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# Louisiana Housing Finance Agency



## Legal Department

Christine Bratkowski

Keith Cunningham

Leslie Strahan

May 22, 2008

## Table of Contents

Memorandum to Commissioners .....	3
Final Agenda.....	4
Godfrey Contract.....	5
Legislative Update.....	18
Louisiana Board of Ethics Advisory Opinion.....	22
Minutes from January 9, 2008 Committee Meeting.....	23

## MEMORANDUM

**To:** Commissioner Allison Jones, Chairman  
Commissioner Mark Madderra  
Commissioner Lisa Woodruff-White  
Commissioner Adell Brown, Jr.  
Commissioner Guy Williams

**From:** Christine Bratkowski, Keith Cunningham and Leslie Strahan, Legal Department

**Date:** May 15, 2008

**Re:** Legal Committee

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There will be a Legal Committee meeting, Thursday, May 22, 2008, at 10:30 a.m. in Committee Room 1 at Louisiana Housing Finance Agency, located at 2415 Quail Drive, Baton Rouge, LA.

If you have any questions or concerns, please contact us.

May 22, 2008

### **LEGAL COMMITTEE MEETING**

A regular meeting of the Louisiana Housing Finance Agency Legal Committee will be held on Thursday, May 22, 2008, at 10:30 a.m., Louisiana Housing Finance Agency, Committee Room 1, located at 2415 Quail Drive, Baton Rouge, LA, by order of the Chairman.

#### **Final Agenda**

1. Call to order, roll call and introduction of guests
2. Approval of the minutes of January 9, 2008 Committee Meeting
3. Discussion of the Godfrey Contract
4. Legislative Update
5. Louisiana Board of Ethics Advisory Opinion
6. Other Business
7. Adjournment

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Milton J. Bailey, President

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter Executive Session, and by this notice, the Agency reserves its right to go into Executive Session as provided by law.

STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE

CONTRACT FOR PROFESSIONAL LEGAL SERVICES  
BETWEEN THE LOUISIANA HOUSING FINANCE AGENCY AND  
THE GODFREY FIRM, PLC.

**I. Parties to the Contract**

**BE IT KNOWN THAT**, this Contract for Professional Legal Services (the “Contract”) between the Louisiana Housing Finance Agency (the “Agency”) and The Godfrey Firm, PLC. (“Godfrey”) is entered into by and between the Agency, a public body corporate and politic constituting a political subdivision and instrumentality of the State of Louisiana with its principal place of business located at 2415 Quail Drive, Baton Rouge, LA 70808 **as authorized by resolution of its Board of Commissioners adopted on June 9, 2004** and Godfrey whose address is 2500 Energy Centre, 1100 Poydras Street, New Orleans, Louisiana 70163-2500. This Contract constitutes shall be effective as of April 9, 2008.

**II. Contract for Co-bond Counsel Services Single Family Mortgage Programs**

The Agency desires the services of Godfrey as co-bond counsel (“Co-bond Counsel”) to assist in the implementation and compliance of its Single Family Programs. Godfrey hereby agrees to furnish the following described services as Co-bond Counsel in connection with each issuance of bonds including, but not necessarily limited to cooperating with Bond Counsel so as to jointly:

1. Prepare the Trust Indenture relating to each series of bonds, which document may be in the form of a Series Supplement for bonds issued on a parity basis under a master indenture, or in the form of a separate, stand-alone “closed” indenture.
2. Prepare the applicable “Authorizing Resolutions” for consideration and adoption by the LHFA Board to authorize the financing team to go forward with the implementation of a particular proposed bond transaction by taking such actions as, among others, (i) preparing and/or distributing the related Disclosure Document, (ii) preparing and/or distributing program documents to prospective program participants, (iii) approving certain program parameters, (iv) approving program participants, etc.
3. Prepare and submit the application to the State Bond Commission for approval of each LHFA bond issue. Respond to inquiries from Bond Commission staff regarding pending applications. Attend each meeting of the Bond Commission to explain details of the proposed transaction and to respond to questions from the Commission members.
4. Review and comment on any documents prepared by other members of the Agency’s bond financing team relating to each bond issue, including, among others, the bond purchase agreement, program agreements, loan documents, regulatory agreements, disclosure document, continuing disclosure agreement,

investment agreement bid specifications and bid procedures, investment agreement, etc.

