

**Ballard Second Draft
October 9, 2024**

GUARANTY AGREEMENT

by

**DOMINIUM HOLDINGS II, LLC,
the Guarantor**

in favor of

**BOKF, NA,
as Trustee**

Dated as of October 1, 2024

Relating to:

**\$4,000,000
Manor Housing Public Facility Corporation
Subordinate Multifamily Housing Revenue Bonds
(Tower Road Project)
Series 2024**

This instrument drafted by:
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80 South 8th Street
Minneapolis, Minnesota 55402

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of October 1, 2024 (the “Guaranty”), is by DOMINIUM HOLDINGS II, LLC, a Minnesota limited liability company authorized to do business in the State of Texas (together, the “Guarantor”), in favor of BOKF, NA, a national banking association, as trustee (together with its successors and assigns, the “Subordinate Trustee”) under the Subordinate Indenture (hereinafter defined).

RECITALS

WHEREAS, the Manor Housing Public Facility Corporation (the “Issuer”) and the Subordinate Trustee are entering into a Subordinate Indenture of Trust, dated as of October 1, 2024 (the “Subordinate Indenture”), in connection with the issuance by the Issuer of its Subordinate Multifamily Housing Revenue Bonds (Tower Road Project), Series 2024 (the “Subordinate Bonds” or the “Series 2024 Bonds”) in the original aggregate principal amount of \$4,000,000; and

WHEREAS, the proceeds of the Subordinate Bonds will be loaned by the Issuer to Manor Leased Housing Associates I, LP (the “Borrower”), under a Subordinate Loan Agreement, dated as of October 1, 2024 (the “Subordinate Loan Agreement”), between the Issuer and the Borrower, to be used, together with proceeds of the Senior Note (as defined in the Subordinate Indenture) and other available funds of the Borrower, in order to: (i) finance a portion of the cost of the acquisition, and the construction of an affordable multifamily housing facility consisting of 324 dwelling units, to be known as “Manor Apartments” and generally located at 12100 Tower Road in the City of Manor, Texas (the “Project”); (ii) fund required reserves, if any; (iii) fund capitalized interest on a portion of the Subordinate Bonds; and (iv) pay fees, expenses and costs incurred in connection with the authorization, issuance and sale of the Subordinate Bonds; and

WHEREAS, as security for the Subordinate Bonds, the Borrower will execute and deliver to the Subordinate Trustee a [Subordinate Leasehold Deed of Trust, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents], dated as of October 1, 2024 (the “Subordinate Mortgage”), providing the Subordinate Trustee with a subordinate mortgage lien on the property described therein; and

WHEREAS, the Subordinate Trustee is authorized by the Subordinate Indenture to receive any and all other property conveyed, mortgaged, assigned or transferred, or in which a security interest is granted, by (among others) the Borrower, and to hold and apply for the security and payment of the Subordinate Bonds, pursuant to the provisions of the Subordinate Indenture; and

WHEREAS, the Guarantor desires that the Issuer issue the Subordinate Bonds and apply the proceeds thereof as described above and further proposes to execute this Guaranty to permit or enhance the marketability and security of the Subordinate Bonds and thereby achieve the most favorable terms thereof; and

NOW, THEREFORE, the Guarantor hereby, subject to the terms hereof, covenants and agrees with the Subordinate Trustee, for the benefit of the Subordinate Trustee and all who at any time become registered owners (the “Holders”) of the Subordinate Bonds, as follows:

ARTICLE I

REPRESENTATIONS AND COVENANTS OF GUARANTOR

Section 1.1 Representations and Covenants of Guarantor

- (a) The Guarantor has duly executed and delivered and, by proper corporate action, has duly authorized the execution and delivery of this Guaranty.
- (b) The assumption by the Guarantor of the obligations hereunder will result in a direct financial benefit to the Borrower and the Guarantor and to the financial and operational success of the Project.
- (c) As to itself, at the time of the execution and delivery of this Guaranty, nothing exists to impair the effectiveness of the liability of the Guarantor to the Subordinate Trustee, or the immediate taking effect of this Guaranty.
- (d) As to itself, this Guaranty is a valid, legal and binding obligation of the Guarantor enforceable against the Guarantor in accordance with the terms hereof subject only to the application of bankruptcy laws and general principles of equity.
- (e) The Guarantor is a limited liability company duly formed, existing and in good standing under the laws of the State of Minnesota, and the execution and delivery by the Guarantor of this Guaranty does not, and the performance of the agreements contained herein will not, contravene or constitute a default under any agreement, indenture, commitment, provision of its organizational and governing documents, or other requirement of law to which the Guarantor is a party or by which the Guarantor is or may be bound; the Guarantor shall preserve and maintain its duly organized existence.

