 62
63 (A) The Developer shall carry out its obligations in accordance with HOME
64 Regulations, as applicable, and the Loan Agreement.
65

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(B) Development of the Project shall commence at the time specified in Section 1.1(I) of this Agreement and shall be completed by the time specified in Section 1.1(J) of this Agreement.

(C) The Project shall be developed in accordance with and applicable State and local building codes, rehabilitation standards, ordinances and zoning ordinances or, in the absence of these codes, with the Southern Building Code.

SECTION 2.3 Management Phase

(A) During the Project Term, units in the Project shall not be converted to condominium ownership or to a form of cooperative ownership that is not eligible to receive GO Bond Funds for rental projects.

(B) During the Project Term, the Developer shall not discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for an elderly housing project or units specifically identified in Section 1.1 of this Agreement as designated for the elderly, on the basis that they have a minor child or children who will be living with them.

(C) Subject to Section 2.3(E) of this Agreement, the number of Go Bond-assisted units by bedroom distribution specified in Section 1.1 of this Agreement shall be occupied or available, through the Developer's best efforts, for occupancy by households whose incomes do not exceed the percentage limitations specified in Section 1.1 during the Project Term.

(D) Low Income Units shall be leased only to tenants who are low or very low income at the time of initial occupancy.

(E) Rents and tenant income shall be determined in accordance with § 42 of the Internal Revenue Code and tenants' income shall not exceed 60% of the area median (AMI) ("Section 42 Rents"). For purposes of this Agreement, Section 42 Rents shall be deemed to be compliant with the Go Bond Program and the HOME Program, and shall satisfy the income requirements set forth in Section 1.1.

(F) In the event that reexamination of household income indicates that the tenant no longer qualifies as a lower income household, the Developer shall take appropriate action in accordance with LIHTC regulations.

(G) The Developer has established a Rent Schedule, which has been approved by the City to assure that the type and number of GO Bond -assisted units specified in Section 1.1 of this Agreement are occupied or available for occupancy by low-income households during the Project Term. The Rent Schedule may be revised upon request by Developer provided that: (1) the City shall review and approve any schedule or rents proposed by the Developer for low-income units; (2) the City and the Developer acknowledge that any rent schedule, which shall include utility allowances, if utilities are tenant paid, submitted by the Developer (within the permissible maximum allowed by the HOME Regulations, as applicable) will be deemed approved unless the City informs the Developer within 60 days after receiving the schedule and that it is disapproved if the schedule is not consistent with HOME Regulations, as applicable; and (3) the initial monthly allowance for utilities and services to be paid by low income households shall be as part of the Rent Schedule, with subsequent calculations of this allowance approved by the City in connection with its review and approval of rent schedules. For purposes of this Agreement, the use of an IRS-approved method of calculating utility allowances that is permissible under the LIHTC regulations shall be deemed to satisfy the requirements of the Go Bond Program and the HOME Program.

(H) Procedures to be followed by the Developer to determine tenant eligibility and actions to be taken in the event a tenant is determined to be over income have been established and are included in this Agreement as Attachment B. Notwithstanding the foregoing, for purposes of this Agreement, the "Next

1 Available Unit Rule” and any similar rules regarding over-income tenants that
2 are permissible under the LIHTC regulations shall be deemed to satisfy the
3 requirements of the Go Bond Program and the HOME Program.
4

5 (I) Marketing shall be done in accordance with the Affirmative Fair Housing
6 Marketing Plan, Form HUD-935.2, and all fair housing and equal opportunity
7 requirements. The Affirmative Fair Housing Marketing Plan is included in
8 this Agreement as Attachment C. Local residency preferences will be allowed
9 to the extent that they are not inconsistent with affirmative fair housing
10 marketing objectives and the Developer’s Affirmative Fair Housing
11 Marketing Plan. With respect to any residency preference, persons expected
12 to reside in the community as a result of current or planned employment will
13 be treated as residents.
14

15 (J) The Project shall be maintained in accordance with the Housing Quality
16 Standards and applicable State and local building codes, rehabilitation
17 standards, ordinances and zoning ordinance or, in the absence of the codes,
18 the Southern Building Code.
19

20 (K) All management and maintenance functions shall be performed in compliance
21 with applicable equal opportunity requirements, as specified in Section 2.1(F)
22 and (G) of this Agreement.
23

24 (L) The City and the Developer agree that nothing contained in this Agreement
25 shall preclude enforcement by the Federal Government of the Act, civil rights
26 statutes, or other provisions of law that apply to the HOME Program, as
27 applicable.
28

29 (M) Upon completion of the Project and resolution of any findings of the final
30 audit, the Developer shall submit to the City a written certification, in the
31 format prescribed by the City, executed by an authorized representative of the
32 Developer, stating that all development-related activities required to be
33 completed by the Developer will be completed as prescribed, and specifying
34 the date of completion and the actual cost to the Developer of labor, materials
35 and necessary services for the construction of physical improvements for the
36 Project.
37

38 (N) The Developer shall keep and maintain books, accounts, reports, files, records
39 and other documents relating to the receipt and disbursement of GO Bond
40 Funds. Any duly authorized representative of the City, at all reasonable times
41 and with twenty-four (24) hours’ advance written notice, shall have access to
42 and the right to inspect, copy, audit and examine all such books, records and
43 other documents of the Developer, until completion of all close-out procedures
44 respecting this award of GO Bond Funds and the final settlement and
45 conclusion of all GO Bond Program issues.
46

47 **ARTICLE III**

48 **THIRD PARTY CONTRACTS**

49 **SECTION 3.1 Labor Standards**

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51
52
53 If required by 24 CFR §92.354, all laborers and mechanics (except laborers and
54 mechanics employed by a State and local government acting as the principal contractor
55 on the Project) employed in the development of a Project assisted under the GO Bond
56 Program shall be paid wages at rates not less than those prevailing on similar
57 construction in the locality, as determined by the Secretary of Labor in accordance with
58 the Davis-Bacon Act, as amended, 40 U.S.C. 276a through 276a-5, inclusive, and
59 contracts involving their employment shall be subject to the provisions, as applicable,
60 of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. 327
61 through 333, inclusive. The Developer shall comply with regulations issued under said
62 Act and with other Federal laws and regulations pertaining to labor standards.
63

64 **SECTION 3.2 Assurance of Governmental Approvals**

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(A) The Developer warrants that it has obtained, or has reasonable assurance that it will obtain all Federal, State, and local governmental approvals and reviews required by law to be obtained by the Developer for the Project. Any such approvals which have not been obtained shall be specified in Attachment F of this Agreement.

(B) The Developer warrants that it has not and shall not take any action which might have an adverse environmental effect, would limit the choices among competing environmental alternatives or might alter environmental premises on which the City's environmental findings were based.

SECTION 3.3 Completion of the Project

If the construction of the Project has not yet been completed, the Developer acknowledges that the City, in selecting the Developer or Sponsor for the award of GO Bond Funds relied in material part upon the assured completion of the Project and that the Developer assures the City that activities to be completed by the Developer shall be completed as prescribed in the Loan Agreement.

SECTION 3.4 Maintaining Records, Right to Inspect and Copy

(A) The Developer shall keep and maintain books, accounts, reports, files, records and other documents relating to the receipt and disbursement of GO Bond Funds; and

(B) Any duly authorized representative of the City, at all reasonable times, shall have access to and the right to inspect, copy, audit, and examine all such books, records and other documents of the Developer, until the completion of all close-out procedures respecting this award of GO Bond Funds and the final settlement and conclusion of all GO Bond Program issues.

SECTION 3.5 No Assignment or Succession

The Developer acknowledges that a transfer of GO Bond Funds by the City to the Developer shall not be or be deemed to be an assignment of GO Bond Funds.

SECTION 3.6 Approval of Amendments

This Agreement shall not be amended in any material respect after its approval and acceptance, without the prior written approval of the City. "Material" shall be defined as anything, in the control of any Participating Party, which cancels or reduces any developmental or financial obligation of any Participating Party by more than ten (10) percent, changes the sites or character of any development activity, or increases any time for performance by a party by more than thirty (30) days.

SECTION 3.7 Disclaimer of Relationships

Nothing contained in this Agreement or in the contract between the parties, nor any act of the City or any of the parties, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving the City.

SECTION 3.8 Conflict of Interest

No person who is an employee, agent, consultant, officer or elected official or appointed official of the City of New Orleans, State recipient, or subrecipient which are receiving Go Bond Funds and (i) who exercises or has exercised any functions or responsibilities with respect to activities assisted with Go Bond funds or (ii) who is in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a GO Bond assisted activity, or have an interest in any contract, subcontract or Agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

SECTION 3.9 Scope of Article III Provisions

1
2 The City and the Developer shall include each of the provisions of this Article in their
3 contracts both with Participating Parties and with other persons, firms, corporations, or
4 public or private entities, including contractors and subcontractors that have agreed to
5 provide financial or other resources to carry out the Project.
6

7 **ARTICLE IV**
8 **MISCELLANEOUS**
9

10 SECTION 4.1 Successors Bound
11

12 All provisions of this Agreement shall be binding upon and inure to the benefit of the
13 heirs, administrators, executors, successors in interest and assigns of each of the parties.
14

15 SECTION 4.2 Remedies Not Impaired
16

17 No delay or omission by the City in exercising any right or remedy available under this
18 Agreement shall impair any such right or remedy or constitute a waiver of any default
19 or Substantive Violation.
20

21 SECTION 4.3 Severability
22

23 The invalidity of any article, section, subsection, clause or provision of this Agreement,
24 including its exhibits, shall not affect the validity of the remaining articles, sections,
25 subsections, clauses or provisions hereof.
26

27 SECTION 4.4 Entire Agreement
28

29 This Agreement constitutes the entire Agreement between the City and the Developer
30 with respect to the matters contained herein and supersedes all prior oral and written
31 Agreements and all subsequent oral Agreements between the Developer and City with
32 respect to such matters.
33

34 SECTION 4.5 Execution in Counterparts
35

36 This Agreement may be executed in any number of counterparts. All such counterparts
37 shall be deemed to be originals and together shall constitute one and the same
38 instrument.
39

40 SECTION 4.6 Table of Contents, Titles and Headings
41

42 Any table of contents, the title of any Articles, and headings of the sections and
43 subsections set forth herein are not a part of this Agreement and shall not be deemed to
44 affect the meaning or construction of any of its provisions.
45

46 SECTION 4.7 Rules of Interpretation
47

48 (A) This Agreement shall be interpreted in accordance with and governed by the
49 laws of the State of Louisiana.

50 (B) The words "herein" and "hereof" and words of similar import, without
51 reference to any particular section or subdivision, refer to this Agreement as a
52 whole rather than to any particular section or subdivision hereof.
53

54 (C) Any amendment to this Agreement executed in accordance with Section 3.6
55 of this Agreement shall have the same force and effect upon the Developer
56 and the City as does this Agreement.
57

58 SECTION 4.8. Consideration
59

60 The City has allocated GO Bond Funds to the Project, all for the purpose, among others,
61 of inducing the Developer to construct or acquire, renovate, equip and operate the
62 Project. In consideration of the GO Bond Funds awarded by the City, the Developer
63 has entered into this Agreement and has agreed to restrict the uses to which the Project
64 can be put for the Project Term.

65 SECTION 4.9 Reliance.
66

1 The Developer hereby recognizes and agrees that the representations and covenants set
2 forth herein by the Developer may be relied upon by all persons interested in the Project
3 under the Act. In performing its duties and obligations hereunder, the City may rely
4 upon statements and certificates of the Developer and low-income tenants, and upon
5 audits, provided by others, of the books and records of the Developer pertaining to
6 occupancy of the Project. In addition, the City may consult with counsel, and the
7 opinion of such counsel shall be full and complete authorization and protection in
8 respect of any action taken or suffered by the City hereunder in good faith and in
9 conformity with such opinion.

10
11 SECTION 4.10 Sale or Transfer of the Project.

12
13 The Developer may sell or transfer the Project or any portion as otherwise
14 contemplated in that certain Amended and Restated Agreement of Limited Partnership
15 of the Developer dated on or about the date hereof, as may be amended from time to
16 time, without obtaining the prior written consent of the City, which consent shall be
17 promptly given and conditioned solely upon receipt by the City of (i) evidence
18 reasonably satisfactory to the City that the Developer's purchaser or transferee has
19 assumed in writing and in full, and is reasonably capable of performing and complying
20 with, the Developer's duties and obligations under this Agreement and (ii) an opinion
21 of counsel of the transferee that the transferee has duly assumed the obligations of the
22 Developer under this Agreement and that such obligations and this Agreement are
23 binding on the transferee for a period of 10 years. It is hereby expressly stipulated and
24 agreed that any sale, transfer or other disposition of the Project in violation of this
25 Section 4.10 shall be null, void and without effect, shall cause a reversion of title to the
26 Developer, and shall be ineffective to relieve the Developer of its obligations under this
27 Agreement.

28
29 SECTION 4.11 Termination.

30
31 This Agreement shall become effective as of the date of execution recited above. This
32 Agreement shall remain in full force and effect for a term and period equal to the
33 Project Term. Notwithstanding the immediately preceding sentence, this Agreement,
34 and all and several of the terms hereof, shall terminate and be of no further force and
35 effect in the event of involuntary non-compliance with the provisions of this
36 Agreement caused by foreclosure by a lender or other transfer in lieu of foreclosure if
37 the foreclosure or other transfer recognizes any contractual or legal rights of public
38 agencies, non-profit sponsors, or others to take actions that would avoid the
39 Affordability requirements at 24 CFR 92.252. Upon the termination of all and several
40 of the terms of this Agreement, the parties hereto agree to execute, deliver and record
41 appropriate instruments of release and discharge of the terms hereof; provided,
42 however, that the execution and delivery of such instruments shall not be necessary or
43 a prerequisite to the termination of this Agreement in accordance with its terms. This
44 Agreement shall be revived according to the original Project Term, however, if during
45 the original Project Term, the Developer before the foreclosure or other transfer, or any
46 entity that includes the Developer or those with whom the Developer has or had family
47 or business ties, obtains an ownership interest in the Project or Project Site.

48
49 SECTION 4.12 Covenants to Run with the Land.

50
51 The Developer hereby subjects the Project (including the Project Site) to the covenants,
52 reservations and restrictions set forth in this Agreement. The City and the Developer
53 hereby declare their express intent that the covenants, reservations and restrictions set
54 forth herein shall be deemed covenants running with the land to the extent permitted by
55 law and shall pass to and be binding upon the Developer's successors in title to the
56 Project throughout the term of this Agreement. Each and every contract, deed,
57 mortgage or other instrument hereafter executed affecting or conveying the Project or
58 any portion thereof shall conclusively be held to have been executed, delivered and
59 accepted subject to such covenants, reservations and restrictions, regardless of whether
60 such covenants, reservations and restrictions are set forth in such contract, deed or other
61 instrument.

62
63 SECTION 4.13 Burden and Benefit.

64
65 The Developer hereby declares its understanding and intent that the burden of the
66 covenants set forth herein touch and concern the land in that the Developer's legal

1 interest in the Project is rendered less valuable thereby. The Developer hereby further
2 declares its understanding and intent that the benefit of such covenants touch and
3 concern the land by enhancing and increasing the enjoyment and use of the Project by
4 low income tenants, the intended beneficiaries of such covenants, reservations and
5 restrictions, and by furthering the public purposes for which the GO Bond Fund
6 allocation was made by the City.
7

8 SECTION 4.14 Uniformity; Common Plan.
9

10 The covenants, reservations and restrictions hereof shall apply uniformly to the entire
11 Project in order to establish and carry out a common plan for the use, development and
12 improvement of the Project Site.
13

14 SECTION 4.15 Enforcement.
15

16 If the Developer defaults in the performance or observation of any covenant,
17 Agreement or obligation of the Developer set forth in this Agreement, and if such
18 default remains uncured for a period of thirty (30) days after written notice thereof shall
19 have been given by the City to the Developer, then the City, acting on the Developer's
20 behalf or on behalf of the City, shall declare an "Event of Default" to have occurred
21 hereunder, and, at its option, may take any one or more of the following steps:
22

- 23 (a) By mandamus or other suit, action or proceeding at law, including injunctive
24 relief, require the Developer to perform its obligations and covenants
25 hereunder or enjoin any acts or things which may be unlawful or in violation
26 of the rights of the City hereunder;
27
- 28 (b) Have access to and inspect, examine and make copies of all the books and
29 records of the Developer pertaining to the Project; or
30
- 31 (c) Take such other action at law as may appear necessary or desirable to enforce
32 the obligations, covenants and Agreements of the Developer hereunder.
33

34 All fees, costs and expenses of the City incurred in taking any action pursuant to this
35 Section 4.15 shall be the sole responsibility of the Developer, and the Developer, as
36 security for the payment of any such fees, costs and expenses, hereby grants, bargains,
37 sells and conveys to the City, a lien on the Project.
38

39 Notwithstanding anything to the contrary herein, City shall accept any cure by Investor
40 as if such cure has been performed by Developer, provided, however that Investor shall
41 have no obligation to cure. City agrees that the removal and/or replacement of the
42 managing member of Developer shall constitute a cure of a non-curable Event of
43 Default.