5. Prepare the Bond Resolution for consideration and adoption by the LHFA Board to (i) authorize the execution of the bond purchase agreement relating to each series of bonds to be issued, (ii) authorize the execution of other documents required for closing, (iii) approve the final form of the related disclosure document, and (iv) generally authorize actions which must be taken incident to issuing the bonds.
6. Prepare the Index of Closing Documents to identify each legal opinion, certificate or other document required to be delivered and executed incident to issuing the bonds, as well as the individual or firm responsible for providing each such document.
7. Provide required legal opinion relating to the tax-exempt status of LHFA bonds under applicable State and Federal Law, as well as legal opinions attesting to the valid issuance of bonds under applicable State law.
8. Serve as a source of legal advice and assistance to the Agency on matters of State law relating to the Agency's bond financing activities generally, and in that capacity, represent the Agency before the State Bond Commission when requested.
9. Prepare all closing transcript items customarily prepared by bond counsel or as otherwise assigned to Co-bond Counsel under the Index of Closing Documents.
10. Assemble all closing transcript items and arrange for preparation of bond transcripts for distribution to each member of the Agency's bond financing team within 90-days following the applicable closing date.
11. Provide specialized legal advice regarding the IRS Code as it applies to the Agency's bond financing activities and the Programs or projects funded with the proceeds of bonds (particularly with respect to the structure of proposed new issues of bonds, the integration of bond proceeds with Agency funds, HOME funds, or other external funds, and the structure and operation of the new programs relating to such bonds).
12. Prescribe the detailed procedures to be followed by the Agency's Senior Managing Underwriter, or computer services company in calculating the Bond Yield and the Mortgage Yield associated with each new issue of bonds and each new bond-financed loan program.
13. Review the Bond/Mortgage Yield calculations for each new issue of bonds for the purpose of determining the extent to which such calculations may be relied upon in preparing the Arbitrage Certificate for such bonds.

14. Prepare the Arbitrage Certificate relating to each new issue of bonds and deliver such Certificate prior to closing.
15. Provide required tax opinions evidencing compliance of each new issue of bonds with applicable provisions of the IRS Code, as well as the adequacy of Program documents and operating procedures/policies of the Agency to reasonably assure compliance with such Code provisions.
16. Serve as a source of legal advice and assistance to the Agency on matters of State and Federal securities laws and regulations, including particularly the mandatory disclosure standards promulgated by the SEC, as such laws and regulations relate to or affect the Agency's bond financing activities.
17. Provide required legal opinions, in form and substance acceptable to other members of the Agency's bond financing team, relating to the adequacy of disclosure of certain information in the applicable Disclosure Documents including the summary of the bond indenture and summaries of other documents prepared by Co-bond Counsel.
18. With respect to the Agency's single family draw down program, Co-Bond Counsel will work in conjunction with the Agency's lead bond counsel ("Bond Counsel") in the preparation of bond documents, the initial closing, transcripts and tax opinion, only. Co-bond Counsel will not be responsible for preparing, maintaining and monitoring monthly draws, transcripts and related professional work regarding the Draw Down Program. However Co-bond Counsel will have access and utilize the records created and maintained by Bond Counsel regarding mortgage loan payments on prior bonds of the Agency, monthly draws and such other materials and records as are necessary to prepare the required tax analysis, opinions and non-arbitrage certificates.
19. Provide other related services as may reasonably be requested by the Agency from time to time to fulfill the objective of the Agency's Single Family Home Ownership Program of:
  - (A) Using the lendable proceeds of each issue of single family MRBs to fund a mix of (a) traditional Low Rate Program Loans with origination fees and discounts to the borrower in the range of 1.00-1.50%, (b) Assisted Program Loans which have a higher rate, but which provide the borrower with down payment and closing cost assistance payments equal to 4% of mortgage loan principal, (c) HOME-Assisted Program Loans which offer both a low interest rate and down payment/closing cost assistance in the range of 4.50% to 9% of the mortgage amount and, (d) taxable programs, special initiatives and other programs to promote home ownership to low to moderate income citizens of the State as approved and recommended by its staff and Board of Commissioners. LHFA intends to continue funding in single family home ownership loan programs by issuing bonds rated

‘AAA’ by Moody’s or other national rating agencies, based on a pledge of program loan pools securitized by GNMA, FNMA or FHLMC.

- (B) With respect to any particular proposed series of bonds, LHFA’s objective is to structure the bonds and execute the bond sale in such a way as to minimize transaction costs and interest rates in order to be able to offer the most affordable mortgage loan interest rates and terms to first time homebuyers while utilizing most, if not all, of the 1.125% interest rate spread available to the Agency under the IRS 143(g)(2).
- (C) Also, with respect to any particular proposed series of bonds, LHFA’s objective is to structure the transaction in such a way as to maximize recovery of its up-front funding requirements (paid at closing) by the end of the MBS delivery/purchase period unless it is clearly demonstrated that, by leaving funds under the lien of the related trust indenture, there is a materially greater economic benefit to the LHFA (as measured by the Net Present Value of future administrative fees, distributable cash and residuals vs. up-front cash funding requirements).
- (D) It is the goal of the Agency to increase home ownership in rural areas of the State through the creation of new and innovative programs. In order to be the most effective in its use of funds, the Agency desires to reduce and/or minimize negative arbitrage in its Programs.

