

**MULTIFAMILY RESTORATION LOAN FUNDING PROGRAM  
PROMISSORY NOTE**

\_\_\_\_\_, 201\_\_

US \$ \_\_\_\_\_

**FOR VALUE RECEIVED**, the undersigned (“**Borrower**”) SOLIDARILY (if more than one) promises to pay to the order of the **LOUISIANA HOUSING CORPORATION** (“**LHC**”) or any future holder, the principal sum of \_\_\_\_\_ and 00/100 Dollars (US \$ \_\_\_\_\_), 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 Multifamily Restoration Loan Promissory Note (this “**MRLF Note**”) and the MRLF Loan Agreement (defined below).

1. **Defined Terms.** In addition to the defined terms found elsewhere in this MRLF 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 MRLF 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 ten percent (10%) per annum, compounded monthly.

(c) **Guarantor:** a person or entity, acceptable to LHC, which has an economic interest in Borrower or which will otherwise obtain a material financial benefit from the Loan, and which agrees to guaranty certain obligations of Borrower under this MRLF Note, including \_\_\_\_\_ and \_\_\_\_\_, and its approved successors and assigns.

(d) **Indebtedness:** the principal of, interest on, or any other amounts due at any time under the Loan (including that evidenced by this MRLF Note), the MRLF Loan Agreement, the MRLF Mortgage or any other MRLF Loan Document, late charges, default interest, and advances to protect the security of the MRLF Mortgage under the terms of the MRLF Mortgage, reasonable attorney’s fees and court costs, and other fees and costs due and payable under the Loan Documents.

(e) **Interest Rate:** Prior to the occurrence of an Event of Default, the Interest Rate shall be zero percent (0%) per annum and from and after the occurrence of an Event of Default, the principal amount shall bear interest at the Default Rate.

(f) **Lender:** The LHC as the holder of this MRLF Note, including without limitation, the LHC’s successors and assigns.

(g) **Loan:** the Multifamily Restoration Loan from LHC to Borrower, as evidenced by this MRLF Note.

(h) **Maturity Date:** the earliest to occur of (i) the Compliance Period; (ii) acceleration following an Event of Default under the Loan Documents that is not cured within any applicable grace or cure period; or \_\_\_\_\_ 1, 20\_\_.

(i) **MRLF Loan Agreement:** The MRLF Loan Agreement between Borrower and LHC dated of even date herewith governing the terms and conditions of the Loan, as modified, amended, or supplemented from time to time in accordance with its terms.

(j) **Property Jurisdiction:** the State of Louisiana.

2. **Address for Payment.** All payments due under this MRLF Note shall be payable at Louisiana Housing Corporation, 2415 Quail Drive, Baton Rouge, LA 70808, Attention: \_\_\_\_\_, 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 MRLF Note shall be computed on the basis of a 360 day year consisting of twelve 30-day months.

(b) **Payment at Maturity - No Annual Installments.** The Loan shall be repaid on the Maturity Date at Louisiana Housing Corporation, 2415 Quail Drive, Baton Rouge, LA 70808, Attention: \_\_\_\_\_, or such other place as may be designated by written notice to Borrower from or on behalf of Lender.

(c) **Maturity.** The Loan shall mature on the earliest to occur of (i) sale or refinancing of the Project not expressly permitted by Section 2.2 below; (ii) acceleration following an Event of Default under the Loan Documents that is not cured within any applicable grace or cure period; or (iii) \_\_\_\_\_ 1, 20\_\_ (the “**Maturity Date**”).