44 SECTION 4.16 Recording and Filing.
45

46 The Developer shall cause this Agreement, all amendments and supplements hereto and
47 thereto, to be recorded and filed in the conveyance and mortgage property records of
48 the Parish and in such other places as the City may reasonably request. The Developer
49 shall pay all fees and charges incurred in connection with any such recording.
50

51 SECTION 4.17 Governing Law.
52

53 This Agreement shall be governed by the laws of the State of Louisiana and such
54 Federal laws and regulations as may be applicable to the enforcement of this Agreement
55 under the Act and GO Bond Regulations, including the enforcement of this Agreement
56 by tenants and/or former or prospective tenants of the Project.
57

58 SECTION 4.18 Non-Solicitation Statement
59

60 The Developer acknowledges and agrees that he/she has not employed or retained any
61 company or person, other than a bona fide employee working solely for him, to solicit
62 or secure the Subrecipient Agreement that funded the subject rental activity. The
63 Developer has not paid or agreed to pay any person, other than a bona fide employee
64 working for him, any fee, commission, percentage, gift, or other consideration
65 contingent upon or resulting from the subject contract.

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SECTION 4.19 Audits and Other Oversight

The Developer understands and will abide by all provisions of the Code of the City of New Orleans, Chapter 2, Art. XIII, Sect. 2-1120, as adopted by City Ordinance No. 22,888 M.C.S., (relative to the operations and authority of the City Inspector General), incorporated herein by reference.

SECTION 4.20 Convicted Felon Statement

The Developer swears that it complies with Section 2-8 (c) of the Code of the City of New Orleans. No principal, member, or officer has, within the preceding five years, been convicted of, or pled guilty to, a felony under state or federal statutes for embezzlement, theft of public funds, bribery, or falsification or destruction of public records.

SECTION 4.21 HUD Rider

The HUD Rider to Restrictive Covenants is hereby adopted and attached hereto as Attachment G and incorporated herein by this reference.

[END OF DOCUMENT - SIGNATURE PAGE FOLLOWS]

1 WHEREAS, this GO Bond Regulatory Agreement has been executed and is effective
2 as of the Effective Date:

3
4 STATE OF LOUISIANA

5
6 PARISH OF ORLEANS

7
8 On the ___ day of _____, 2025, Russell Condas , for and on behalf of, NSAEB 603,
9 LLC a Louisiana LLC, hereunto subscribes his name, together with the said competent witnesses, and
10 me, said Notary.

11
12
13 WITNESSES:

14 _____
15

16
17 Print Name: _____
18

19
20
21 _____
22

23
24
25 Print Name: _____
26

27
28 **BORROWER**

29
30 **NSAEB 603, LLC**, a Louisiana
31 limited liability company

32
33 By: NSAEB 603 Member, LLC,
34 a Louisiana limited liability company
35 its sole member

36
37 By NSA East Bank Apartments MM LLC,
38 a Delaware limited liability company,
39 its managing member

40
41 By: NSA East Bank JV LLC,
42 a Delaware limited liability company,
43 its sole member

44
45 By: Lincoln Avenue Capital Management, LLC,
46 a Delaware limited liability company,
47 its manager

48
49
50 By: _____
51 Name: Russell Condas
52 Title: Vice President

53
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NOTARY PUBLIC

1 **IN WITNESS WHEREOF**, the Parties hereto, through duly authorized
2 representatives, have executed this Agreement to be effective as of the Effective Date.

3
4

5 WITNESSES:

CITY OF NEW ORLEANS

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7
8

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11
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**BY: JOSEPH W. THREAT, SR.,
CHIEF ADMINISTRATIVE
OFFICER**

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Executed on the ___ day of _____, 2025.

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FORM AND LEGALITY APPROVED:

Law Department

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IN WITNESS WHEREOF, the Parties hereto, through duly authorized representatives, have executed this Agreement to be effective as of the Effective Date.

CITY OF NEW ORLEANS, CITY COUNCIL

By: _____
CITY COUNCIL PRESIDENT

WITNESSES:

By: _____

Print Name: _____

WITNESSES:

By: _____

Print Name: _____

NOTARY PUBLIC

FORM AND LEGALITY APPROVED:

Law Department

By: .

Printed Name: _____

TABLE OF ATTACHMENTS

Attachment A	Legal Property Description
Attachment B	Tenant Eligibility
Attachment C	Affirmative Fair Housing Marketing Plan
Attachment D	HOME Covenants
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GO BOND Funds REGULATORY AGREEMENT

ATTACHMENT A

LEGAL DESCRIPTION

THAT CERTAIN LEASEHOLD INTEREST, created by Real Estate Ground Lease and Development Agreement by and between City of New Orleans and NSAEB 603, LLC, as evidenced by the Notice of Lease recorded October 17, 2025 at CIN 761391 and Instrument No. 2025-34714 in the conveyance records of Orleans Parish, Louisiana, as it affects a portion of the following described property:

A portion of the land and improvements located on Lot 3A of the NSA East Bank (designation pursuant to that certain Declaration of Title Change by Subdivision resubdividing Lots 1, 2, 3, 4, 5 and 6, of the Former NSAEB, being all or part of Original Squares 35, 36, 37, 38, 126, 127, 128, 184, 185, 186, 235 and 236 into Lots 1A, 2 A, and 3 A of New Square 185A, Third District City of New Orleans, Orleans Parish, Louisiana, by BFM Corporation LLC, a Professional Land Surveying Company, dated as of May 29, 2024 and recorded on August 8, 2024 at CIN 745005 and Instrument No. 2024-23829), and being more fully described as follows, to-wit:

Commencing at the intersection of the southern right-of-way line of Charters Street and the eastern right-of-way line of Poland Avenue, a 5/8" iron rod, the point of beginning, traverse along said right-of-way line of Poland Avenue North 13 degrees 59 minutes and 21 seconds East a distance of 628.36 feet to a 5/8" iron rod;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 72.52 feet to a 5/8" iron rod;

Thence North 13 degrees 59 minutes 21 seconds East a distance of 44.74 feet to a mag nail;

Thence South 76 degrees 00 minutes 39 seconds East a distance of 42.59 feet to a cross;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 573.27 feet to a cross;

Thence South 74 degrees 20 minutes 39 seconds East a distance of 22.97 feet to a cross;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 414.56 feet to a cross;

Thence North 76 degrees 00 minutes 39 seconds West a distance of 25.44 feet to a mag nail;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 743.77 feet to a 5/8" iron rod;

Thence North 75 degrees 43 minutes 07 seconds West a distance of 460.48 feet to a 5/8" iron rod;

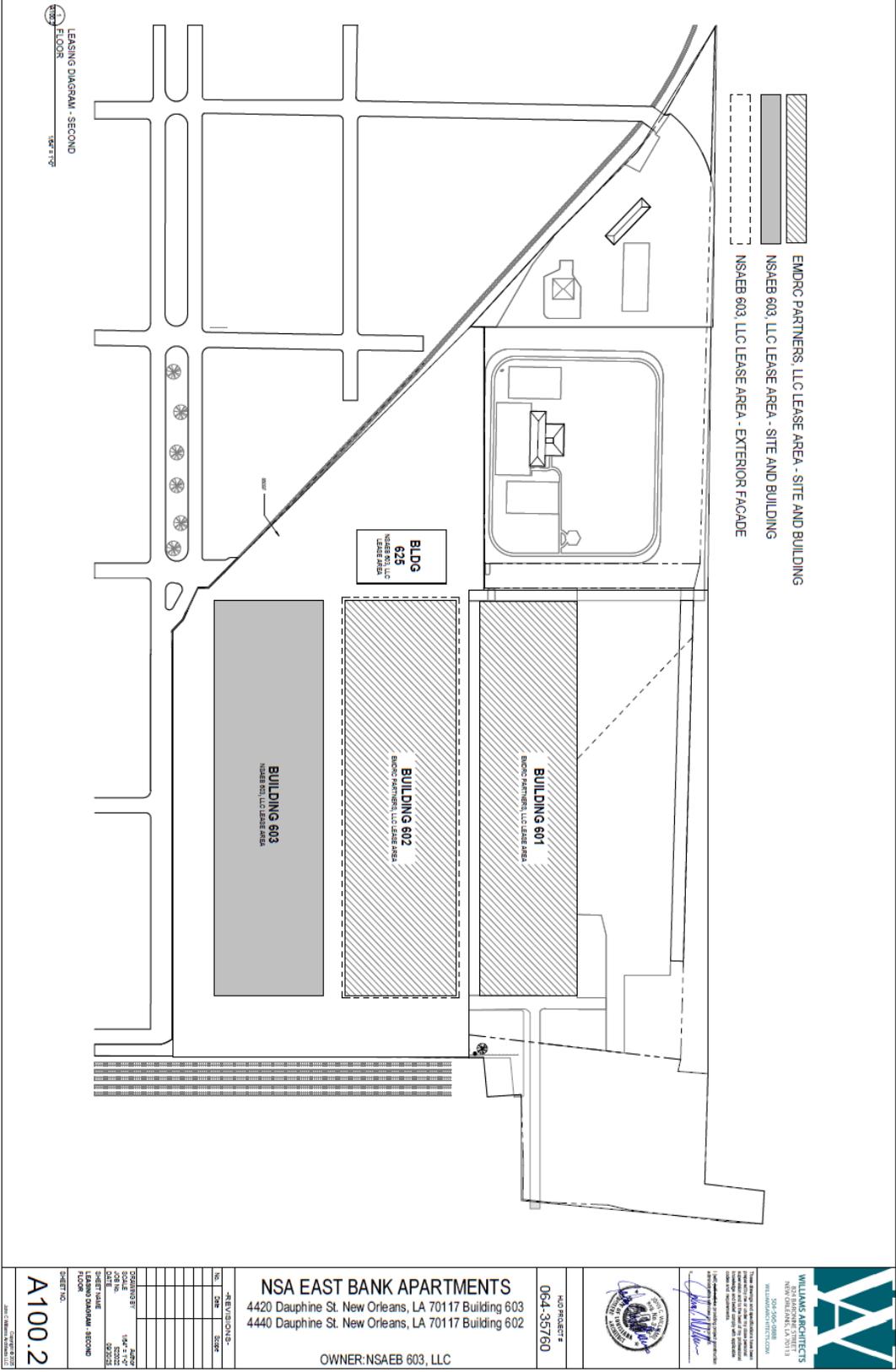
Thence North 13 degrees 56 minutes 27 seconds East a distance of 15.81 feet to a 5/8" iron rod;

Thence North 76 degrees 03 minutes 33 seconds West a distance of 24.86 feet to the point of beginning.

Less and except Units A, B and C located on the 1st floor of Building 603, containing approximately 21,241 square feet, and (ii) Floors 1 and 2 of Building 602.

The NSAEB 603 Leased Premises specifically includes, without limitation: (i) Units D, E and F located on the 1st Floor of Building 603, containing approximately 35,221 square feet, (ii) all common areas located on the 1st floor of Building 603, consisting of approximately 15,565 square feet, (iii) Floors 2-6 of Building 603, (iv) Floors 3-6 of Building 602, and (iv) Building 625, identified as the Parking Garage Access Ramp.

TOGETHER WITH the servitude rights created by that certain Declaration of Covenants, Conditions and Restrictions recorded _____, at CIN _____ and Instrument No. _____ in the conveyance records of Orleans Parish, Louisiana.



		WILLIAMS ARCHITECTS NEW ORLEANS, LA 70113 504-580-0100 www.williamsarchitects.com	NSA EAST BANK APARTMENTS 4420 Dauphine St. New Orleans, LA 70117 Building 603 4440 Dauphine St. New Orleans, LA 70117 Building 602 OWNER: NSAEB 603, LLC	A/E/C/O/IN CHARGE	TITLE: _____ NAME: _____ SIGNATURE: _____
				PROJECT # 064-35760	SCALE: 1/8" = 1'-0" DATE: 10/02/25 SHEET NAME: NSAEB 603 - SECOND FLOOR LEASING DIAGRAM - SECOND FLOOR SHEET NO.: A100.2

GO BOND FUNDS PROGRAM REGULATORY AGREEMENT

ATTACHMENT B

TENANT ELIGIBILITY

The Developer hereby represents, warrants and covenants as follows:

(a) The dwelling units in the Project will be leased or rented, or available for lease or rental, to Low Income Tenants on a continuous basis. A tenant's status as a Low Income Tenant will be determined as of the date of such tenant's initial occupancy of a dwelling unit in the Project and will be redetermined annually on the basis of the current income of the resident.

(b) The Developer will obtain and maintain on file income certifications from each Low Income Tenant, dated immediately prior to the initial occupancy of such Low Income Tenant in the Project and thereafter on an annual basis, and containing such information as may be required by the Act and the HOME Regulations, as applicable, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, HOME Regulations, as applicable, or other official statements now or hereafter promulgated, proposed or made by HUD, the City of New Orleans and a copy of each such certificate will be filed with the City.

(c) The Developer will maintain complete and accurate records pertaining to dwelling units leased or rented to Low Income Tenants and will permit any duly authorized representative of the City and HUD to inspect, during normal business hours, the books and records of the Developer pertaining to the incomes of Low Income Tenants residing in the Project.

(d) For purposes of satisfying the requirement that the residential units be occupied by Low Income Tenants, no Low Income Tenant shall be denied continued occupancy because, after admission, the Low Income Tenant's family income exceeds the applicable qualifying income level set forth in the definition of "Low Income Tenant"; provided that tenants who no longer qualify as Low Income Tenants pay as rent the lesser of the amount payable by the tenant under State or local law or 30% of the family's adjusted monthly income as re certified annually. The preceding sentence shall not apply with respect to GO Bonds Funds made available for units that have been allocated low-income housing tax credits by the Louisiana Housing Finance Agency, pursuant to Section 42 of the Internal Revenue Code of 1986, 26 U. S. C. 42. If, as of the most recent annual Certification of Tenant Eligibility, it is determined that the adjusted income of a person or family occupying a Qualified Unit exceeds the then-current maximum allowable adjusted income for persons of Low Income and subsequent to such determination the next available vacant unit in the Project is rented to persons or families qualified as persons or families of Low Income, then the Project shall be deemed in compliance with the requirements of 24 CFR 92.252(a)(2) or (3).

(e) The Developer shall obtain from the Office of Community Development (OCD), such forms as it may require, to record, verify and document Tenant household and income characteristics, both for initial occupancy and for annual tenant income re-verification.

GO BONDS FUNDS PROGRAM REGULATORY AGREEMENT
ATTACHMENT C

AFFIRMATIVE FAIR HOUSING MARKETING PLAN

Statement of Policy

This Affirmative Marketing Plan will be used by the City of New Orleans in conjunction with the implementation of Programs funded under the GO Bond Fund Program. In furtherance of the City of New Orleans' commitment to non-discrimination and equal opportunity in housing, the City of New Orleans establishes procedures to affirmatively market residential housing units and rental assistance that are made available under programs created in accordance with the Federal Regulations which govern the HOME Investment Partnership Act. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, Executive Order 11063, and the City of New Orleans' local Fair Housing Act.

The City of New Orleans believes that individuals of similar economic levels in the same housing market area should have available to them a like range of housing choices regardless of their race, color, religion, sex and national origin.