### **III. Contract for Services Multi-Family Financings**

#### **ALTERNATIVE 1 – Co-Bond Counsel:**

The Agency desires the services of Godfrey as co-bond counsel (“Co-bond Counsel”) to assist in the implementation and compliance of its Multi-Family Programs including serving as Co-bond Counsel with respect to all its multi-family bond issues, except as otherwise provided herein. Godfrey hereby agrees to furnish the following described services as Co-bond Counsel in connection with each issuance of Multi-Family bonds including, but not necessarily limited to cooperating with Bond Counsel so as to jointly:

1. Prepare the Trust Indenture relating to each series of bonds.
2. Prepare the applicable “Authorizing Resolutions” for consideration and adoption by the LHFA Board to authorize the implementation of a particular proposed multi-family bond transaction by taking such actions as, among others, (i) preparing and/or distributing the related Disclosure Document, (ii) preparing and/or distributing multi-family documents.
3. Prepare and submit the application to the State Bond Commission for approval of each multi-family bond issue. Respond to inquiries from Bond Commission staff regarding pending applications. Attend each meeting of the Bond Commission to explain details of the proposed transaction and to respond to questions from the Commission members.

4. Review and comment on any documents prepared by other members of the Agency's multi-family bond financing team relating to each multi-family bond issue, including, among others, the bond purchase agreement, related agreements, loan agreements, regulatory agreements, disclosure document, disclosure agreement, etc.
5. Prepare the Bond Resolution for consideration and adoption by the LHFA Board to (i) authorize the execution of the bond purchase agreement relating to each series of multi-family bonds to be issued, (ii) authorize the execution of other documents required for closing, (iii) approve the final form of the related disclosure document, and (iv) generally authorize actions which must be taken incident to issuing multi-family bonds and related documents.
6. Prepare the Index of Closing Documents to identify each legal opinion, certificate or other document required to be delivered and executed incident to issuing multi-family bonds, as well as the individual or firm responsible for providing each such document.
7. Provide required legal opinion relating to the tax-exempt status of LHFA multi-family bonds under applicable State and Federal Law, as well as legal opinions attesting to the valid issuance of bonds under applicable State law.
8. Serve as a source of legal advice and assistance to the Agency on matters of State law relating to the Agency's multi-family bond financing activities generally, and in that capacity, represent the Agency before the State Bond Commission when requested.
9. Prepare all closing transcript items customarily prepared by bond counsel or as otherwise assigned to Co-bond Counsel under the Index of multi-family Closing Documents.
10. Assemble all closing transcript items and arrange for preparation of bond transcripts for distribution to each member of the Agency's multi-family bond financing team within 90-days following the applicable closing date.
11. Provide specialized legal advice regarding the IRS Code as it applies to the Agency's multi-family bond financing activities and the Programs or projects funded with the proceeds of multi-family bonds.
12. Prepare the Arbitrage Certificate relating to each issue of multi-family bonds and deliver such Certificate prior to closing.
13. Provide required tax opinions evidencing compliance of each new issue of multi-family bonds with applicable provision of the IRS Code, as well as the adequacy of related documents and operating procedures/policies of the Agency to reasonably assure compliance with such Code provisions.

14. Serve as a source of legal advice and assistance to the Agency on matters of State and Federal securities laws and regulations, including particularly the mandatory disclosure standards promulgated by the SEC, as such laws and regulations relate to or affect the Agency's multi-family bond financing activities.

With respect to multi-family bond issues of the Agency, where the President expressly directs in writing that Godfrey shall serve as "Issuer Counsel" as provided in Alternative 2 herein below, Godfrey shall serve as Issuer's Counsel rather than as Co-bond Counsel.

**ALTERNATIVE 2 - Issuer's Counsel Services:**

In those instances where the President of the Agency expressly directs in writing that Godfrey serve as Issuer's Counsel rather than Co-bond Counsel with respect to the issuance by the Agency of tax-exempt and/or taxable debt to finance multi-family housing projects for the Agency's own purposes or as a conduit for the benefit of private and non-profit third party developers (the "Multi-Family Program"), the Agency shall retain the services of Godfrey to serve as the Agency's issuer's counsel (the "Issuer Counsel.") In such instances, Godfrey hereby agrees to furnish the following described services in connection with its serving as Issuer's Counsel for each issuance of bonds relating to the Multi-Family Program, including, but not necessarily limited to:

1. Review all resolutions of the Agency prepared by others to assure that they comply with State Law and the By-Laws and other regulations of the Agency.
2. Review and comment on the Trust Indenture, other bond, security documents and transcript items, prepared by other counsel and members of the financing team relating to each series of multi-family bonds for the purposes of protecting the interests of the Agency.
3. Taking such actions as, among others, (i) reviewing the related Disclosure Document and in those instances when requested by the Agency preparing and/or distributing the related Disclosure Document, upon terms to be separately negotiated, (ii) reviewing all program documents relating to prospective program participants, (iii) approving certain program parameters, and (iv) approving program participants.
4. Review the application to the State Bond Commission for approval of each Agency multi-family issue. Respond to inquiries from Bond Commission staff regarding pending applications not addressed to Bond Counsel. Attend each meeting of the Bond Commission to assist the Agency Staff and Bond Counsel explains details of the proposed transaction and to respond to questions from the Commission members.
5. Review all opinions to be given by all other counsel for the purposes of protecting the interests of the Agency.
6. Provide the customary Issuer's Counsel opinion substantially to the effect that (i) the Agency is an Agency or political subdivision of the State, duly organized and

validly existing under the laws of the State, with the power to executed and perform its obligations under the documents and agreements to which it is a party (the "Agency Documents"), (ii) Each member and officer of the governing body of the Agency identified in the Agency's incumbency certificate delivered at closing has been duly appointed or elected pursuant to the laws of the State and is duly qualified to serve, (iii) the proceedings of the Agency approving and authorizing execution and delivery of the Agency Documents and authorizing the use of the Preliminary Official Statement and the Official Statement, were duly adopted at meetings of the Agency which were called and held pursuant to law and with the public notice required by law at which a quorum was present and acting throughout, and comply in all respect with the procedural rules of the Agency and the procedural requirements of Louisiana law and remain in full force and effect, on the date of such opinion, (iv) the Agency Documents constituting valid and legally authorized obligations of the Agency but with respect to the enforceable thereof in accordance with their terms, we refer you to the opinion of Bond Counsel of even date herewith, (iv) to the best of our knowledge and based upon the certifications of the Agency, the execution and delivery of, and compliance with the terms and provisions of the Agency Documents will not conflict with, violate or constitute a breach of or default under any provision of the Agency's By-Laws, or any indenture, contract, mortgage, deed of trust, agreement or other instrument to which the Agency is a party or by which it or its properties are bound, any order, judgment or decree of any court, to which the Agency is subject, or any rules, regulations, or ordinances of any government or governmental body having jurisdiction over the Agency or any of its properties, (v) To the best of our knowledge and based upon the certifications of the Agency, the execution and delivery of, and compliance with the terms and provisions of the Agency Documents will not conflict with, violate or constitute a breach of or default under any provision of the Agency's By-Laws, or any indenture, contract, mortgage, deed of trust, agreement or other instrument to which the Agency is a party or by which it or its properties are bound, any order, judgment or decree of any court, to which the Agency is subject, or any rules, regulations, or ordinances of any government or governmental body having jurisdiction over the Agency or any of its properties and (vi) to the best of our knowledge and based upon the certifications of the Agency, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the best of our knowledge, threatened in any way affecting the existence or powers of the Agency or its governing body or the titles of its officers to their respective offices, or seeking to prohibit, restrain or enjoin the execution and delivery of the Agency Documents, the application of the proceeds thereof in accordance with the Agency Documents, or in any way contesting or affecting the validity or enforceability of the Agency Documents, or any action of the Agency contemplated by any of said documents, the Agency's proceedings, or contesting in any way the powers of the Agency to execute and deliver the Agency Documents.

7. Serve as a source of legal advice and assistance to the Agency on matters of State and Federal securities laws and regulations, including particularly the mandatory disclosure standards promulgated by the SEC, as such laws and regulations relate to or affect the Agency's bond financing activities.

#### **IV. Payment Terms**

The Godfrey Firm shall be compensated for its services with respect to the Agency's programs in accordance with the provisions of this section.

(A) **Single Family Program Co-bond Counsel Services.** In consideration of the Co-bond Counsel services described above relating to the Single Family Program, the Agency agrees to pay Co-bond Counsel (based upon a 75%-25% split between Bond Counsel and Co-bond Counsel) (i) the maximum amount allowed as determined by the Attorney General's Fee schedule for comprehensive legal and coordinate professional work with respect to the issuance of Mortgage Revenue Bonds for the purpose of generating mortgage loans in its Single Family Programs, and (ii) with respect to services not involving the issuance of bonds upon such basis as shall be agreed from time to time in regards to its Programs. Services to be performed under the Attorney General's fee schedule includes, but is not limited to, the preparation of bond documents and tax opinions with respect to new money issue of fixed rate MRB's, tranches, new money COB's and Remarketing or Refunding new money COB's. Maximum out-of-pocket expenses per bond issue without multiple programs and without refunding components cannot exceed \$2,500.00.