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 MRLF Loan Agreement, and secured, among other things, by the MRLF Mortgage and MRLF Regulatory Agreement, and reference is made to the MRLF Mortgage for other rights of Lender concerning the collateral for the Indebtedness. All of the terms, covenants and conditions contained in the MRLF Loan Agreement, the MRLF Mortgage, the MRLF Regulatory Agreement, and the other MRLF Loan Documents are hereby made part of this MRLF 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 MRLF Note and the MRLF Loan Agreement, the terms and provisions of the MRLF 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 MRLF Note and any other MRLF 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 MRLF Note or under the MRLF Mortgage or any other MRLF 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 MRLF 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 MRLF 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 MRLF Note to the Default Rate represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this MRLF 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. **Limits on Personal Liability.** The provisions of Section 3.1 of the Loan Agreement are hereby incorporated by reference into this MRLF Note to the same extent and with the same force as if fully set forth herein.

10. **Prepayments.** Borrower may prepay this MRLF Note in whole or in part with or without notice to Lender and without prepayment penalty. **Notwithstanding such prepayment, it is specifically understood and agreed by Borrower that the MRLF Regulatory Agreement will not be terminated upon a pre-payment of this MRLF Note by Borrower if there has been noncompliance by the Borrower or the Project with the requirements stipulated in MRLF Regulatory Agreement and the other MRLF Loan Documents during the Compliance Period as determined in the sole and absolute discretion of Lender.**

11. **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 MRLF Note or in connection with efforts to collect any amount due under this MRLF Note, or to enforce the provisions of any of the other MRLF 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.

12. **Forbearance.** Any forbearance by Lender in exercising any right or remedy under this MRLF Note, the MRLF Mortgage, or any other MRLF 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 MRLF 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.

13. **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 MRLF Note and all other third party obligors or others who may become liable for the payment of all or any part of the Indebtedness.

14. **Loan Charges.** Borrower agrees to pay an effective rate of interest equal to the sum of the interest rate provided for in this MRLF 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 MRLF Note and any other fees or amounts to be paid by Borrower pursuant to any of the other MRLF Loan Documents. Neither this MRLF Note nor any of the other MRLF 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 MRLF Loan Document, whether considered separately or together with other charges provided for in any other MRLF 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 MRLF 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 MRLF Note.

15. **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.

16. **Counting of Days.** Except where otherwise specifically provided, any reference in this MRLF Note to a period of “days” means calendar days, not Business Days.

17. **Governing Law.** This MRLF Note shall be governed by the law of the Property Jurisdiction.

18. **Captions.** The captions of the paragraphs of this MRLF Note are for convenience only and shall be disregarded in construing this MRLF Note.

19. **Notices.** All notices, demands and other communications required or permitted to be given by Lender to Borrower pursuant to this MRLF Note shall be given in accordance with the notice section of the Loan Agreement.

20. **Consent to Jurisdiction and Venue.** Borrower and each Guarantor each agree that any controversy arising under or in relation to this MRLF 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 MRLF 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.

21. **WAIVER OF TRIAL BY JURY.** BORROWER, EACH GUARANTOR AND LENDER EACH (A) AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS MRLF NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS LENDER, GUARANTORS AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS MRLF NOTE OR IN ANY OTHER LOAN DOCUMENT IS TO BE CONSTRUED AS WAIVING THE STATE'S RIGHT TO PLEAD SOVEREIGN IMMUNITY UNDER THE LAWS AND THE CONSTITUTION OF THE STATE OF LOUISIANA AND THE UNITED STATES OF AMERICA.

22. **SOLIDARY LIABILITY.** IF MORE THAN ONE PERSON OR ENTITY EXECUTES THIS MRLF NOTE AS BORROWER, THE OBLIGATIONS AND LIABILITIES OF EACH SUCH PERSON AND ENTITY HEREUNDER SHALL BE SOLIDARY AND IN SOLIDO.

23. **Receipt of Loan Documents.** Borrower acknowledges receipt of a copy of each of the Loan Documents.

[Remainder of Page Intentionally Blank – Signature page follow]

**IN WITNESS WHEREOF**, Borrower has signed and delivered this MRLF Note or has caused this MRLF Note to be signed and delivered by its duly authorized representative.

**[BORROWER]**

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