The City of New Orleans is committed to the goals of affirmative marketing which will be implemented in GO Bond Funds Program through a specific set of steps that the City and participating developers must follow. These goals will be reached through the following procedures:

Informational Procedures

The City will utilize the following procedures for informing the general public, potential tenants and developers about Federal Fair Housing Laws and its Affirmative Marketing Policies and Procedures:

1. The City of New Orleans has an Office of Fair Housing which provides general information to the public and to housing and other groups about Fair Housing laws. This office will provide resources and assistance to participants in GO Bond funded projects.
2. The City requires the use of HUD's Equal Housing Opportunity logo in all press releases and on all informational brochures that are used to solicit applications from Developers and posts Federal Fair Housing information in conspicuous areas of the office.
3. The City will distribute written Fair Housing information to participating developers, Developers and tenants who are involved in or affected by GO Bond funded projects.
4. Copies of the City's Tenant Assistance Policy will be distributed to tenants in buildings scheduled for rehabilitation under a Go Bond funded program.

Developer's Requirements

Developers are required to inform the general rental public about the availability of housing units rehabilitated under a HOME funded program as follows:

1. The City of New Orleans will require property developers selected for participation in a GO Bond funded program to comply with affirmative marketing of vacant units by means of incorporating the affirmative marketing requirements, outlined herein in a written agreement, which must be signed by a participating developer.
2. The agreement requires Developers to maintain records of any units that become vacant

throughout the duration of the affordability period associated with the property. The City will monitor the marketing of the vacated property to insure that it is done in compliance with the City's Affirmative Marketing Policies, as outlined herein.

3. The Developer may also use commercial media and other community organizations to solicit tenants. If the general circulation print medium is used to advertise rental unit vacancies, at least one advertisement must also be placed in *The Louisiana Weekly*, which has a significant circulation in the minority community.
4. Copies of placed ads or other types of documentation outlining activities that increase general public awareness of the availability of rental housing units are to be forwarded to the Office of Community Development (OCD) within 30 days after such activities are undertaken. If violations of the City's Affirmative Marketing Policies are discovered, corrective actions will be required immediately.
5. The Fair Housing Equal Opportunity (FHEO) logo is to be used in all advertisements for solicitation of tenants.
6. The FHEO sign is to be posted conspicuously on properties during the rehabilitation phase of a GO Bond funded project and remain in place until all required rehabilitation is completed and for a periods of 30 days thereafter.
7. With reasonable notice, the Developer will make his/her records regarding tenant solicitation and occupancy available for review by OCD, in accordance with U.S. Department of Housing and Urban Development monitoring procedures.

Special Outreach

Should special outreach be necessary, Developers will be required to seek assistance from the City. The City will develop procedures for special outreach on a case-by-case basis.

Record Keeping

Participating developers and Developers of properties being rehabilitated under a GO Bond funded project will be required to keep the following records:

1. Activities they undertake to inform the general public and activities they undertake for special outreach. This may include copies of newspaper advertisements, correspondence with the City, the Housing Authority of New Orleans or other organizations, such as churches and community organizations.
2. Maintain a listing of all tenants as to age, sex, race, family size, income, dates of occupancy and referral source.
3. The Developer shall provide a written statement outlining his efforts taken to solicit tenants from targeted income groups.

This information shall be submitted to the City annually and will be used to assess the success of the Affirmative Marketing effort.

Assessment and Corrective Action

The City will maintain a record of all referrals, public hearings, announcements and solicitations. An annual assessment will be prepared using tenant information furnished by the Developer and verified

by the City and the results will be reported in the Annual Performance Report. The information developed will be used to determine the effectiveness of these procedures. Any deficiencies observed will be addressed with revised procedures or corrective measures specific to the deficiency.

All obligations and requirements of the aforementioned Affirmative Marketing Procedures will be included in a written document signed by Developers/developers of properties under a GO Bond funded program. The written agreement will contain provisions sufficiently strong to bring about compliance with all requirements. The agreement will be for the affordability period required for the specific GO Bond funded project.

HOME AFFORDABLE RENTAL HOUSING PROGRAM REGULATORY AGREEMENT

ATTACHMENT D

HOME COVENANTS

CERTIFICATE OF OWNER

The undersigned, duly authorized representative of the Owner, hereby certifies that the Other Federal Requirements enumerated as Exhibit A hereto have been reviewed and that the Owner has complied with or will comply with all said requirements by executing this certification. The Owner further certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by HUD in transactions such as the Project.

Owner: NSAEB 603,LLC

By: _____
Russell Condas

Title: Vice-President

OTHER FEDERAL REQUIREMENTS

A. Equal Opportunity and Fair Housing

(a) *Equal Opportunity*. No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with GO Bond Funds. In addition, the Project must be operated and managed in accordance with the following:

- (1) The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1958-1963 Comp., p. 652 and 3 CFR, 2980 Comp., p. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1;
- (2) The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;
- (3) The requirements of Executive Order 11246 (3 CFR 1964-65, Comp. p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR chapter 60;
- (4) The requirements of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) the purpose of which is to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very-low income persons, particularly those who are recipients of government assistance for housing.
- (5) The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, the Developer must make efforts to encourage the use of minority and women's business enterprises in connection with GO Bond -funded activities. The Developer must prescribe procedures acceptable to the City to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the Developer with such persons or entities, public and private, in order to facilitate the activities of the Developer to provide affordable housing authorized under the Housing Act or any other federal housing law applicable to such jurisdiction.

- (b) *Fair housing.* In accordance with the certification made with its housing strategy, the Developer must affirmatively further fair housing.

B. Affirmative Marketing

- (a) The Developer must adopt affirmative marketing procedures and requirements for GO Bond assisted housing containing 5 or more housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing. (The affirmative marketing procedures do not apply to families with housing assistance provided by the PHA). The Developer must annually assess the affirmative marketing program to determine the success of affirmative marketing actions and any necessary corrective actions.
- (b) The affirmative marketing requirements and procedures adopted must include:
- (1) Methods for informing the public and potential tenants about federal fair housing laws and the Developer's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations, and written communication to fair housing and other groups);
 - (2) Requirements and practices each Developer must adhere to in order to carry out the Developer's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of Equal Housing Opportunity logotype or slogan, and display of fair housing poster);
 - (3) Procedures to be used by the Developer to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);
 - (4) Records that will be kept describing actions taken by the Developer to affirmatively market units and records to assess the results of these actions; and
 - (5) A description of how the Developer will assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

C. Displacement, Relocation, and Acquisition

- (a) *Minimizing displacement.* The Developer must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with GO Bonds Funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the Project.
- (b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the Project. Such tenants must be provided:
- (1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily

occupied housing and any increase in monthly rent/utility costs.

(2) Appropriate advisory services, including reasonable advance written notice of

- (i) The date and approximate duration of the temporary relocation;
- (ii) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
- (iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the Project; and
- (iv) The provisions of paragraph (b)(1) of this section.

(c) *Relocation assistance for displaced persons.*

(1) *General.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. A "displaced person" must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601-19) and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.

(2) *Displaced Person.*

- (i) For purposes of paragraph (c) of this section, the term *displaced person* means a person (family, individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with GO Bond funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:
 - (A) After notice by the Developer to move permanently from the property, if the move occurs on or after:
 - (1) The date of submission of an application to the City or HUD, if the applicant has site control and the application is later approved; or
 - (2) The date the City approves the applicable site, if the applicant does not have site control at the time of the application; or
 - (B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the City or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the Project; or
 - (C) By a tenant-occupant of a dwelling unit, if any one of the following situations occurs:

- (1) The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the Project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average monthly utility costs that do not exceed the greater of
 - (i) The tenant's monthly rent before such agreement and estimated average monthly utility costs; or
 - (ii) The total tenant payment, as determined under 24 CFR 813.107, if the tenant is low-income, or 30 percent of gross household income, if the tenant is not low-income; or
 - (2) The tenant is required to relocate temporarily, does not return to the building/complex, and either
 - (i) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or
 - (ii) Other conditions of the temporary relocation are not reasonable; or
 - (3) The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.
- (ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a *displaced person* if:
- (A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, state or local law, or other good cause, and the Developer determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.
 - (B) The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the Project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the Project;
 - (C) The person is ineligible under 49 CFR 24.2(g)(2); or

- (D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.
- (iii) The City may, at any time, ask HUD to determine whether a displacement is or would be covered by this rule.
- (3) *Initiation of negotiations.* For purposes of determining the formula for computing replacement housing assistance to be provided under paragraph (c) of this section to a tenant displaced from a dwelling as a direct result of private Developer rehabilitation, demolition or acquisition of the real property, the term *initiation of negotiations* means the execution of the agreement covering the acquisition, rehabilitation or demolition.
- (d) *Optional relocation assistance.* The Developer may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations, and farms displaced by a project assisted with GO Bonds Funds where the displacement is not subject to paragraph (c) of this section. The Developer may also provide relocation assistance to persons covered under paragraph (c) of this section beyond that required. For any such assistance that is not required by state or local law, the Developer must adopt a written policy available to the public that describes the optional relocation assistance that it has elected to furnish and provides for equal relocation assistance within each class of displaced persons.
- (e) *Block Grant funds.* If Community Development Block Grant funds are used to pay part of the cost of a GO Bond project other than the general planning and administrative costs eligible under 24 CFR 570.205 and 570.206, or optional relocation costs eligible under 24 CFR 570.201(i)(2), the project is subject to the requirements of the Housing and Community Development Act of 1974. (This includes the section 104(d) requirements to provide relocation assistance and replace low/moderate income housing as described at 24 CFR 570.606(c) (Entitlement Program and HUD-Administered Small Cities Program) and 24 CFR 570.496a(c) (State CDBG Program).)
- (f) *Real property acquisition requirements.* The acquisition of real property for a project is subject to the URA and the requirements of 49 CFR part 24, subpart B.
- (g) *Appeals.* A person who disagrees with the Developer's or City's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the City. A low-income person who is dissatisfied with the City's determination on his or her appeal may submit a written request for review of that determination to the HUD Field Office.
- (h) *Responsibility of Developer.*
- (1) The Developer must certify that it will comply with the URA, the regulations at 49 CFR part 24, and the requirements of this section, and must ensure such compliance notwithstanding any third party's contractual obligation to the Developer to comply.
- (2) The cost of required relocation assistance is an Eligible Project Cost. This cost also may be paid from state or local funds, or funds available from other sources.

D. Labor

- (a) *General.* Any contract for the construction (rehabilitation or new construction) of affordable housing with 12 or more units assisted with funds made available under this part must contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-5), will be paid to all laborers and mechanics employed in the development of affordable housing involved, and such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332). Developers, contractors, subcontractors, and other participants must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. The Developer certifies or will certify to compliance with the provisions of this section before making any payment under such contract.
- (b) *Volunteers.* The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work.
- (c) *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

E. Lead-based paint

Housing assisted with HOME Funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et. seq.) and is, therefore, subject to 24 CFR part 35. Unless otherwise provided, the Developer is responsible for testing and abatement activities.

F. Conflict of interest

(a) *Applicability.*

- (1) In the procurement of property and services by the Developer, the conflict of interest provisions in 24 CFR 85.36 and OMB Circular A-110 for grants funded before December 26, 2014 or 2 CFR 200 for grants funded on December 26, 2014, respectively, apply.
- (2) In all cases not governed by 24 CFR 85.36 and OMB Circular A-110 or 2 CFR 200, the provisions of this section apply. These cases include the acquisition and disposition of real property and the provision of assistance by the Developer, by subrecipients, or to individuals, housing developers, and other private entities under eligible activities which authorize such assistance (e.g., rehabilitation of housing).¹

¹ See §92.505 concerning the applicability of OMB Circulars.

- (b) *Conflicts prohibited.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with GO

Bond Funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a GO Bond assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

- (c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the City, or subrecipient which are receiving GO Bond Funds.
- (d) *Exceptions: Threshold requirements.* Upon the written request of the Developer, the City may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the GO Bond Fund and the effective and efficient administration of the City's program or project. An exception may be considered only after the City has provided the following:
 - (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 - (2) An opinion of the City's attorney that the interest for which the exception is sought would not violate state or local law.
- (e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the City has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:
 - (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
 - (2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - (3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific affected activity in question.
 - (4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
 - (5) Whether undue hardship will result either to the Developer or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
 - (6) Any other relevant considerations.

G. Flood insurance

- (a) GO Bond Funds may not be used with respect to the acquisition, new construction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - (1) The community in which the area is situated is participating in the National Flood

Insurance Program (see 44 CFR parts 59 through 79), or less than a year has passed since FEMA notification regarding such hazards; and

(2) Flood insurance is obtained as a condition of approval of the commitment.

(b) The Developer of a Project located in an area identified by FEMA as having special flood hazards are responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

GO BOND FUNDS REGULATORY AGREEMENT

ATTACHMENT E

PROJECT COMPLETION REPORT

The Developer shall use Rental Housing Project Completion Report, form HUD-40097, or other similar such form, as may be substituted by the City, with proper notice to the Developer. Form HUD-40097 may be obtained by request from the City or through the internet from <http://portal.hud.gov/hudportal/documents/huddoc?id=40097.pdf>

The Project Completion Report (PCR) shall be submitted to the City not later than 60 days after receipt of all payments due the Developer under the Subrecipient Agreement. In the event that all GO Bond assisted units are not leased by the PCR due date, the Developer shall continue to report tenant characteristics to the City until all such units are initially rented to GO Bond -eligible tenants.

ATTACHMENT F

N/A

UNOBTAINED APPROVALS

[ENUMERATE HERE, PER 3.2.A, OR MARK AS N/A]

ATTACHMENT G

HUD RIDER TO REGULATORY AGREEMENT

This RIDER TO REGULATORY AGREEMENT ("Rider" or "Amendment") is made as of the date of this Agreement by and between NSAEB 603, LLC ("Borrower") and CITY OF NEW ORLEANS ("City").

WHEREAS, Borrower has obtained financing from WALKER & DUNLOP, LLC ("Lender") for the benefit of the project known as **NSA East Bank Apartments** ("Project"), which loan is secured by a Leasehold Multifamily Act of Mortgage, Pledge of Leases and Rents and Security Agreement ("Security Instrument") dated and recorded in the land records of Orlean Parish contemporaneously herewith ("Records"), and is insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, Borrower has received a loan from City, which City is requiring certain restrictions be recorded against the Project;

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the City has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Rider.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

- (a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Rider, the provision contained in this Rider shall govern and be controlling in all respects as set forth more fully herein.
- (b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means Walker & Dunlop, LLC, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act, 12 USC § 1701 *et seq.*, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the HUD Regulatory Agreement.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the "HUD Requirements"). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the City's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate.

(e) Borrower and the City acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and will not serve as a basis for default under the HUD Requirements, unless a separate default also arises under the HUD Requirements.

(f) In enforcing the Restrictive Covenants the City will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized for release by HUD, if the Borrower is a non-profit entity.

(g) For so long as the Mortgage Loan is outstanding, Borrower and City shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, the City may require the Borrower to indemnify and hold the City harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against City relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold the City harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

(i) Intentionally Omitted;

(j) The statements and representations contained in this Rider and all supporting documentation thereto are true, accurate, and complete. This certification has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring a multifamily loan and may be relied upon by HUD as a true statement of the facts contained therein.

Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.

EXHIBIT D

CITY OF NEW ORLEANS ACT OF LEASEHOLD MORTGAGE

[COVER PAGE]

**CITY OF NEW ORLEANS
GO BOND PROGRAM
ACT OF LEASEHOLD INTEREST MORTGAGE, PLEDGE OF LEASES AND RENTS
AND SECURITY AGREEMENT**

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**ACT OF LEASEHOLD MORTGAGE, PLEDGE OF LEASES AND RENTS
AND SECURITY AGREEMENT**

BE IT KNOWN on this ____ day of _____, 202__, before me the undersigned Notary Public, and in the presence of the undersigned competent witnesses, personally came and appeared Russell Condas, Vice President of NSAEB 603, LLC, whose address is 400 Poydras Street, Suite 2620, New Orleans, La 70130, Taxpayer Identification No. 83-1210240 (“**Borrower**”), who by me duly sworn did declare and acknowledge that Borrower is indebted in favor of **CITY OF NEW ORLEANS** (the “**City**”) whose permanent mailing address is 1300 Perdido Street, New Orleans, LA 70112 (together with its successors and assigns and any subsequent holders, collectively the “**Lender**”), under Borrower’s Go Bond Program Promissory Note, dated the date of this Mortgage, in principal amount of **\$2,500,000.00** which note is payable to the order of the above-named Lender, and has a stated maturity date of 42 years and one month from completion (also known as the period of affordability) (the “**Note**”), and, together with and as a part of the Indebtedness, is secured by this Act of Leasehold Mortgage, Pledge of Leases and Rents and Security Agreement (the “**Mortgage**” or “**Leasehold Mortgage**”).