In reference to the Draw Down Program, the 75%-25% split applies to the fees for the Initial Closing/Tax Opinion, initial transcripts and documented expenses for items related thereto and further with respect to all other fees paid to any counsel with respect to other legal services provided with respect to the Draw Down Program such as maintenance of records regarding identification of the payments and prepayments recycled from refunded bonds.

Co-bond Counsel will submit at the end of each Program Issue, an itemization of out of pocket expenses correlated to specific work performed. It is understood that should Co-bond Counsel fail to submit such itemization within thirty (30) days following the end of each Program Issue, the Agency shall not be responsible for payment under this contract or in quantum merit.

(B) **Multi-Family Program Legal Services.**

#### **ALTERNATIVE 1 - Co-Bond Counsel Services:**

In consideration of the Co-bond Counsel services described above relating to the Multi-Family Program, the Agency agrees to pay Co-bond Counsel (based upon a 75%-25% split between Bond Counsel and Co-bond Counsel) (i) the maximum amount allowed as determined by the Attorney General's Fee schedule for comprehensive legal and coordinate professional work with respect to the issuance of Multi-Family Revenue Bonds, and (ii) with respect to services not involving the issuance of bonds upon such basis as shall be agreed from time to time in regards to its Multi-Family Programs. Maximum out-of-pocket expenses per multi-family bond issue

and without refunding components cannot exceed \$2,500.00 without prior approval of the Agency.

**ALTERNATIVE 2:**

For its services as Issuer’s Counsel, Godfrey will be compensated by a fee equal to .25% (.0025) of the original principal amount of each issue of Multi-Family bonds, not to exceed the amount of \$10,000 plus itemized out of pocket expenses not to exceed \$1,500.

(C) Other Programs. For its services as the Agencies Co-Counsel with respect to all other Programs of the Issuer including without limitation, multi-family housing tax credits, Godfrey will be compensated on an hourly rate basis at the following rates for the individual attorneys working on any specific legal matter:

Attorneys with more than 10 years experience	\$225 per hour
Attorneys with more than 5 but less than 10 years experience	\$175 per hour
Attorneys with 3 or more but less than 5 years experience	\$150 per hour
Attorneys with less than 3 years experience	\$125 per hour

The specific Other Programs for which Godfrey shall immediately commence legal services shall be:

- Allocation and award of Multi-Family Tax Credits
- New Market Tax Credit Program
- (Continue with list to be determined after consultation with Agency staff)

**V. Auditors**

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of Godfrey, which relate to this contract.

**VI. Term of Contract**

This contract shall commence on April 9, 2008 and terminate on December 31, 2011. The term of service will be subject to extension via annual renewal at the option of the Agency, except that any bond transaction in process as of the termination date shall be completed by Godfrey unless the LHFA Board expressly specifies otherwise.

**VII. Nonassignability**

Godfrey shall not assign any interest in this contract by assignment, transfer, or novation, without prior written consent of LHFA. This provision shall not be construed to prohibit Godfrey from assigning banking, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished to LHFA.

**VIII. Termination for Cause**

LHFA may terminate this Contract for cause based upon the failure of Godfrey to comply with the terms and/or conditions of the Contract; provided that LHFA gives Godfrey written notice specifying Godfrey's failure. If within thirty (30) days after receipt of such notice, Godfrey shall not have either corrected such failure and thereafter proceeded diligently to complete such correction, then LHFA may, at its option, place Godfrey in default and the Contract shall terminate on the date specified in such notice. Godfrey may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of LHFA to comply with terms and conditions of this contract provided that Godfrey give LHFA written notice specifying LHFA's failure and a reasonable opportunity for LHFA to cure the defect.

### **IX. Termination for Convenience**

LHFA may terminate the Contract at any time by giving thirty (30) days written notice to Godfrey. Godfrey shall be entitled to payment for deliverables in progress to the extent work has been performed satisfactorily.

### **X. Remedies for Default**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA –R.S. 39:1524-1526.

### **XI. Ownership**

All records, reports, documents and other materials delivered or transmitted to Godfrey bond Counsel by the Agency shall remain the property of the Agency, and shall be returned by Godfrey to the Agency, at Godfrey's expense, at termination or expiration of this contract. All records, reports, documents, exhibits or other materials related to this contract and/or obtained or prepared by Godfrey in connection with the performance of the service contracted for herein shall become the property of the Agency, and shall, upon request, be returned by Godfrey to the Agency, at Godfrey's expense, at termination or expiration of this contract.

### **XII. Fiscal Funding**

The continuation of this contract may be contingent upon the appropriation of funds by the Agency to fulfill the requirements of the contract. If the Agency fails to appropriate sufficient monies to provide for the continuation of the contract, the contract shall terminate on the last day of the fiscal year for which funds have been appropriated. Such termination shall be without penalty or expense to the Agency except for payments, which have been earned prior to the termination date.