TO SECURE TO LENDER the repayment of the Indebtedness (including the payment of reasonable attorneys’ fees), and all renewals, extensions, modifications and refinancings of the Indebtedness, and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower hereby mortgages, hypothecates and assigns to Lender the Mortgaged Property, including the Land located in the Parish of Orleans, State of Louisiana and described in **Exhibit A – Property Description** attached to this Mortgage. The maximum amount of the Indebtedness outstanding at any time and from time to time that is secured by this Mortgage shall be limited to an amount equal to the original principal balance of the Note multiplied by eight, inclusive of principal, interest, late charges, default interest, prepayment premiums, additional advances pursuant to this Mortgage, costs, expenses and attorneys’ fees.

Borrower represents and warrants that Borrower is the full leasehold interest owner and lawfully seized of the Mortgaged Property and has the right, power and authority to mortgage, grant, convey and assign the Mortgaged Property, and that the Mortgaged Property is unencumbered, except for the mortgage liens securing Senior Loan (as defined in the Loan Agreement) and those matters set forth on **Exhibit B – Permitted Encumbrances** attached hereto (“**Permitted Encumbrances**”). Borrower covenants that Borrower will warrant and defend generally the title to, and the ownership and possession of, the Mortgaged Property against all claims and demands, subject to any servitudes, easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy issued to Lender contemporaneously with the execution and recordation of this Mortgage and insuring Lender’s interest in the Mortgaged Property.

Covenants. Borrower and Lender covenant and agree as follows:

1. DEFINITIONS.

The following terms, when used in this Mortgage (including when used in the above recitals), shall have the following meanings:

(a) “**Borrower**” means all persons or entities identified as “**Borrower**” in the first paragraph of this Mortgage, together with their successors and assigns.

(b) “**Environmental Permit**” means any permit, license, or other authorization issued under any Hazardous Materials Law with respect to any activities or businesses conducted on or in relation to the Mortgaged Property.

(c) “**Event of Default**” means the occurrence of any event listed in Section 21.

(d) “**Fixtures**” means all property which is so attached to the Land or the Improvements as to constitute an integral or component part, or a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.

(e) “**Governmental Authority**” means any board, commission, department or body of any municipal, parish, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

(f) “**Guarantor**” means the natural person(s) or entity identified as such at the foot of this Mortgage, and any person or entity that becomes a Guarantor after the date of this Mortgage and that is identified as such in an amendment or supplement to this Mortgage.

(g) “**Hazardous Materials**” means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBs”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance now or in the future defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” within the meaning of any Hazardous Materials Law.

(h) “**Hazardous Materials Laws**” means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials and apply to Borrower or to the Mortgaged Property. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*, the Toxic Substance Control Act, 15 U.S.C. Section 2601, *et seq.*, the Clean Water Act, 33 U.S.C. Section 1251, *et seq.*, and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, *et seq.*, and their state analogs, and any other environmental laws or hazardous materials laws under the State of Louisiana.

(i) “**Impositions**” is defined in Section 7(a).

(j) “**Improvements**” means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.

(k) “**Indebtedness**” means the principal of, interest on, and all other amounts due at any time under the Loan Agreement, the Note, this Mortgage or any other Loan Document, including prepayment premiums, late charges, default interest, attorneys’ fees, keeper fees, collection and foreclosure expenses, advances as provided in Section 11 to protect the security of this Mortgage, and any other sums that Lender may advance or incur with respect to the Mortgaged Property, or as otherwise provided in this Mortgage or any other Loan Document.

(l) “**Investor**” shall collectively mean BF NSAEB Apartments, LLC, a Delaware limited liability company and [JPMorgan Chase Bank, N.A.]

(m) “**Land**” means the immovable property described in Exhibit A. The immovable property is located in Orleans Parish, State of Louisiana.

(n) “**Leases**” means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals.

(o) “**Loan Agreement**” means the GO Bond Fund Program Loan Agreement between Borrower and the City, dated the date of this Mortgage, as modified, amended, and supplemented in accordance with its terms.

(p) “**Lender**” means the entity identified as “**Lender**” in the first paragraph of this Mortgage and its successors and assigns, or any subsequent holder of the Note.

(q) “**Loan Documents**” means for the purposes of this Mortgage, the Note, this Mortgage, the Loan Agreement, and the GO Bond Fund Regulatory Agreement required by the Loan Agreement, as such documents may be amended from time to time.

(r) “**Loan Servicer**” means the entity that from time to time is designated by Lender to collect payments and deposits and receive notices under the Note, this Mortgage and any other Loan Document, and otherwise to service the loan evidenced by the Note for the benefit of Lender. Unless Borrower receives notice to the contrary, the Loan Servicer is the entity identified as “**Lender**” in the first paragraph of this Mortgage.

(s) “**Mortgaged Property**” means all of Borrower’s present and future leasehold right, title and interest in and to all of the following:

(i) the Land;

(ii) the Improvements;

(iii) the Fixtures;

(iv) the Personalty;

(v) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, servitudes, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

(vi) all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirement;

(vii) all awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;

(viii) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;

(ix) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds;

(x) all Rents and Leases;

(xi) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the loan secured by this Mortgage and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;

(xii) [reserved];

(xiii) all refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Mortgage is dated);

(xiv) all tenant security deposits which have not been forfeited by any tenant under any Lease;

(xv) all names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property; and

(t) "Note" means the Note described in the first paragraph of this Mortgage, including the Acknowledgment and Agreement of Guarantor to Personal Liability for Exceptions to Non-Recourse Liability (if any), and all schedules, riders, allonges and addenda, as such Note may be amended from time to time.

(u) "Permitted Transfer" has the meaning set forth in Section 20(b). A Permitted Transfer shall not require the consent of the Lender and shall not constitute an Event of Default hereunder or under the Loan Documents.

(v) "Personalty" means all equipment, inventory, general intangibles which are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements, including furniture, furnishings, machinery, building materials, appliances, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software) and other tangible (corporeal) personal (movable) property (other than Fixtures) which are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements, and any operating agreements relating to the Land or the Improvements, and any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements and all other intangible (incorporeal) property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

(w) "Rents" means all rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, including subsidy payments received from any sources, parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and deposits forfeited by tenants.

(x) Senior Lender. Senior Lender shall have the meaning ascribed to same in the Subordination Agreement.

(y) Senior Loan. Senior Loan shall have the meaning ascribed to same in the Subordination Agreement.

(z) Senior Loan Documents means any and all documents executed by and between Borrower and Senior Lender in connection with the Senior Loan.

(aa) Senior Loan Mortgage. Senior Loan Mortgage shall have the meaning ascribed to same in the Subordination Agreement.

(bb) “Subordination Agreement” means that certain Subordination Agreement dated on the _____ day of _____, 2025.

(cc) “Taxes” means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien, on the Land or the Improvements.

(dd) “Transfer” means: (A) a sale, assignment, transfer or other disposition (whether voluntary, involuntary or by operation of law, and whether on a bond for deed basis or otherwise); (B) the granting, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary or by operation of law, and whether on a bond for deed basis or otherwise); (C) the issuance or other creation of an ownership interest in a legal entity, including a partnership interest, interest in a limited liability company or corporate stock; (D) the withdrawal, retirement, removal or involuntary resignation of a partner in a partnership or a member or manager in a limited liability company; or (E) the merger, dissolution, liquidation, or consolidation of a legal entity. “Transfer” shall include the dispositions described in Section 15 below, but does not include (i) a conveyance of the Mortgaged Property at a judicial or non-judicial foreclosure sale under this Mortgage, or (ii) the Mortgaged Property becoming part of a bankruptcy estate by operation of law under the United States Bankruptcy Code, or (iii) a Permitted Transfer. For purposes of defining the term “Transfer,” the term “partnership” shall mean a general partnership, a limited partnership or partnership in commendam, a joint venture and a registered limited liability partnership, and the term “partner” shall mean a general partner, a limited partner and a joint venturer.

(ee) “Uniform Commercial Code” or “UCC” means the Louisiana Commercial Laws, Louisiana Revised Statutes Title 10, Sections 1-101, *et seq.*

2. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.

This Mortgage is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subject to a security interest under the Uniform Commercial Code, whether acquired now or in the future, and all products and cash and non-cash proceeds thereof (collectively, “UCC Collateral”), and Borrower hereby grants to Lender a security interest in the UCC Collateral. Borrower hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest and Borrower agrees, if Lender so requests, to execute and deliver to Lender such financing statements, continuation statements and amendments. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements that Lender may require. Except with respect to the Senior Loan and other loans contemplated by the Subordination Agreement, without the prior written consent of Lender, Borrower shall not create or permit to exist any other lien or security interest in any of the UCC Collateral. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Mortgage or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender’s other remedies. This Mortgage constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture.

3. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents shall not be deemed to be a part of the “Mortgaged Property,” as that term is defined in Section 1(r). However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then the Rents shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Mortgage create and perfect a security interest on Rents in favor of Lender, which security interest shall be effective as of the date of this Mortgage.

(b) After the occurrence of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender, and Borrower shall, upon Borrower’s receipt of any Rents from any sources, pay the total amount of such receipts to the Lender. However, until the occurrence of an Event of Default, Lender hereby grants to Borrower a revocable license to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Senior Loan, the Note and the other amounts then due and payable under the other Loan Documents and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities,

Taxes and insurance premiums (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Mortgage. From and after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, or by a receiver, Borrower's license to collect Rents shall automatically terminate and Lender shall, subject to the rights of the Senior Lender, without notice be entitled to all Rents as they become due and payable, including Rents then due and unpaid. Borrower shall pay to Lender upon demand all Rents to which Lender is entitled. At any time on or after the date of Lender's demand for Rents, Lender may give, and Borrower hereby irrevocably authorizes Lender to give, subject to the rights of the Senior Lender, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender, no tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts which are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower shall not interfere with and shall cooperate with Lender's collection of such Rents.

(c) Borrower represents and warrants to Lender that except in connection with the Senior Loan, Borrower has not executed any prior assignment of Rents and that Borrower has not performed, and Borrower covenants and agrees that it will not perform, any acts and has not executed, and shall not execute, any Mortgage (other than to such entities as may be stated in this paragraph) which would prevent Lender from exercising its rights under this Section 3, and that at the time of execution of this Mortgage there has been no anticipation or prepayment of any Rents for more than two months prior to the due dates of such Rents. Borrower shall not collect or accept payment of any Rents more than two months prior to the due dates of such Rents.

(d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower and even in the absence of waste, enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3(a), protecting the Mortgaged Property or the security of this Mortgage, or for such other purposes as Lender in its discretion may deem necessary or desirable. Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Mortgage, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte* if permitted by applicable law. Lender or the receiver, as the case may be, shall be entitled to receive a reasonable fee for managing the Mortgaged Property. Immediately upon appointment of a receiver or immediately upon the Lender's entering upon and taking possession and control of the Mortgaged Property, Borrower shall surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and shall deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property and all security deposits and prepaid Rents. In the event Lender takes possession and control of the Mortgaged Property, Lender may exclude Borrower and its representatives from the Mortgaged Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

(e) If Lender enters the Mortgaged Property, Lender shall be liable to account only to Borrower and only for those Rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property, by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law.

(f) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an additional part of the Indebtedness as provided in Section 11.

(g) Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this Mortgage shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Mortgage.

4. ASSIGNMENT OF LEASES; LEASES AFFECTING THE MORTGAGED PROPERTY.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower's right, title and interest in, to and under the Leases, including Borrower's right, power and authority to modify the terms of any such Lease, or extend or terminate any such

Lease. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose, the Leases shall not be deemed to be a part of the "Mortgaged Property," as that term is defined in Section 1(r). However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Mortgage create and perfect a security interest on the Leases in favor of Lender, which security interest shall be effective as of the date of this Mortgage.

(b) Until Lender gives notice to Borrower of Lender's exercise of its rights under this Section 4, Borrower shall have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Mortgage), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. Upon the occurrence and during the continuance of an Event of Default beyond the applicable cure period, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases shall automatically terminate. Borrower shall comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits.

(c) Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred under this Section 4 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements. The acceptance by Lender of the assignment of the Leases pursuant to Section 4(a) shall not at any time or in any event obligate Lender to take any action under this Mortgage or to expend any money or to incur any expenses. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property. Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender shall not: (i) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (ii) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (iii) be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Mortgage by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

(d) Upon delivery of notice by Lender to Borrower of Lender's exercise of Lender's rights under this Section 4 at any time after the occurrence of and during the continuance of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately shall have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.

(e) Borrower shall, promptly upon Lender's request, deliver to Lender an executed copy of each residential Lease then in effect. All Leases for residential dwelling units shall be on forms approved by Lender, shall be for initial terms of at least six months and not more than two years, and shall not include options to purchase. If customary in the applicable market, residential Leases with terms of less than six months may be permitted with Lender's prior written consent.

(f) Borrower shall not lease any portion of the Mortgaged Property for non-residential use except with respect to the community service facility to be constructed thereon or otherwise with the prior written consent of Lender and Lender's prior written approval of the Lease agreement. Borrower shall not modify the terms of, or extend or terminate, any Lease for non-residential use (including any Lease in existence on the date of this Mortgage) without the prior written consent of Lender. Borrower shall, without request by Lender, deliver an executed copy of each non-residential Lease to Lender promptly after such Lease is signed. All non-residential Leases, including renewals or extensions of existing Leases, shall specifically provide that (1) such Leases are subordinate to the lien of this Mortgage (unless waived in writing by Lender); (2) the tenant shall attorn to Lender and any purchaser at a foreclosure sale, such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a foreclosure sale or by Lender in any manner; (3) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a foreclosure sale may from time to time request; (4) the Lease shall not be terminated by foreclosure or any other transfer of the Mortgaged Property; (5) after a foreclosure sale of the Mortgaged Property, Lender or any other purchaser at such foreclosure sale may, at Lender's or such purchaser's option, accept or terminate such Lease; and (6) the tenant shall, upon receipt after the occurrence of an Event of Default of a written request from Lender, pay all Rents payable under the Lease to Lender.

(g) Borrower shall not receive or accept Rent under any Lease (whether residential or non-residential) for more than two months in advance.

(h) If required to give effect to Sections 3 and 4 of this Mortgage, the assignment of Leases and Rents granted in Sections 3 and 4 of this Mortgage shall constitute a pledge in accordance with Articles 3168

et seq. of the Louisiana Civil Code, La. R.S. 9:4401, et seq., and other applicable law and shall secure all Indebtedness including, without limitation, the Indebtedness and the Loan, now existing or hereafter arising up to the maximum amount secured by this Mortgage. Upon the occurrence of an Event of Default hereunder, then the pledge of Leases and Rents granted in this Mortgage shall automatically become absolute, and Lender, without in any way waiving such default, at its option, upon notice and without regard to the adequacy of the security for the Indebtedness or to whether it has exercised any of its other rights or remedies hereunder, shall have the right to directly collect and receive all Rents and any other proceeds and/or payments arising under or in any way accruing under the Leases assigned herein, as such amounts become due and payable and to apply the same to the Indebtedness as provided herein. Nothing herein shall be construed to limit the exercise of any remedies otherwise granted to Lender in this Mortgage. All rights and remedies of Louisiana Civil Code article 3141 et seq., as supplemented by La. R.S. 9:4401, et seq., shall inure to the benefit of the Lender.

5. PAYMENT OF INDEBTEDNESS; PERFORMANCE UNDER LOAN DOCUMENTS.

Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe, and comply with all other provisions of the Note and the other Loan Documents.

6. NON-RECOURSE LANGUAGE.

Neither Borrower nor any officer, employee, member or partner of Borrower shall be personally liable for the payment of the indebtedness evidenced by this Note, the Mortgage, the Loan Agreement or any other loan documents, and any judgment or decree in any action brought to enforce the obligation of Borrower to pay the indebtedness will be enforceable against Borrower and the officers, employees or partners of Borrower, if any, only to the extent of Borrower's interest in the Property and any improvements thereon or any other collateral pledged, encumbered, or otherwise covered by the loan documents. Any judgment or decree will not be subject to execution, or be a lien, on the assets of the Borrower and the partners in Borrower, if any, other than Borrower's interest in the Project and any other collateral pledged, encumbered, or otherwise covered by the loan documents.

7. TAXES, UTILITIES, INSURANCE; DEPOSITS FOR RESERVES AND OTHER CHARGES.

(a) Except as otherwise provided in the Senior Loan Documents and until the Indebtedness is paid in full, Borrower shall pay when due (1) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property, (2) the premiums for fire and other hazard insurance, rent loss insurance and such other insurance as Lender may require under Section 18, and (3) Taxes. Failure to pay all such amounts as and when due shall be a default hereunder. The amounts under the preceding sentence are collectively referred to in this Mortgage as the "**Impositions.**" Borrower shall provide Lender with evidence that all Impositions have been paid upon request.

(b) Borrower shall deposit in an account or accounts established for the purpose of replacement reserves as set forth in the Senior Loan Documents. The amounts deposited under this subsection are collectively referred to in this Mortgage as "**Reserves**". Borrower shall provide Lender with the bank, account number and such other information as may be necessary to identify the account holding the Reserves, and shall provide the City with statements from such account within ten (10) days of receiving a request from the City for such statements. Borrower shall maintain records indicating how much of the monthly Reserves and how much of the aggregate Reserves held are held for the purpose of paying amounts for which the Reserves are being held.

(c) Reserves shall be held in an institution whose deposits or accounts are insured or guaranteed by a federal agency. Borrower hereby pledges and grants to Lender a subordinate security interest in the Reserves as additional security for all of Borrower's obligations under this Mortgage and the other Loan Documents.

(d) Reserves shall be used in accordance with the terms of the Loan Documents.

(e) If the Senior Loan is no longer in effect, no withdrawals from any account holding Reserves shall be made without the prior written approval of the City, or its designated representative, such approval not to be unreasonably withheld or delayed.

8. APPLICATION OF PAYMENTS.

If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Neither Lender's acceptance of an amount which is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Mortgage and the Note shall remain unchanged.

9. COMPLIANCE WITH LAWS.

Borrower shall comply with all applicable laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property (including the Go Bond Funds HOME Regulatory Agreement), including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, zoning and land use, and Leases. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 9. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by this Mortgage or Lender's interest in the Mortgaged Property. Borrower represents and warrants to Lender that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity.

10. USE OF PROPERTY.

Unless required by applicable law, Borrower shall not (a) except for any change in use approved by Lender, allow changes in the use for which all or any part of the Mortgaged Property is intended to be used when constructed in accordance with the plans and specifications for the Project (as defined in the Loan Agreement), (b) convert any individual dwelling units or common areas to commercial use, (c) initiate or acquiesce in a change in the zoning classification of the Mortgaged Property, or (d) establish any condominium or cooperative regime with respect to the Mortgaged Property.

11. PROTECTION OF LENDER'S SECURITY.

(a) If Borrower fails to perform any of its obligations under this Mortgage or any other Loan Document after written notice of the same, or if any action or proceeding is commenced which purports to affect the Mortgaged Property, Lender's security or Lender's rights under this Mortgage, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such actions as Lender reasonably deems necessary to perform such obligations of Borrower and to protect Lender's interest, including (1) payment of fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants, (2) entry upon the Mortgaged Property to make repairs or secure the Mortgaged Property, (3) procurement of the insurance required by Section 18, and (4) payment of amounts which Borrower has failed to pay under Sections 14 and 16.

(b) Any amounts disbursed by Lender under this Section 11, or under any other provision of this Mortgage that treats such disbursement as being made under this Section 11, shall be added to, and become part of, the principal component of the Indebtedness, shall be immediately due and payable and shall bear interest from the date of disbursement until paid at the "**Default Rate**", as defined in the Note.

(c) Nothing in this Section 11 shall require Lender to incur any expense or take any action.

12. INSPECTION.

Lender, its agents, representatives, and designees may make or cause to be made entries upon and inspections of the Mortgaged Property (including environmental inspections and tests) during normal business hours, or at any other reasonable time subject to the rights of tenants.

13. BOOKS AND RECORDS; FINANCIAL REPORTING.

(a) Borrower shall keep and maintain at all times at the Mortgaged Property or the management agent's offices, and upon Lender's request shall make available at the Mortgaged Property, complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property, and copies of all written contracts, Leases, and other Mortgages which affect the Mortgaged Property. The books, records, contracts, Leases and other Mortgages shall be subject to examination and inspection at any reasonable time by Lender.

(b) If an Event of Default has occurred and is continuing, Borrower shall deliver to the City upon written demand all books and records relating to the Project or its operation. If the City has not previously required Borrower to furnish a quarterly statement of income and expenses for the Project, the City may require Borrower to furnish such a statement within sixty (60) days after the end of each fiscal quarter of Borrower following such Event of Default. In such event, the City shall have the right to have an audit conducted pursuant to subsection (d) hereof.

(c) Borrower authorizes the City to obtain a credit report on Borrower at any time.

14. TAXES; OPERATING EXPENSES.

(a) Subject to the provisions of Section 14(c), Borrower shall pay, or cause to be paid, all Taxes when due and before the addition of any interest, fine, penalty or cost for nonpayment.

(b) Subject to the provisions of Section 14(c), Borrower shall pay the expenses of operating, managing, maintaining and repairing the Mortgaged Property (including insurance premiums, utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added.

(c) Borrower, at its own expense, may contest by appropriate legal proceedings, conducted diligently and in good faith, the amount or validity of any Imposition other than insurance premiums, if (1) Borrower notifies Lender of the commencement or expected commencement of such proceedings, (2) the Mortgaged Property is not in danger of being sold or forfeited, (3) Borrower deposits reserves sufficient to pay the contested Imposition, if requested by Lender, and (4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested by Lender, which may include the delivery to Lender of the reserves established by Borrower to pay the contested Imposition.

(d) Borrower shall promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments.

15. LIENS; ENCUMBRANCES.

Borrower acknowledges that, except to the extent provided in Section 20 and except for the senior debt, the grant, creation or existence of any mortgage, deed of trust, deed to secure debt, security interest or other lien, privilege or encumbrance (a “**Lien**”) on the Mortgaged Property (other than the lien of this Mortgage or the liens described in Section 3(c) above, or the Permitted Encumbrances) or on certain ownership interests in Borrower, whether voluntary, involuntary or by operation of law, and whether or not such Lien has priority over the lien of this Mortgage, is a “**Transfer**” which constitutes an Event of Default.

16. PRESERVATION, MANAGEMENT AND MAINTENANCE OF MORTGAGED PROPERTY.

(a) Borrower (1) shall not commit waste or permit impairment or deterioration of the Mortgaged Property, (2) shall not abandon the Mortgaged Property, (3) shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, whether or not insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair, (4) shall keep the Mortgaged Property in good repair, reasonable wear and tear excepted, including the replacement of Personalty and Fixtures with items of equal or better function and quality, (5) shall provide for professional management of the Mortgaged Property by a residential rental property manager reasonably satisfactory to Lender under a contract approved by Lender in writing, and (6) shall give notice to Lender of and, unless otherwise directed in writing by Lender, shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender’s security or Lender’s rights under this Mortgage. Except in connection with the initial development of the Mortgaged Property, Borrower shall not (and shall not permit any tenant or other person to) remove, demolish or alter the Mortgaged Property or any part of the Mortgaged Property except in connection with the replacement of tangible Personalty.

(b) If, in connection with the making of the loan evidenced by the Note or at any later date, Lender waives in writing the requirement of Section 16(a)(5) above that Borrower enter into a written contract for management of the Mortgaged Property and if, after the date of this Mortgage, Borrower intends to change the management of the Mortgaged Property, Lender shall have the right to approve such new property manager and the written contract for the management of the Mortgaged Property, which such approval shall not be unreasonably withheld or delayed, and require that Borrower and such new property manager enter into an Assignment of Management Agreement on a form approved by Lender. If required by Lender (whether before or after an Event of Default), Borrower will cause any Affiliate of Borrower to whom fees are payable for the management of the Mortgaged Property to enter into an agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require. “**Affiliate**” means, with respect to any entity, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which has a Controlling Interest in, such entity (the term “**control**” “**controlled by**”, “**under common control with**”, or “**controlling interest**” means (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 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’s (or other entity’s) directors, trustees or members; or (iv) the ability to exercise a controlling influence over the company’s 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).

17. ENVIRONMENTAL HAZARDS.

(a) Except for matters described in Section 17(b), Borrower shall not cause or permit any of the following:

(i) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property in violation of Hazardous Materials Laws;

(ii) the transportation of any Hazardous Materials to, from, or across the Mortgaged Property in violation of Hazardous Materials Laws;

(iii) any occurrence or condition on the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws; or

(iv) any violation of or noncompliance with the terms of any Environmental Permit with respect to the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property.

The matters described in clauses (i) through (iv) above are referred to collectively in this Section 17 as “**Prohibited Activities or Conditions**”.

(b) Prohibited Activities and Conditions shall not include the safe and lawful use and storage of quantities of (1) pre-packaged supplies, cleaning materials and petroleum products customarily used in the operation and maintenance of comparable multifamily properties, (2) cleaning materials, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and occupants of residential dwelling units in the Mortgaged Property; and (3) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Mortgaged Property’s parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws.

(c) Borrower shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date of this Mortgage) to prevent its employees, agents, and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Mortgaged Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

(d) Borrower represents and warrants to Lender that, except as previously disclosed by Borrower to Lender in writing:

(i) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions;

(ii) to the best of Borrower’s knowledge after reasonable and diligent inquiry, no Prohibited Activities or Conditions exist or have existed;

(iii) except to the extent previously disclosed by Borrower to Lender in writing, the Mortgaged Property does not now contain any underground storage tanks, and, to the best of Borrower’s knowledge after reasonable and diligent inquiry, the Mortgaged Property has not contained any underground storage tanks in the past. If there is an underground storage tank located on the Mortgaged Property which has been previously disclosed by Borrower to Lender in writing, that tank complies with all requirements of Hazardous Materials Laws;

(iv) Borrower has complied with all Hazardous Materials Laws, including all requirements for notification regarding releases of Hazardous Materials. Without limiting the generality of the foregoing, Borrower has obtained all Environmental Permits required for the operation of the Mortgaged Property in accordance with Hazardous Materials Laws now in effect and all such Environmental Permits are in full force and effect;

(v) no event has occurred with respect to the Mortgaged Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit;

(vi) there are no actions, suits, claims or proceedings pending or, to the best of Borrower’s knowledge after reasonable and diligent inquiry, threatened that involve the Mortgaged Property and allege, arise out of, or relate to any Prohibited Activity or Condition; and

(vii) Borrower has not received any complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property.

The representations and warranties in this Section 17 shall be continuing representations and warranties that shall be deemed to be made by Borrower throughout the term of the loan evidenced by the Note, until the Indebtedness has been paid in full.

(e) Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events:

(i) Borrower's discovery of any Prohibited Activity or Condition;

(ii) Borrower's receipt of or knowledge of any complaint, order, notice of violation or other communication from any Governmental Authority or other person with regard to present or future alleged Prohibited Activities or Conditions or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property; and

(iii) any representation or warranty in this Section 17 becomes untrue after the date of this Agreement.

Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under this Mortgage, the Note, or any other Loan Document.

(f) Borrower shall pay promptly the costs of any environmental inspections, tests or audits ("**Environmental Inspections**") required by Lender in connection with any foreclosure or deed in lieu of foreclosure, or as a condition of Lender's consent to any Transfer under Section 20, or required by Lender following a reasonable determination by Lender that Prohibited Activities or Conditions may exist. Any such costs incurred by Lender (including the reasonable fees and out-of-pocket costs of attorneys and technical consultants whether incurred in connection with any judicial or administrative process or otherwise) which Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 11. The results of all Environmental Inspections made by Lender shall at all times remain the property of Lender but Lender shall provide copies of all Environmental Inspection reports to Borrower. Lender hereby reserves the right, and Borrower hereby expressly authorizes Lender, to make available to any party, including any prospective bidder at a foreclosure sale of the Mortgaged Property, the results of any Environmental Inspections made by Lender with respect to the Mortgaged Property. Borrower consents to Lender notifying any party (either as part of a notice of sale or otherwise) of the results of any of Lender's Environmental Inspections. Borrower acknowledges that Lender cannot control or otherwise assure the truthfulness or accuracy of the results of any of its Environmental Inspections and that the release of such results to prospective bidders at a foreclosure sale of the Mortgaged Property may have a material and adverse effect upon the amount which a party may bid at such sale. Borrower agrees that Lender shall have no liability whatsoever as a result of delivering the results of any of its Environmental Inspections to any third party, and Borrower hereby releases and forever discharges Lender from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the results of, the delivery of any of Lender's Environmental Inspections.

(g) If any investigation, site monitoring, containment, clean-up, restoration or other remedial work ("**Remedial Work**") is necessary to comply with any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property under any Hazardous Materials Law, Borrower shall, by the earlier of (1) the applicable deadline required by Hazardous Materials Law or (2) 30 days after notice from Lender demanding such action, begin performing the Remedial Work, and thereafter diligently prosecute it to completion, and shall in any event complete the work by the time required by applicable Hazardous Materials Law. If Borrower fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, cause the Remedial Work to be completed, in which case Borrower shall reimburse Lender on demand for the reasonable cost of doing so. Any reimbursement due from Borrower to Lender shall become part of the Indebtedness as provided in Section 11.

(h) Borrower shall cooperate with any inquiry by any Governmental Authority and shall comply with any governmental or judicial order which arises from any alleged Prohibited Activity or Condition.

(i) Borrower shall indemnify, hold harmless and defend (i) Lender, (ii) any prior owner or holder of the Note, (iii) the Loan Servicer, (iv) any prior Loan Servicer, (v) the officers, directors, shareholders, partners, employees and trustees of any of the foregoing, and (vi) the heirs, legal representatives, successors and assigns of each of the foregoing (collectively, the "**Indemnitees**") from and against all proceedings, claims, damages, penalties and costs (whether initiated or sought by Governmental Authorities or private parties), including reasonable fees and reasonable out-of-pocket expenses of attorneys and expert witnesses, investigatory fees, and remediation costs, whether incurred in connection with any judicial or administrative process or otherwise, arising directly or indirectly from any of the following:

(i) any breach of any representation or warranty of Borrower in this Section 17;

(ii) any failure by Borrower to perform any of its obligations under this Section 17;

(iii) the existence or alleged existence of any Prohibited Activity or Condition;

(iv) the presence or alleged presence of Hazardous Materials on or under the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property; and

(v) the actual or alleged violation of any Hazardous Materials Law by Borrower or its agents or at the Mortgaged Property.

(j) Counsel selected by Borrower to defend Indemnitees shall be subject to the approval of those Indemnitees. However, any Indemnitee may elect to defend any claim or legal or administrative proceeding at the Borrower's expense.

(k) Borrower shall not, without the prior written consent of those Indemnitees who are named as parties to a claim or legal or administrative proceeding (a "Claim"), settle or compromise the Claim if the settlement (1) results in the entry of any judgment that does not include as an unconditional term the delivery by the claimant or plaintiff to Lender of a written release of those Indemnitees, satisfactory in form and substance to Lender; or (2) may materially and adversely affect Lender, as determined by Lender in its discretion.

(l) Lender agrees that the indemnity under this Section 17 shall be limited to the assets of Borrower and Lender shall not seek to recover any deficiency from any natural persons who are managing members or investor members of Borrower.

(m) Borrower shall, at its own cost and expense, do all of the following:

(i) pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Section 17;

(ii) reimburse Indemnitees for any reasonable expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Section 17; and

(iii) reimburse Indemnitees for any and all reasonable expenses, including fees and out-of-pocket expenses of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Section 17, or in monitoring and participating in any legal or administrative proceeding.

(n) In any circumstances in which the indemnity under this Section 17 applies, Lender may employ its own legal counsel and consultants to prosecute, defend or negotiate any claim or legal or administrative proceeding and Lender, with the prior written consent of Borrower (which shall not be unreasonably withheld, delayed or conditioned), may settle or compromise any action or legal or administrative proceeding. Borrower shall reimburse Lender upon demand for all reasonable costs and expenses incurred by Lender, including all costs of settlements entered into in good faith, and reasonable the fees and out-of-pocket expenses of such attorneys and consultants.