### **XIII. Discrimination Clause**

Godfrey agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964 as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Godfrey agrees to abide by the requirements of the American with Disabilities Act of 1990. Godfrey agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national

origin, veteran status, political affiliation, disabilities, or because of an individual's sexual orientation. Any act of discrimination by Godfrey or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

#### **XIV. Representations and Warranties of Godfrey**

Godfrey hereby represents and warrants to LHFA that:

1. It is an independent law firm not affiliated with any firm in the underwriting of municipal securities and that as such it will act independently and in the best interest of the Agency barring relationships or influences from members of the Underwriting Team;
2. It currently does not, and will not during the term of this contract, act as a broker-dealer with respect to municipal securities; and
3. It will not involve itself in the development, financing and implementation of LHFA programs or projects other than as contemplated and described in this contract unless specifically authorized in writing by LHFA to do so.

Godfrey acknowledges these representations constitute material elements of this contract and that a breach of any one such representation would render this contract absolutely null and void and render Godfrey liable for all damages suffered by LHFA due to such breach.

#### **XV. Indemnification**

Godfrey hereby agrees to indemnify and hold harmless the State of Louisiana LHFA, its officers, agents, employees and members from all claims, suites or actions of whatsoever nature resulting from or arising out of the deviations below the standards of legal practitioners relating to activities of the Godfrey or its agency, employees and sub-contractors under this contract.

#### **XVI. Subcontracting**

Godfrey hereby agrees that it will not enter into any subcontracts for any work described under this contract, nor will it receive compensation from any third party for services performed under this contract, without obtaining prior written approval from LHFA.

#### **XVIII. Access to Records**

LHFA, the State of Louisiana and their duly authorized representatives shall have access to the books, documents, papers and records of Godfrey that are pertinent to this contract for purposes of making audit, examination, excerpts and transcripts. All records, reports, worksheets, work products and other materials of Godfrey that result from this contract shall be the exclusive property of the LHFA unless otherwise agreed to in writing by LHFA.

#### **XIX. Tax Obligations**

Godfrey hereby agrees that the responsibility for payment of taxes from the amounts received as compensation by Godfrey under this contract and/or legislative appropriation shall be Godfrey's obligation and shall be identified under Federal Tax Identification Number 72-1080880.

**XX. Assignment of Interests**

Except as provided in the following paragraph, Godfrey shall not assign any interest in this contract and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of LHFA.

Notwithstanding the foregoing, Godfrey may (i) assign claims for money due or to become due from LHFA to a bank, trust company or other financial institutions and (ii) assign its obligations and rights under this contract to an organization which succeeds to all or substantially all of the Godfrey services set forth herein through a corporate reorganization of the Godfrey in which the designated personnel who are responsible for the services set forth herein remain employees of the assignee.

**THIS CONTRACT FOR PROFESSIONAL LEGAL SERVICES HAS BEEN EXECUTED BY THE UNDERSIGNED PARTIES on the 9<sup>th</sup> day of April 2008.**

Witness Signatures:

\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

Louisiana Housing Finance Agency:

By: \_\_\_\_\_  
Milton J. Bailey, President  
Date: \_\_\_\_\_

The Godfrey Firm, PLC.

By: \_\_\_\_\_  
Jarrell E. Godfrey, Jr., President  
Tax I.D. 72-1080880  
Telephone (504-585-7538)  
Date: \_\_\_\_\_

Witness Signatures:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Louisiana Housing Finance Agency:

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

Milton J. Bailey, President

Date: \_\_\_\_\_

The Godfrey Firm, PLC.

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

Jarrell E. Godfrey, Jr., President

Tax I.D. 72-1080880

Telephone (504-585-7538)

Date: \_\_\_\_\_

## **HB886 - 2008 Regular Session**

Representative Jean-Paul "J.P." Morrell  
Democrat - District 97

Requires the Louisiana Housing Finance Agency to give notice to certain persons prior to a meeting at the State Bond Commission in which the Agency is seeking approval to issue multi-family housing revenue bonds within a municipality.

This legislation requires notice via certified mail to:

- Mayors and members of the governing authority of any municipality in which the Agency shall make any such expenditure
- The members of the governing authority of the parish in which the Agency shall make any such expenditure,
- If such expenditure is made wholly within the corporate limits of a municipality, the Agency shall not be required to provide such notice to members of the governing authority of the parish.

\*Currently the Agency mails notices to the Jurisdictions State Senator and State Representative.

The proposed law provides that any member of the Louisiana House of Representatives or Senate, who is notified pursuant to the proposed law, may request that the parish or municipality hold a public hearing on the proposal to issue bonds with the developer of interest in attendance.