(o) The provisions of this Section 17 shall be in addition to any and all other obligations and liabilities that Borrower may have under applicable law or under other Loan Documents, and each Indemnitee shall be entitled to indemnification under this Section 17 without regard to whether Lender or that Indemnitee has exercised any rights against the Mortgaged Property or any other security, pursued any rights against any guarantor, or pursued any other rights available under the Loan Documents or applicable law. If Borrower consists of more than one person or entity, the obligation of those persons or entities to indemnify the Indemnitees under this Section 17 shall be solidary. The obligation of Borrower to indemnify the Indemnitees under this Section 17 shall survive any repayment or discharge of the Indebtedness, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Mortgage provided that the event giving rise to such liability occurred solely before Borrower is or was dispossessed of the Mortgaged Property following any foreclosure or deed in lieu proceeding.

(p) Any obligation of the Borrower to provide indemnification under the Loan Documents shall be limited to (i) amounts mandated by state law, if any, (ii) coverage afforded under any liability insurance carried by the Borrower and (iii) available surplus cash of the Borrower as defined in the HUD Regulatory Agreement. Until funds from a permitted source for payment of indemnification costs are available for payment, the Borrower shall not (a) pay funds to lender, or (b) pay the deductible on an indemnification policy.

18. PROPERTY AND LIABILITY INSURANCE.

(a) Borrower shall keep the Improvements insured at all times against such hazards as Lender may from time to time require, which insurance shall include but not be limited to coverage against loss by fire and allied perils, general boiler and machinery coverage, and business income coverage. Lender's insurance requirements may change from time to time throughout the term of the Indebtedness. If Lender so requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance, and, if the Mortgaged Property does not conform to applicable zoning or land use laws, building ordinance or law coverage. If any of the Improvements is located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area having special flood hazards, and if flood insurance is available in that area, Borrower shall insure such Improvements against loss by flood.

(b) All premiums on insurance policies required under Section 18(a) shall be paid in the manner provided in Section 7, unless Lender has designated in writing another method of payment. All such policies shall also be in a form approved by Lender. All policies of property damage insurance shall include a non-contributing, non-reporting mortgage clause in favor of, and in a form approved by, Lender. Lender shall have the right to hold the original policies or duplicate original policies of all insurance required by Section 18(a).

Borrower shall promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 30 days prior to the expiration date of a policy, Borrower shall deliver to Lender the original (or a duplicate original) of a renewal policy in form satisfactory to Lender.

(c) Borrower shall maintain at all times commercial general liability insurance, workers' compensation insurance and such other liability, errors and omissions and fidelity insurance coverages as Lender may from time to time require.

(d) All insurance policies and renewals of insurance policies required by this Section 18 shall be in such amounts and for such periods as Lender may from time to time require, and shall be issued by insurance companies satisfactory to Lender.

(e) Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage that this Mortgage requires Borrower to maintain.

(f) In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Subject to the rights of the Senior Lender, Borrower hereby authorizes and appoints Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such property damage insurance policies, to collect and receive the proceeds of property damage insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 18 shall require Lender to incur any expense or take any action. Lender may, at Lender's option, (1) hold the balance of such proceeds to be used to reimburse Borrower for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or to a condition approved by Lender (the "**Restoration**"), or (2) apply the balance of such proceeds to the payment of the Indebtedness, whether or not then due. To the extent Lender determines to apply insurance proceeds to Restoration, Lender shall do so in accordance with Lender's then-current policies relating to the restoration of casualty damage on similar multifamily properties.

(g) Lender shall not exercise its option to apply insurance proceeds to the payment of the Indebtedness if all of the following conditions are met: (1) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (2) Lender determines, in its reasonable discretion, that there will be sufficient funds to complete the Restoration; (3) Lender determines, in its discretion, that the rental income from the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; (4) Lender determines, in its discretion, that the Restoration will be completed before the earlier of (A) one year before the maturity date of the Note or (B) one year after the date of the loss or casualty, provided that Borrower shall have such longer period as reasonably determined by Lender so long as Borrower, its partners, or any affiliate of its partners is diligently pursuing Restoration; and (5) upon Lender's request, Borrower provides Lender evidence of the availability during and after the Restoration of the insurance required to be maintained by Borrower pursuant to this Section 18.

(h) If the Mortgaged Property is sold at a foreclosure sale or Lender acquires title to the Mortgaged Property, Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

(i) The foregoing notwithstanding, all rights of Lender under this Section 18 shall be subject to the rights of the Senior Lender.

19. CONDEMNATION.

(a) Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect (a "**Condemnation**"). Borrower shall appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Lender in writing. Borrower authorizes and appoints Lender as attorney-in-fact for Borrower to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 19 shall require Lender to incur any expense or take any action. Borrower hereby transfers and assigns to Lender all right, title and interest of Borrower in and to any award or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation.

(b) Lender may apply such awards or proceeds, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to the restoration or repair of the Mortgaged Property or to the payment of the Indebtedness, with the balance, if any, to Borrower; provided however, that Lender shall not apply such proceeds to the payment of the Indebtedness if the conditions listed in Section 18(g) above have

been met. Unless Lender otherwise agrees in writing, any application of any awards or proceeds to the Indebtedness shall not extend or postpone the due date of any installments referred to in the Note, Section 5 of this Mortgage or any Collateral Agreement, or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards or proceeds as Lender may require.

(c) The foregoing notwithstanding, all rights of Lender under this Section 19 shall be subject to the rights of the Senior Lender.

20. TRANSFERS OF THE MORTGAGED PROPERTY OR INTERESTS IN BORROWER.

(a) Borrower 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 the City, which consent shall be in the City's sole and reasonable discretion. Absent the City's written consent and subject to the terms of this Section 20, 100% of the Indebtedness, including without limitation, payment of all principal and accrued and unpaid interest, is due upon any sale or refinancing of the Project, (other than for the purpose of refinancing all or any part of any loan secured by a mortgage which is senior to this Mortgage, including reasonable and necessary costs associated with the closing and/or the refinancing, as long as (1) such refinancing of all or any part of such senior loan does not require the City to modify the terms of its Loan Documents or otherwise extend the term of the Indebtedness, and (2) the aggregate principal amount of the senior loan is not increased beyond the amount necessary to cover reasonable and necessary costs associated with the closing and/or refinancing). The City may, in its sole and reasonable discretion, allow the transferee to assume the remaining Indebtedness, and/or may accept less than 100% of the amounts then due, but such waiver will not constitute forgiveness of any Indebtedness.

(b) Notwithstanding the foregoing to the contrary, provided that Borrower shall use commercially reasonable efforts to deliver notice to the City of any such change:

i. the pledge to an investor member by a managing member of the managing member's interest in the Organizational Documents as security for the performance of all of the managing member's obligations under the Organizational Documents shall not constitute a refinancing for purposes of this Mortgage or the Loan Documents;

ii. a sale, transfer, pledge, encumbrance or other disposition of any Investor interests in Borrower shall not require the City's consent nor constitute a sale of the Project for the purposes of this Section; and

iii. the change in the managing member of Borrower as managing member in accordance with the terms of the Organizational Documents shall not require the City's consent nor constitute a sale of the Project for the purposes of this Section 20.

Notwithstanding the foregoing provisions in this Section 20(b), a transfer by the Investor of its Investor interests in Borrower is hereby expressly permitted and accepted by the City and shall not constitute a prohibited transfer hereunder or under any other Loan Document.

21. EVENTS OF DEFAULT.

The occurrence of any one or more of the following shall constitute an Event of Default under this Mortgage:

(a) any failure by Borrower to pay or deposit when due any amount required by the Note(s), this Mortgage or any other Loan Document;

(b) any failure by Borrower to maintain the insurance coverage required by Section 18;

(c) any failure by Borrower to comply with the provisions of Section 32;

(d) fraud or material misrepresentation or material omission by Borrower, or any of its officers, directors, trustees, general partners or managers, or Guarantor in connection with (A) the application for or creation of the Indebtedness, (B) any financial statement, rent roll, or other report or information provided to Lender during the term of the Indebtedness, or (C) any request for Lender's consent to any proposed action;

(e) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Mortgage or Lender's interest in the Mortgaged Property and the failure to have same dismissed within 90 days;

(f) any failure by Borrower to perform any of its obligations under this Mortgage (other than those specified in Sections 21(a) through (e)), as and when required, which continues for a period of 30 days after notice of such failure by Lender to Borrower, but no such notice or grace period shall apply in the case of any such failure which could, in Lender's judgment, absent immediate exercise by Lender of a right or remedy under this Mortgage, result in harm to Lender, impairment of the Note(s) or this Mortgage or any other security given under any other Loan Document;

(g) any failure by Borrower to perform any of its obligations as and when required under any Loan Document other than this Mortgage which continues beyond the applicable cure period, if any, specified in that Loan Document; and

(h) any exercise by the holder of any other debt mortgage secured by a mortgage, deed of trust or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt mortgage immediately due and payable.

(i) Right to Cure:

(i) Borrower shall have fifteen (15) days after the receipt of written notice to cure any monetary default herein, and thirty (30) days after the receipt of written notice to cure any non-monetary default herein; provided however, that (except to the extent that Lender's security becomes or is about to become materially jeopardized) if such default is not reasonably capable of being cured within thirty (30) days, and if the Borrower (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure within such period, then Borrower shall have such additional time as is reasonably necessary, such time not to exceed an additional sixty (60) days, to cure the default prior to exercise of any remedies by Lender.

(ii) Lender agrees to provide written notice of an Event of Default to any investor member listed Section 30 of this Mortgage and to allow said investor member the opportunity, but not the obligation to cure any default of Borrower on behalf of Borrower to the same extent as Borrower. Borrower agrees that Lender shall be entitled to rely upon and to accept any offer of cure made by any such investor member. Notwithstanding any of the forgoing provisions to the contrary, if Borrower has failed to cure any default within five (5) days prior to the expiration of any applicable cure period, Lender may, at its sole option, cure such default, provided, however, that Lender shall be under no duty or obligation to do so.

(iii) Notwithstanding anything to the contrary contained in this Mortgage or the Note being secured hereby, Borrower's Investor Member shall have the right, but not the obligation, to cure defaults of Borrower. Removal of the managing member of the Borrower shall constitute a cure for an otherwise non-curable Event of Default.

22. REMEDIES CUMULATIVE.

Each right and remedy provided in this Mortgage is distinct from all other rights or remedies under this Mortgage or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.

23. FORBEARANCE.

(a) Lender may (but shall not be obligated to) agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, any guarantor or other third party obligor, to take any of the following actions: extend the time for payment of all or any part of the Indebtedness; reduce the payments due under this Mortgage, the Note, or any other Loan Document; release anyone liable for the payment of any amounts under this Mortgage, the Note, or any other Loan Document; accept a renewal of the Note; modify the terms and time of payment of the Indebtedness; join in any extension or subordination agreement; release any Mortgaged Property; take or release other or additional security; modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable under the Note; and otherwise modify this Mortgage, the Note, or any other Loan Document.

(b) Any forbearance by Lender in exercising any right or remedy under the Note, this Mortgage, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right available to Lender. Lender's receipt of any awards or proceeds under Sections 18 and 19 shall not operate to cure or waive any Event of Default.

24. LOAN CHARGES.

If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in any Loan Document, whether considered separately or together with other charges levied in connection with any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the principal of the Indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness which constitutes interest, as well as all other charges levied in connection with the Indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Note.

25. WAIVER OF PRESCRIPTION.

To the maximum extent allowed under applicable law, Borrower hereby waives the right to assert any prescriptive period as a bar to the enforcement of the lien of this Mortgage or to any action brought to enforce any Loan Document.

26. WAIVER OF MARSHALLING.

Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Mortgage, the Note, any other Loan Document or applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Mortgage waives any and all right to require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Mortgage.

27. FURTHER ASSURANCES.

Borrower shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements, transfers and assurances as Lender may require from time to time in order to confirm the rights granted under this Mortgage and the Loan Documents.

28. ESTOPPEL CERTIFICATE.

Within 10 business days after a request from Lender, Borrower shall deliver to Lender a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement, (i) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications); (ii) the unpaid principal balance of the Note; (iii) the date to which interest under the Note has been paid; (iv) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Mortgage or any of the other Loan Documents (or, if the Borrower is in default, describing such default in reasonable detail); (v) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and (vi) any additional facts reasonably requested by Lender.

29. GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE.

(a) This Mortgage, and any Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of Louisiana.

(b) Borrower agrees that any controversy arising under or in relation to the Note, this Mortgage, or any other Loan Document shall be litigated exclusively in the courts located in Orleans Parish, State of Louisiana. The state and federal courts and authorities with jurisdiction in Orleans Parish shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Note, any security for the Indebtedness, or any other Loan Document. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

30. NOTICE.

(a) All notices, demands and other communications (“**notice**”) under or concerning this Mortgage shall be in writing. Each notice shall be addressed to the intended recipient at its address set forth in this Mortgage and/or Loan Agreement, and shall be deemed given on the earliest to occur of (1) the date when the notice is received by the addressee; (2) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (3) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. As used in this Section 30, the term “Business Day” means any day other than a Saturday, a Sunday or any other day on which Lender is not open for business.

(b) Any party to this Mortgage may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 30. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 30, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this Section 30 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

(c) Any notice under the Note and any other Loan Document which does not specify how notices are to be given shall be given in accordance with this Section 30.

(d) Notwithstanding the foregoing, Lender agrees to provide written notice of an Event of Default under the Loan Documents to any investor member listed in the Loan Agreement and Regulatory Agreement.

(e) Lender shall use best efforts to provide a courtesy copy of all notices sent to Borrower to the addresses below. Any failure to deliver such courtesy copies shall not be deemed a failure to provide notice to the Borrower.

If to the Developer: NSAEB 603, LLC
Attn: Russell Condas
400 Poydras St. Suite 2620
New Orleans, LA 70130

With a copy to:

Lincoln Avenue Communities
401 Wilshire Blvd., 11th Floor
Santa Monica, California 90401
Attention: David Garcia and Hanna Jamar, Esq.

With a copy to:

Dwyer, Cambre & Suffern
3000 West Esplanade Avenue, Suite 200
Metairie, Louisiana 70002
Attention: Stephen I. Dwyer

With a copy to:

Longwell Riess, L.L.C.
Attn: Kelly Longwell
650 Poydras Street, Suite 2600
New Orleans, Louisiana 70130

With a copy to:

Nixon Peabody LLP
55 West 46th Street
New York, New York 10036
Attention: Aaron Yowell

If to Investor:

JPMorgan Chase Bank, N.A.
10 S. Dearborn, 19th Floor
Mail Code: IL1-0953
Chicago, Illinois 60603-5506
Attention: HTC Asset Management

And:

JPMorgan Chase Bank, N.A.
300 S. Grand, Suite 300
Los Angeles, California 90071
Attention: Timothy C. Karp

With copies to:

Buchalter, a Professional Corporation
1000 Wilshire Boulevard, Suite 1500
Los Angeles, California 90017
Attention: C. Tyler Ohanian, Esq.
Telephone: (213) 891-5041

Email: tohanian@buchalter.com

BF NSAEB Apartments, LLC, a Delaware limited liability
company
225 Franklin St., 28th Floor
Boston, MA 02110
Attn: Asset Management – NSA East Bank

With copy to:
Kutak Rock LLP
1650 Farnam St.
Omaha, NE 68102
Attn: Shane Deaver, Esq.

31. SALE OF NOTE; CHANGE IN SERVICER.

The Note or a partial interest in the Note (together with this Mortgage and the other Loan Documents) may be sold one or more times without prior notice to Borrower. A sale may result in a change of the Loan Servicer. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given notice of the change. Borrower shall not incur or be responsible for any expenses associated with a sale of the Note or change in the Loan Servicer.

32. SINGLE ASSET BORROWER.

Until the Indebtedness is paid in full, Borrower (a) shall not acquire any real or personal property other than the Mortgaged Property and personal property related to the operation and maintenance of the Mortgaged Property; (b) shall not operate any business other than the management and operation of the Mortgaged Property; and (c) shall not maintain its assets in a way difficult to segregate and identify.

33. SUCCESSORS AND ASSIGNS BOUND.

This Mortgage shall bind, and the rights granted by this Mortgage shall inure to, the respective successors and assigns of Lender and Borrower. However, a Transfer not permitted by Section 20 shall be an Event of Default.

34. SOLIDARY LIABILITY.

If more than one person or entity signs this Mortgage as Borrower, the obligations of such persons and entities shall be solidary.

35. RELATIONSHIP OF PARTIES; NO THIRD-PARTY BENEFICIARY.

(a) The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Mortgage shall create any other relationship between Lender and Borrower.

(b) No creditor of any party to this Mortgage and no other person shall be a third party beneficiary of this Mortgage or any other Loan Document. Without limiting the generality of the preceding sentence, (1) any arrangement (a “**Servicing Arrangement**”) between the Lender and any Loan Servicer for loss sharing or interim advancement of funds shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (2) Borrower shall not be a third party beneficiary of any Servicing Arrangement, and (3) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

36. SEVERABILITY; AMENDMENTS.

The invalidity or unenforceability of any provision of this Mortgage shall not affect the validity or enforceability of any other provision, and all other provisions shall remain in full force and effect. This Mortgage contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Mortgage. This Mortgage may not be amended or modified except by a writing signed by the party against whom enforcement is sought.

37. CONSTRUCTION.

The captions and headings of the sections of this Mortgage are for convenience only and shall be disregarded in construing this Mortgage. Any reference in this Mortgage to an “Exhibit” or a “Section” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Mortgage or to a Section of this Mortgage. All Exhibits attached to or referred to in this Mortgage are incorporated by reference into this Mortgage. Any reference in this Mortgage to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Agreement includes the plural and use of the plural includes the singular. As used in this Mortgage, the term “including” means “including, but not limited to.”

38. LOAN SERVICING.

All actions regarding the servicing of the loan evidenced by the Note, including the collection of payments, the giving and receipt of notice, inspections of the Property, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives notice to the contrary. If Borrower receives conflicting notices regarding the identity of the Loan Servicer or any other subject, any such notice from Lender shall govern.

39. DISCLOSURE OF INFORMATION.

Lender may furnish information regarding Borrower or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including any right of privacy.

40. NO CHANGE IN FACTS OR CIRCUMSTANCES.

All information in the application for the loan submitted to Lender (the “**Application**”) and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

41. SUBROGATION.

If, and to the extent that, the proceeds of the loan evidenced by the Note are used to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the Mortgaged Property (a “**Prior Lien**”), such loan proceeds shall be deemed to have been advanced by Lender at Borrower’s request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

42. ACCELERATION; FORECLOSURE; CONFESSION OF JUDGMENT.

(a) At any time during the existence of an Event of Default, Lender, at Lender’s option, may accelerate the maturity of and declare the Indebtedness to be immediately due and payable, and may cause the Mortgaged Property and UCC Collateral to be immediately seized and sold, in whole, in part, or separately, whether in term of court or in vacation, under ordinary or executory process, in accordance with applicable Louisiana law, to the highest bidder for cash, with or without appraisal, and without the necessity of making additional demand upon or notifying Borrower or placing Borrower in default, all of which are expressly waived.

(b) For purposes of foreclosure under the Louisiana executory process procedures, Borrower confesses judgment and acknowledges to be indebted to and in favor of Lender up to the full amount of the Indebtedness, including principal, interest, prepayment premiums, late charges, default interest, costs, expenses, collection attorneys’ fees, and any additional sums that Lender may advance as provided under this Mortgage.

(c) To the extent permitted under applicable Louisiana law, Borrower additionally waives: (i) the benefit of appraisal as provided in Articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure, and all other laws with regard to appraisal upon judicial sale; (ii) the demand and three (3) days’ delay as provided under Article 2721 of the Louisiana Code of Civil Procedure; (iii) the notice of seizure as provided under Articles 2293 and 2721 of the Louisiana Code of Civil Procedure; (iv) the three (3) days’ delay provided under Articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and (v) all other benefits provided under Articles 2331, 2722 and 2723 of the Louisiana Code of Civil Procedure and all other articles not specifically mentioned above. Borrower agrees that Lender shall have all of the additional enforcement rights and remedies of a secured party under the Louisiana Commercial Laws (Louisiana Revised Statutes, Title 10) and under the Uniform Commercial Code of any applicable state with respect to the UCC Collateral wherever located. Borrower further agrees that any declarations of fact made under an authentic act before a Notary Public in the presence of two witnesses, by a person declaring such facts to lie within his or her knowledge, shall constitute authentic evidence for purposes of executory process and also for purposes of Louisiana Revised Statutes, Title 9, Sections 3509.1 and 3504(b)(6), and Title 10, Section 9-629.

(d) However, notwithstanding anything to the contrary in this Mortgage or in the Loan Documents, the obligations under this Mortgage or the Loan Documents are and are intended to be nonrecourse to Borrower, except for the express exceptions included within said documents.

43. RELEASE.

Upon payment of the Indebtedness in full, Borrower may request Lender in writing to provide Borrower with the Note marked “Canceled,” or alternatively, at Lender’s option, with a certificate sufficient to permit Borrower to cancel this Mortgage from the public records. Borrower agrees that Lender may delay providing the foregoing to Borrower for up to 30 days following receipt of Borrower’s written request. If Borrower requests Lender to perform the necessary services to cancel this Mortgage from the public records, Borrower agrees to pay Lender’s reasonable costs incurred in connection with such cancellation.

44. WAIVER OF HOMESTEAD.

Borrower and Borrower’s spouse, if any, waive all homestead and other exemptions from seizure with respect to the Mortgaged Property and the UCC Collateral.

45. ATTORNEYS' FEES.

Whenever referred to in this Mortgage, other than in Section 42, "attorneys' fees" shall mean reasonable attorneys' fees under Louisiana law.

46. MORTGAGE AND CONVEYANCE CERTIFICATES.

The production of Mortgage and conveyance certificates is waived by Lender and Borrower, who release me, Notary, from all liability for nonproduction.

47. KEEPER OF MORTGAGED PROPERTY.

Pursuant to the provisions of Louisiana Revised Statutes, Title 9, Section 5136, Borrower and Lender covenant and agree that Lender shall have the right to designate a keeper of the Mortgaged Property at the time any seizure of the Mortgaged Property is affected and that Lender may designate itself or its employees, agents or independent contractors as such keeper. Borrower agrees that the reasonable fees of such a keeper shall be treated as a disbursement made under Section 11 and shall be secured by this Mortgage. At no time has or will Borrower occupy the Mortgaged Property, or any portion of the Mortgaged Property, as its home.

48. WAIVER OF TRIAL BY JURY.

[Intentionally deleted.]

49. COUNTERPARTS.

This Mortgage 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.

ATTACHED EXHIBITS. The following Exhibits are attached to this Mortgage:

- Exhibit A Description of the Land (required).
- Exhibit B Permitted Encumbrances

[END OF DOCUMENT - SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, Borrower has signed and delivered this Mortgage or has caused this Mortgage to be signed and delivered by its duly authorized representative, in the presence of the undersigned witnesses and Notary Public after due reading of the whole.

BORROWER

NSAEB 603, LLC, a Louisiana limited liability company

By: NSAEB 603 Member, LLC,
a Louisiana limited liability company
its sole member

By NSA East Bank Apartments MM LLC,
a Delaware limited liability company,
its managing member

By: NSA East Bank JV LLC,
a Delaware limited liability company,
its sole member

By: Lincoln Avenue Capital Management, LLC,
a Delaware limited liability company,
its manager

By: _____
Name: Russell Condas
Title: Vice President

WITNESSES:

By: _____

Print Name: _____

By: _____

Print Name: _____

NOTARY PUBLIC

Print Name: _____
Bar Roll/Notary No.: _____
My Commission Expires: _____

IN WITNESS WHEREOF, the City appears herein to acknowledge and agree to the provisions of this Mortgage, in the presence of the undersigned witnesses and Notary Public.

CITY OF NEW ORLEANS

By: _____
JOSEPH W. THREAT, SR.
CHIEF ADMINISTRATIVE OFFICER

Executed on the ___ day of _____, 2025.

WITNESSES:

By: _____

Print Name: _____

By: _____

Print Name: _____

Notary Public
Print Name: _____
Bar Roll/Notary No. _____
My Commission Expires: _____

FORM AND LEGALITY APPROVED:

Law Department

By: _____

Printed Name: _____

IN WITNESS WHEREOF, the Parties hereto, through duly authorized representatives, have executed this Agreement to be effective as of the Effective Date.

CITY OF NEW ORLEANS, CITY COUNCIL

By: _____
CITY COUNCIL PRESIDENT

WITNESSES:

By: _____

Print Name: _____

WITNESSES:

By: _____

Print Name: _____

NOTARY PUBLIC

FORM AND LEGALITY APPROVED:

Law Department

By: _____

Printed Name: _____

EXHIBIT A

LEGAL DESCRIPTION

THAT CERTAIN LEASEHOLD INTEREST, created by Real Estate Ground Lease and Development Agreement by and between City of New Orleans and NSAEB 603, LLC, as evidenced by the Notice of Lease recorded October 17, 2025 at CIN 761391 and Instrument No. 2025-34714 in the conveyance records of Orleans Parish, Louisiana, as it affects a portion of the following described property:

A portion of the land and improvements located on Lot 3A of the NSA East Bank (designation pursuant to that certain Declaration of Title Change by Subdivision resubdividing Lots 1, 2, 3, 4, 5 and 6, of the Former NSAEB, being all or part of Original Squares 35, 36, 37, 38, 126, 127, 128, 184, 185, 186, 235 and 236 into Lots 1A, 2 A, and 3 A of New Square 185A, Third District City of New Orleans, Orleans Parish, Louisiana, by BFM Corporation LLC, a Professional Land Surveying Company, dated as of May 29, 2024 and recorded on August 8, 2024 at CIN 745005 and Instrument No. 2024-23829), and being more fully described as follows, to-wit:

Commencing at the intersection of the southern right-of-way line of Charters Street and the eastern right-of-way line of Poland Avenue, a 5/8" iron rod, the point of beginning, traverse along said right-of-way line of Poland Avenue North 13 degrees 59 minutes and 21 seconds East a distance of 628.36 feet to a 5/8" iron rod;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 72.52 feet to a 5/8" iron rod;

Thence North 13 degrees 59 minutes 21 seconds East a distance of 44.74 feet to a mag nail;

Thence South 76 degrees 00 minutes 39 seconds East a distance of 42.59 feet to a cross;

Thence along the southern right-of-way line of the New Orleans Public Belt Railroad North 57 degrees 34 minutes 35 seconds East a distance of 573.27 feet to a cross;

Thence South 74 degrees 20 minutes 39 seconds East a distance of 22.97 feet to a cross;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 414.56 feet to a cross;

Thence North 76 degrees 00 minutes 39 seconds West a distance of 25.44 feet to a mag nail;

Thence South 13 degrees 59 minutes 21 seconds West a distance of 743.77 feet to a 5/8" iron rod;

Thence North 75 degrees 43 minutes 07 seconds West a distance of 460.48 feet to a 5/8" iron rod;

Thence North 13 degrees 56 minutes 27 seconds East a distance of 15.81 feet to a 5/8" iron rod;

Thence North 76 degrees 03 minutes 33 seconds West a distance of 24.86 feet to the point of beginning.

Less and except Units A, B and C located on the 1st floor of Building 603, containing approximately 21,241 square feet, and (ii) Floors 1 and 2 of Building 602.

The NSAEB 603 Leased Premises specifically includes, without limitation: (i) Units D, E and F located on the 1st Floor of Building 603, containing approximately 35,221 square feet, (ii) all common areas located on the 1st floor of Building 603, consisting of approximately 15,565 square feet, (iii) Floors 2-6 of Building 603, (iv) Floors 3-6 of Building 602, and (iv) Building 625, identified as the Parking Garage Access Ramp.

TOGETHER WITH the servitude rights created by that certain Declaration of Covenants, Conditions and Restrictions recorded _____, at CIN _____ and Instrument No. _____ in the conveyance records of Orleans Parish, Louisiana.