Status:

**PENDING HOUSE FINAL PASSAGE**

## **HB934 2008 Regular Session**

### **Representative Ricky J. Templet Republican - District 85**

Creates the Louisiana Blighted Property Reclamation Revolving Loan Fund (LBPRRLF). Authorizes parishes to utilize the procedures available to municipalities for the removal of dangerous structures and if funds from the LBPRRLF are used for these purposes, the Louisiana Housing Finance Agency shall also have the same authority to enforce the lien or privilege created in its favor.

LBPRRLF would be administered by the Agency. The funds would be used solely for maintenance, repair, removal and/or demolition of dangerous structures in Louisiana. The Agency would be able to recoup expenses related to operating the fund.

STATUS:

**ASSIGNED TO HOUSE MUNICIPAL & PAROCHIAL AFFAIRS**

## **SB - 590 2008 Regular Session**

Senator Sharon Weston Broome

Democrat- District 15

Proposed law authorizes the Louisiana Housing Finance Agency (LHFA) to establish a program to provide free mortgage foreclosure counseling and education to homeowners who have defaulted or are in danger of defaulting on their home mortgages and authorizes LHFA to work with the office of financial institutions (OFI). Authorizes LHFA to enter into agreements with other entities to carry out the program, establish a central toll-free telephone line, award grants for training of counselors, and establish standards for certification of such counselors.

### **STATUS**

**PASSED THROUGH SENATE**

**ASSIGNED TO HOUSE WAYS AND MEANS**

**HB 1156 2008 Regular Session**  
**Representative Neil C. Abramson**  
**Democrat - District 98**

Establishes the Grants for Grads Program and Grants for Grads Fund to provide for grants to Louisiana College graduates for assistance in purchase of their first home.

The LHFA will administer the program. The proposed bill requires that eligible graduates register for their participation in the program no later than the 60th day after their college graduation date. The agency shall determine the content and format of documents necessary for registration. The proposed bill further requires that as part of registration, the graduate must authorize the Louisiana Department of Revenue to disclose to the state treasurer and the LHFA information related to the amount of Louisiana state individual income tax he will pay over the time period between his registration for the program and the time at which he becomes eligible to receive a grant.

The proposed law will deposit the income tax proceeds from each program applicant into a Grants for Grads Fund established at the Department for the Treasury. Proposed law provides that grant awards shall be made from monies appropriated from the Grants for Grads Fund. Purposed law further provides for written notification of the awarding of a grant, including the start and end date for use of the grant. The period in which the award may be utilized shall be from the start date through the last day of the 36th month thereafter. Proposed law provides for the amount of an individual grant, as follows:

(1) For an individual, an amount equal to the total cumulative Louisiana state individual income tax paid by the grantee as evidenced by the tax information contained in his application, or \$10,000, whichever is less.

(2) For a married person, an amount equal to the total cumulative Louisiana state individual income tax paid by the grantee and his spouse, filing jointly or separately, as evidenced by the tax information contained in his application, or \$15,000, whichever is less.

**STATUS:**  
**ASSIGNED TO HOUSE WAYS AND MEANS**



STATE OF LOUISIANA  
DEPARTMENT OF STATE CIVIL SERVICE  
**LOUISIANA BOARD OF ETHICS**  
2415 QUAIL DRIVE  
THIRD FLOOR  
BATON ROUGE, LA 70808  
(225) 763-8777  
FAX: (225) 763-8780  
1-800-842-6630  
www.ethics.state.la.us

May 9, 2008

Mr. Edselle K. Cunningham, Jr.  
Louisiana Housing Finance Agency  
2415 Quail Drive  
Baton Rouge, LA 70808

**RE: Louisiana Board of Ethics Docket No. 2008-461**

Dear Mr. Cunningham:

The Louisiana Board of Ethics, at its May 8, 2008 meeting, considered your request for an advisory opinion concerning whether members of the Louisiana Housing Finance Agency (LHFA) may serve as appointed members or directors of a non-profit entity created by the LHFA. In your advisory opinion request, you make reference to LSA-R.S. 40:600.6(26)(d) and 40:600.6(22), which grant the LHFA the authority to create subsidiaries and non-profit corporations.

The Board concluded, and instructed me to inform you, that the Code of Governmental Ethics would prohibit the board members of the LHFA from being appointed by the LHFA to a non-profit corporation created by the LHFA. Section 1113B of the Code prohibits an appointed member of board or commission from being in any way interested in a contract, subcontract, or other transaction under the supervision or jurisdiction of his agency. The appointment of a LHFA board member to serve as an officer or director of a non-profit corporation created by the LHFA constitutes a transaction under the supervision or jurisdiction of the LHFA. Although LSA-R.S. 40:600.6(26)(d) and 40:6006(22) give the LHFA the authority to create such non-profit corporations or subsidiaries, these statutes do not appear to create an exception to Section 1113B of the Code of Governmental Ethics.