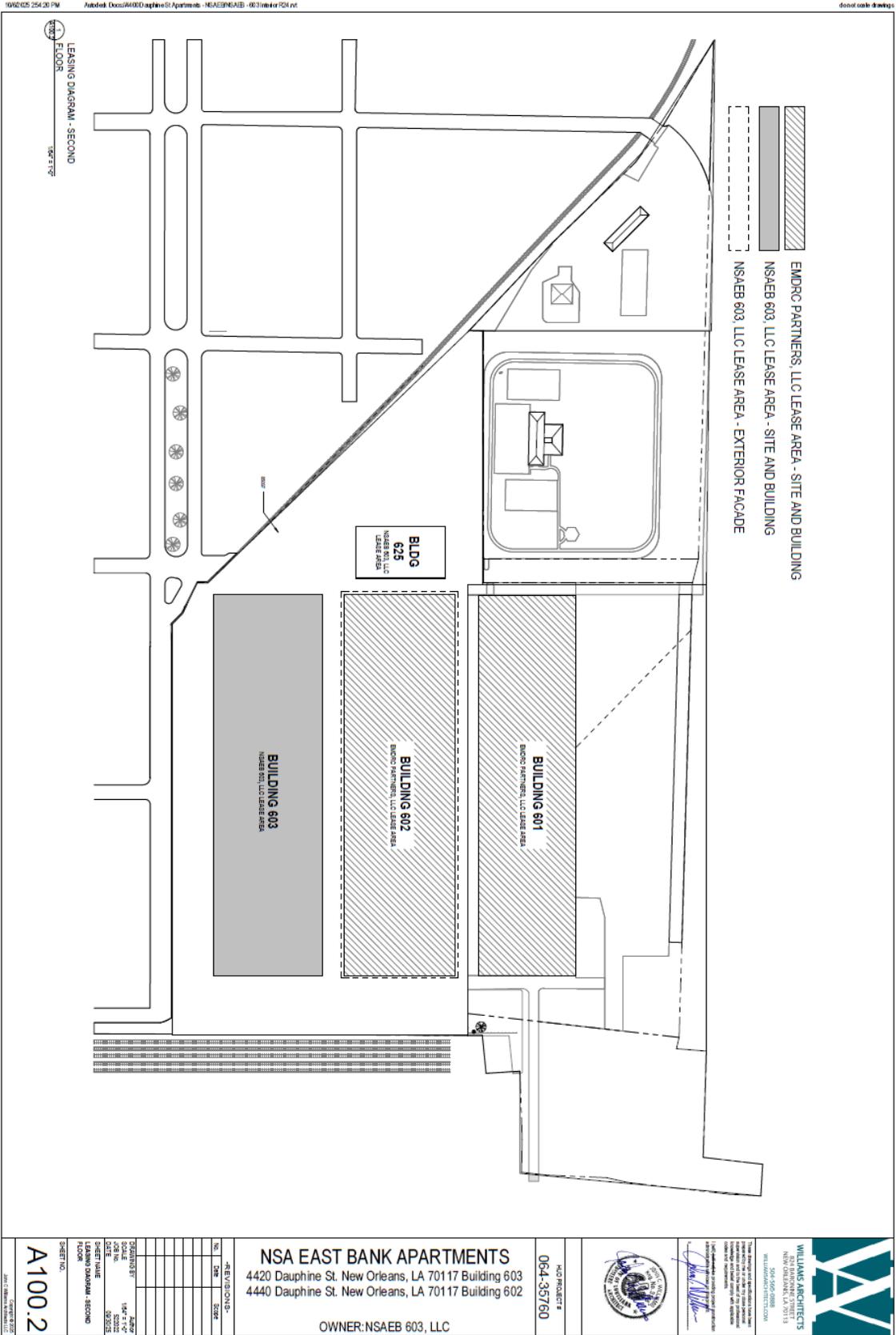


EXHIBIT B
PERMITTED ENCUMBRANCES

1. Agreement by and between New Orleans and Northeastern R.R. Co., and United States of America dated November 28, 1941, recorded at [COB 521, folio 8](#).
2. The rights of any state or local governmental authority as the administrator of a servitude for levee purposes, which servitude is for the purpose of construction and maintaining a levee sufficient for flood control protection.
3. Encroachment of Property onto New Orleans Public Belt Railroad of approximately 952.83 square feet as shown on the Resubdivision of Lots 1, 2, 3, 4, 5 and 6 of the former NSAEB, being all or part of Original Squares 35, 36, 37, 38, 126, 127, 128, 184, 185, 186, 235, and 236 into Lots 1A, 2A and 3A of New Square 185A, Third District, City of New Orleans, Orleans Parish, Louisiana, recorded as [CIN 745005 and Instrument No. 2024-23829](#) in the conveyance records of Orleans Parish, Louisiana.
4. Terms, conditions, obligations and servitudes created and/or reserved in the Act of Cash Sale by and between the United States of America and the City of New Orleans, including terms and conditions of all City Ordinances closing any portion of the property that was formerly a public street or right of way.
5. Declaration of Title Change by Subdivision and matters shown on that certain Resubdivision of Lots 1, 2, 3, 4, 5 and 6 of the former NSAEB, being all or part of Original Squares 35, 36, 37, 38, 126, 127, 128, 184, 185, 186, 235, and 236 into Lots 1A, 2A and 3A of New Square 185A, Third District, City of New Orleans, Orleans Parish, Louisiana, recorded as [CIN 745005 and Instrument No. 2024-23829](#) in the conveyance records of Orleans Parish, Louisiana.
6. Notarial Act of Correction and Deposit to Declaration of Title Change by Resubdivision relating to public access servitude locations dated and recorded September 26, 2025 at [CIN 760704 and Instrument No. 2025-32304](#) in the conveyance records of Orleans Parish, Louisiana.
7. Terms and conditions of that certain Former NSA East Bank Real Estate Ground Lease and Development Agreement by and between City of New Orleans and NSAEB 603, LLC, as evidenced by Notice of Lease recorded at CIN _____ and
8. IDA CDBG 2023 Regulatory Agreement of the Louisiana Housing Corporation by and between NSAEB 603, LLC and the Louisiana Housing Corporation.
9. Act of Conveyance of Immoveable Property between NSAEB 603, LLC and the Finance Authority of New Orleans.
10. Notice of Lease between NSAEB 603, LLC and Finance Authority of New Orleans.
11. Regulatory Agreement for Multifamily Projects between NSAEB 603, LLC and United States Department of Housing and Urban Development.
12. UCC-1 Financing Statement naming NSAEB 603, LLC, as debtor, and Walker & Dunlop, LLC, as secured party, and the Secretary of Housing and Urban Development, as an additional secured party.
13. Notice of Lease between NSAEB 603, LLC and NSAEB Historic Master Tenant LLC.
14. Consent to Master Lease and Ground Lessor Estoppel between NSAEB 603, LLC, City of New Orleans, NSAEB Historic Master Tenant LLC and Chase Community Equity, LLC.
15. Regulatory Agreement for Multifamily Projects between NSAEB Historic Master Tenant LLC and United States Department of Housing and Urban Development.
16. Regulatory Agreement for Multifamily Projects between NSAEB Retail Lessee LLC and United States Department of Housing and Urban Development.

17. Subordination Non-Disturbance and Attornment Agreement (HUD Loan) between Walker & Dunlop LLC, NSAEB 603, LLC, NSAEB Historic Master Tenant LLC and Chase Community Equity, LLC.
18. Subordination Non-Disturbance and Attornment Agreement between Louisiana Housing Corporation, NSAEB 603, LLC, NSAEB Historic Master Tenant LLC and CHASE COMMUNITY EQUITY, LLC.
19. Subordination Non-Disturbance and Attornment Agreement between The City Of New Orleans, NSAEB 603, LLC, NSAEB Historic Master Tenant LLC and CHASE COMMUNITY EQUITY, LLC.

EXHIBIT E

CITY OF NEW ORLEANS PROGRAM PROMISSORY NOTE

[COVER PAGE]

**CITY OF NEW ORLEANS
GO BOND FUNDS PROGRAM
SECURED PROMISSORY NOTE**

US \$2,500,000.00

Date: _____, 2025

FOR VALUE RECEIVED, the undersigned (“**Borrower**”) promises to pay to the order of **City of New Orleans** (the “**City**” or “**Lender**”) or any future holder, the principal sum of \$2,500,000.00, together with interest thereon accruing at the Interest Rate (defined below) on the unpaid principal balance from the date hereof until fully paid in accordance with the terms of this General Obligations Bonds Fund Program Promissory Note (this “**Note**”) and the Loan Agreement (defined below).

1. **Defined Terms.** In addition to the defined terms found elsewhere in this Note, as used herein, the following definitions shall apply. Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Loan Agreement.

(a) **Business Day:** Any day other than a Saturday, Sunday, or any other day on which Lender is not open for business.

(b) **Default Rate:** A rate of one percent (1%) per annum, simple interest.

(c) **Indebtedness:** the principal of, interest on, or any other amounts due at any time under the Loan (including that evidenced by this Note), the Loan Agreement, the Leasehold Mortgage or any other Loan Document, late charges, default interest, and advances to protect the security of the Leasehold Mortgage under the terms of the Leasehold Mortgage, reasonable attorney’s fees and court costs, and other fees and costs due and payable under the Loan Documents.

(d) **Interest Rate:** Prior to the occurrence of an Event of Default, the Interest Rate shall be Long Term AFR (applicable federal rate) 0.0% per annum and from and after the occurrence of an Event of Default, the principal amount shall bear interest at the Default Rate.

(e) **Lender:** The holder of this Note, including without limitation, initially, the City.

(f) **Loan:** General Obligations Bonds Funds Program Loan from the City to Borrower, as evidenced by this Note.

(g) **Loan Agreement:** The General Obligations Bonds Funds Program Loan between Borrower and the City dated the _____ day of _____, 2025 governing the terms and conditions of the Loan, as modified, amended, or supplemented from time to time in accordance with its terms.

(h) **Maturity Date:** the earliest to occur of (i) sale or refinancing of the Project not expressly permitted in the Loan Agreement; (ii) acceleration following an Event of Default under the Loan Documents that is not cured within any applicable grace or cure period; or (iii) 42 year and one month project term from completion (also known as the period of affordability).

(i) **Mortgage:** The Leasehold Mortgage, Pledge of Leases and Rents, and Security Agreement by the Borrower in favor of the City.

(j) **Property Jurisdiction:** the State of Louisiana.

2. **Address for Payment.** All payments due under this Note shall be payable to the order of the City at the Office of Community Development, 1340 Poydras Street, Suite 1000, New Orleans, LA 70112, or such other place as may be designated by written notice to Borrower from the City, or such other place as may be designated by written notice to Borrower from or on behalf of Lender.

3. **Payment of Principal and Interest.** Principal and interest shall be paid as follows:

(a) **Interest Computation.** Interest under this Note shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(b) **Annual Installments; Place of Payment.** All payments for the principal amount and accrued interest in full at the end of the 40 year affordability period. Payments shall be made in immediately available US funds to the order of the City at the Office of Community Development, 1340 Poydras Street, Suite 1000, New Orleans, LA 70112, or such other place as may be designated by written notice to Borrower from or on behalf of the City. The Borrower is permitted to make payment of all payment of principal and all accrued interest in full at the end of the 42-year period of affordability.

4. **Application of Payments.** If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security.** The Indebtedness is also evidenced by the Loan Agreement, and secured, among other things, by the Leasehold Mortgage, and reference is made to the Leasehold Mortgage for other rights of Lender concerning the collateral for the Indebtedness. All of the terms, covenants and conditions contained in the Loan Agreement, the Leasehold Mortgage and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

6. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest and all other amounts payable under this Note and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower. Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Late Charge.** If any amount payable under this Note or under the Leasehold Mortgage or any other Loan Document is not received by Lender within ten (10) days after the date such amount is due, counting from and including the date such amount is due, Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to five percent (5%) of such amount due. Borrower acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Paragraph represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late payment. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Paragraph 8.

8. **Default Rate.** From and after the date of an occurrence of an Event of Default, the principal amount of this Note shall bear interest at the Default Rate. Not in limitation of the foregoing, if the unpaid principal balance and all accrued interest are not paid in full upon demand after an Event of Default, the unpaid principal balance and all accrued interest shall bear interest from the date of demand at the Default Rate. Borrower agrees that the increase in the rate of interest payable under this Note to the Default Rate represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional costs and expenses Lender will incur by reason of the Borrower's

delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.

9. **Prepayments.** Borrower may prepay this Note in whole or in part with or without notice to Lender and without prepayment penalty.

10. **Costs and Expenses.** Borrower shall pay on demand all reasonable expenses and costs, including reasonable fees and out-of-pocket expenses of attorneys and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding.

11. **Forbearance.** Any forbearance by Lender in exercising any right or remedy under this Note, the Leasehold Mortgage, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower's obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

12. **Waivers.** Presentment, demand for payment, notice of nonpayment, notice of dishonor, notice of protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower, for and on behalf of itself and each Guarantor, and all endorsers and guarantors of this Note and all other third party obligors or others who may become liable for the payment of all or any part of the Indebtedness.

13. **Loan Charges.** Borrower agrees to pay an effective rate of interest equal to the sum of the interest rate provided for in this Note and any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the loan evidenced by this Note and any other fees or amounts to be paid by Borrower pursuant to any of the other Loan Documents. Neither this Note nor any of the other Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest rate permitted to be charged under applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower in connection with the Loan is interpreted so that any interest or other charge provided for in any Loan Document, whether considered separately or together with other charges provided for in any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, shall be deemed to be allocated and spread ratably over the term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the term of the Note.

14. **Commercial Purpose.** Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for agricultural, personal, family, or household purposes.

15. **Counting of Days.** Except where otherwise specifically provided, any reference in this Note to a period of “days” means calendar days, not Business Days.

16. **Governing Law.** This Note shall be governed by the law of the Property Jurisdiction.

17. **Captions.** The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

18. **Notices.** All notices, demands, and other communications required or permitted to be given by Lender to Borrower pursuant to this Note shall be given in accordance with the notice section of the Loan Agreement.

19. **Consent to Jurisdiction and Venue.** Borrower and each Guarantor each agree that any controversy arising under or in relation to this Note shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower and each Guarantor each irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waive any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

20. **Solidary Liability.** If more than one person or entity executes this note as borrower, the obligations and liabilities of each such person and entity hereunder shall be solidary and in solido.

21. **Receipt of Loan Documents.** Borrower acknowledges receipt of a copy of each of the Loan Documents.

22. **Non-Recourse Language.** Neither Borrower nor any officer, employee, member or partner of Borrower shall be personally liable for the payment of the indebtedness evidenced by this Note, the Leasehold Mortgage, the Loan Agreement or any other loan documents, and any judgment or decree in any action brought to enforce the obligation of Borrower to pay the indebtedness will be enforceable against Borrower and the officers, employees or partners of Borrower, if any, only to the extent of Borrower’s interest in the Property and any improvements thereon or any other collateral pledged, encumbered, or otherwise covered by the loan documents. Any judgment or decree will not be subject to execution, or be a lien, on the assets of the Borrower and the partners in Borrower, if any, other than Borrower’s interest in the Project and any other collateral pledged, encumbered, or otherwise covered by the loan documents

23. **Right to Cure.** Notwithstanding anything to the contrary contained in this Note or the Leasehold Mortgage being secured hereby, Borrower’s Investor Member shall have the right, but not the obligation, to cure defaults of Borrower.

24. **Restrictions.** So long as the Secretary of Housing and Urban Development or his/her successors or assigns, are the insurers or holders of the first mortgage on NSA East Bank Apartments, HUD Project No. 064-35760, the total payment(s) due under this Note, and all other secondary debt instruments shall be payable and shall not cumulatively exceed 75% of available surplus cash. Non-project sources that are outside the Mortgaged Property may also be used to repay subordinate financing. The term surplus cash is defined in the Regulatory Agreement dated December 1, 2025, to be effective December 10, 2025, between HUD and NSAEB 603, LLC. The restriction on payment(s) imposed by this paragraph shall not excuse any default caused by the failure of the maker to pay the indebtedness evidenced by this Note.

25. **HUD Provisions.** Certain HUD provisions are attached as a Rider hereto and incorporated herein by this reference.

[END OF DOCUMENT - SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, Borrower has signed and delivered this Note or has caused this Note to be signed and delivered by its duly authorized representative.

BORROWER

NSAEB 603, LLC, a Louisiana limited liability company

By: NSAEB 603 Member, LLC,
a Louisiana limited liability company
its sole member

By: NSA East Bank Apartments MM LLC,
a Delaware limited liability company,
its managing member

By: NSA East Bank JV LLC,
a Delaware limited liability company,
its sole member

By: Lincoln Avenue Capital Management, LLC,
a Delaware limited liability company,
its manager

By: _____

Name: Russell Condas

Title: Vice President

HUD RIDER

As long as HUD is the insurer or holder of the Senior Note (as such term and other capitalized terms are defined in the form Subordination Agreement, HUD-92420M) on FHA Project No. 064-35760, the following provisions (“HUD Provisions”) shall be in full force and effect:

(1) any payments due under the Subordinate Note shall be payable only (i) from Surplus Cash of the Project; but in no event greater than seventy-five percent (75%) of the total amount of Surplus Cash; or (ii) from monies received from Non-Project Sources. In no event may payments due under all subordinate debt of Maker cumulatively exceed 75% of available Surplus Cash. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the Borrower to pay the indebtedness evidenced by the Subordinate Note;

(2) no prepayment of the Subordinate Note shall be made until after final endorsement by HUD of the Senior Note, unless such prepayment is made from Non-Project Sources and is approved in writing by HUD.

(3) this Subordinate Note is non-negotiable and may not be sold, transferred, assigned, or pledged by the Subordinate Lender except with the prior written approval of HUD;

(4) interest on the Subordinate Note shall not be compounded as long as HUD is the insurer or holder of the Note secured by the Security Instrument;

(5) Maker hereby waives presentment, demand, protest and notice of demand, protest and nonpayment of this Subordinate Note;

(6) the terms and provisions of this Subordinate Note are also for the benefit of and are enforceable by HUD against any party hereto, their successors and assigns. This Subordinate Note may not be modified or amended without the written consent of HUD; and

(7) in the event of any conflict between the terms of the Subordinate Note and the HUD Provisions, the terms of the HUD Provisions shall control.

Name Lichelle Adams Ext. 84241
Person responsible for routing

**CHECK SHEET TO BE USED FOR
CLEARING ORDINANCES, MOTIONS, AND RESOLUTIONS
BEFORE SUBMISSION TO COUNCIL CLERK**

The originating agency shall attach a copy of each proposed ordinance, motion, or resolution to the check sheet for processing in the sequence indicated after preparing a synopsis. The detailed memorandum of explanation shall also be attached to this check sheet.

SYNOPSIS OF DOCUMENT: Office of Housing Policy and Community Development has submitted
the Legislative Summary, Contract Summary Form, Proposed Contract Letter, Motion, Original Loan
Agreement Contract, Regulatory Agreement and Attachments, Mortgage, and Note, and HUD
Subordination Agreement and Subordination Standstill Agreement.

- 1. [Signature]
Department Head
- 2. [Signature]
Department of Law
- 3. [Signature]
Chief Administrative Officer
- 4. [Signature]
Director of Council Relations
- 5. _____
Initials of Sponsoring Council Member

COUNCIL ACTION

Council Members Present: _____

Absent: _____

AMENDMENTS:

FINAL ADOPTION:

_____ MOVED: _____
 _____ 2ND: _____
 _____ YEAS: _____
 _____ NAYS: _____
 _____ ABSENT: _____
 _____ RECUSED: _____

7. _____
Reviewed by the Chief Administrative Officer after adoption by the City Council and prior to the Mayor's signature.



LEGISLATIVE SUMMARY

TO ACCOMPANY MOTIONS

BEFORE SUBMISSION TO CLERK OF COUNCIL

Requesting Department or Agency: _____

Name of Contact Person: _____

Telephone Number: _____

Email Address: _____

Initials of Sponsoring Councilmember(s): _____

DETAILED SYNOPSIS OF THE MOTION

Please generally describe the purpose, intent, and effect of the proposed motion.

If the Motion is to appoint an individual to a City Board or Commission, please follow the procedures set forth in Rule 15 of the Council Rules and Regulations.

REQUESTED ADOPTION DATE: _____