The Board issues no opinion as to past conduct or as to laws other than the Code of Governmental Ethics. If you have any further questions, please contact me at (225)763-8777 or at (800)842-6630.

Sincerely,

**LOUISIANA BOARD OF ETHICS**

  
Courtney D. Jackson  
For the Board

EB:CDJ

**Louisiana Housing Finance Agency  
Legal Committee Meeting Minutes  
Wednesday, January 9, 2008  
2415 Quail Drive  
Committee Room 1  
Baton Rouge, LA 70808  
9:30 A.M.**

**Commissioners Present**

Allison A. Jones, Chairman  
Lisa Woodruff-White  
Dr. Adell Brown, Jr.  
Guy Williams

**Commissioners Absent**

Mark Madderra

**Legal Counsel Present**

Keith Cunningham  
Christine Bratkowski  
Leslie Strahan  
Wayne Woods

**Staff Present**

Milton Bailey  
Melanie Brocato  
J.C. Caesar  
Rene Landry

**Others Present**

Scott Kirkpatrick  
Herman Gesser, III  
Adam Fishbein  
Winston G. DeCuir, Sr.  
Jason P. Hargrave  
John S. Godfrey  
Robert Whittington  
Ben Dupuy

Chairman Allison A. Jones called the meeting to order at 10:39:53 a.m. and asked for roll call. A quorum was established.

1. Call to order, roll call and introduction of guests.
2. **Approval of the minutes.** A motion was made by Commissioner Allison Jones, and a second by Commissioner Adell Brown, Jr. to approve the minutes of the December 12, 2007 Legal Committee meeting. The minutes were approved.
3. **Discussion of the Property Management RFP.** The Agency issued a Property Management RFP for the Willowbrook Apartments in New Orleans East. We received a limited response with only three proposals submitted probably due to the timing which fell during the holiday season. We plan on reintroducing the RFP for an additional month and plan on having it ready for presentation to the board at the February 13 meeting as well as amending the RFP to make it include additional information to make it more complete for submission. The additional information will be the full scope of the Willowbrook apartment complex including the tenant variation of units, basically one, two or three bedroom apartments which was not apparent in the original RFP. We did get some responses after talking to the chairman and realized that in order to be full faced and above board with the entire process we would like to get some responses from some Louisiana contenders so we can truly determine what companies are out there. Allison Jones - Is there any action that can be taken by the board to extend the RFP period for one month, is that something we can do? I think it's in the agency's discretion. Keith Cunningham - The original commission to do the RFP was done some time ago when we had a presentation by the architects before the full board and I don't think there was a timeline associated with that original presentation, so we are ok. Dr. Brown discussed suspending or modifying the RFP or issuing a new one and how to treat the proposals we have received already from the first run. Allison Jones - Why don't we submit a new RFP instead of an amended one? Keith Cunningham - we have language in the RFP that states that the agency has the right to cancel or reissue the RFP. The legal committee recommendation was that instead of amending the RFP, a completely new RFP should be issued. We are doing a new RFP. Is the extension proper as opposed to issuing a new one? Wayne Woods - Just do a new one.
4. **Discussion of the Contract for Grace, Hebert.** The Agency received a contract from Grace Hebert. The contract has been reviewed by DeCuir Law Firm and some modifications have been suggested and implemented. A motion was made by Allison Jones to approve the contract and a second by Guy Williams.
5. **Discussion of the Cypress Architects Contracts.** The LRK Contract and Cusato Contracts were both submitted to LHFA by Cypress for review and approval. Some slight modifications have been made and both contracts meet the Agency's standards. Outside counsel has reviewed the contracts and there was some last minute discussion on the Cusato contract. A last minute agreement was made that we had already approved and Cypress has agreed to the \$36,000.00 amount. Allison Jones stated that

we need to make it clear that anything over that \$36,000.00 has to come back to the full board for approval and that there is no guarantee that any of us will be here and that the full board will approve that. Both contracts were approved. A motion was made by Guy Williams to recommend approval to the Full Board with a second by Lisa Woodward-White.

- 6. Discussion of Defaulted 202 Properties.** After some discussion by Christine Bratkowski, staff counsel, regarding the status of these properties a motion was made to ratify the Defaulted 202 Committee decision authorizing Agency staff to agree to the sale of the Nazareth I and Nazareth II Properties, with a restructuring of financing and subordination of the LHFA's HOME Program Loan and the releasing of the LHFA's claims to any further insurance proceeds related to losses incurred at the Nazareth I and Nazareth II Properties; and providing for other matters in connection therewith.
- 8. Other Business.** A visit to Willowbrook was suggested to see their finished work.
- 9. Adjournment.** The committee adjourned at 11:39 a.m.