ARTICLE II

COVENANTS AND AGREEMENTS

Section 2.1 Obligation. Subject to the limitations set forth in Section 2.2 hereof, the Guarantor hereby absolutely and unconditionally guarantees to the Subordinate Trustee for the benefit of all persons who may become the owners from time to time of the Subordinate Bonds (i) the full and prompt payment of all principal of and premium, if any, on the Subordinate Bonds when and as the same shall become due, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise; (ii) the full and prompt payment of all interest on the Subordinate Bonds at the Current Interest Rate when and as the same shall become due; and (iii) the full and prompt payment of all interest on the Subordinate Bonds at the Accrual Interest Rate if the Subordinate Bonds have been accelerated or at maturity when and as the same shall become due; and (iv) the performance of all other obligations of the Borrower under the Subordinate Loan Agreement, including but not limited to (a) the obligation to provide for the full and prompt payment of all other amounts owing by Borrower under the Subordinate Loan Agreement, including but not limited to Basic Payments payable under Section [4.2] thereof, (b) any amounts due to the Issuer under Section [3.2] of the Subordinate Loan Agreement, any amounts owed by the Borrower in connection with its indemnification obligations under Section [7.4] of the Subordinate Loan Agreement, the payment of any rebate payments owing in respect of the Subordinate Bonds to the United States under Section 148(f) of the Code, and (c) any advances or expenses of the Subordinate Trustee under the Subordinate Indenture and all additional charges owing under Section [4.3] of the Subordinate Loan Agreement.

Section 2.2 Term

(a) *General.* The obligations of the Guarantor under this Guaranty shall arise absolutely and unconditionally upon the execution and delivery of the Subordinate Loan Agreement by the Borrower and shall, subject to the provisions of subsection (b) below, remain in full force and effect until all obligations of the Borrower under the Subordinate Loan Agreement have been satisfied in full and payment has been made of all principal of, premium, if any, and interest on the Subordinate Bonds, when due.

(b) *Termination of Guaranty.* Notwithstanding the foregoing, this Guaranty shall only terminate and the Guarantor's obligations hereunder shall be extinguished upon the earliest of (i) defeasance of the Subordinate Bonds in accordance with the Subordinate Indenture; or (ii) the payment in full of all the interest on, including unpaid accrued interest, and the principal of the Subordinate Bonds.

Section 2.3 Obligations Unconditional. The Guarantor's obligations under this Guaranty shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

(a) the compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Borrower under the Subordinate Loan Agreement or of the Issuer under the Subordinate Indenture;

(b) the failure to give notice to the Borrower or the Guarantor of the occurrence of any default or event of default under the terms and provisions of this Guaranty, the Subordinate Loan Agreement, the Subordinate Indenture, or the Subordinate Mortgage;

(c) the waiver of the payment, performance or observance by the Borrower or the Guarantor of any of the obligations, covenants or agreements of any of them contained in the Subordinate Indenture, the Subordinate Loan Agreement, the Subordinate Mortgage, or this Guaranty;

(d) the extension of the time for payment of principal of, premium, if any, or interest on any Subordinate Bond or of the time for performance of any other obligations, covenants or agreements under or arising out of the Subordinate Indenture, the Subordinate Loan Agreement, the Subordinate Mortgage, or this Guaranty or the extension or the renewal of any thereof;

(e) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Subordinate Indenture, the Subordinate Loan Agreement, or the Subordinate Mortgage;

(f) the taking or omission of any of the actions referred to in the Subordinate Indenture, the Subordinate Loan Agreement, or the Subordinate Mortgage or any actions under this Guaranty;

(g) any failure, omission, delay or lack on the part of the Issuer or Subordinate Trustee to enforce, assert or exercise any rights, power or remedy conferred on the Issuer or the Subordinate Trustee in this Guaranty, the Subordinate Indenture, the Subordinate Loan Agreement, or the Subordinate Mortgage;

(h) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors or readjustment of or other similar proceedings affecting the Guarantor or the Borrower, or any of the assets of any of them, or any allegation or contest of the validity of this Guaranty in any such proceeding;

(i) to the extent permitted by law, the release or discharge of the Borrower or of the Issuer from the performance or observance of any obligations, covenants or agreements contained in the resolution adopted by the governing body of the Issuer on October 16, 2024 with respect to the Subordinate Bonds (the “Bond Resolution”), the Subordinate Indenture, the Subordinate Loan Agreement, the Subordinate Mortgage, or the Subordinate Bonds by operation of law;

(j) the default or failure of the Guarantor to perform any of its obligations set forth in this Guaranty;

(k) the default or failure of the Borrower, the Subordinate Trustee or the Issuer to fully perform any of their obligations to the Guarantor; or

(l) the invalidity or unenforceability of the Subordinate Indenture, the Subordinate Loan Agreement, the Subordinate Mortgage, or the Bond Resolution.

Notwithstanding the provisions of this Section 2.3, the Guarantor shall not be obligated to make any payment under Section 2.1 hereof if the obligation of the Borrower to make such payment has been effectively waived, modified or amended by action of the Subordinate Trustee or Bondholders under the applicable provisions of the Subordinate Indenture.

Section 2.4 No Set-Offs, Counterclaims. No set-off, counterclaim, reduction, or diminution of the obligation, or any defense of any kind or nature which the Guarantor has or may have against the Borrower, the Subordinate Trustee or any Bondholder shall be available hereunder to the Guarantor against the Subordinate Trustee.

Section 2.5 Borrower Default. In the event of a default in the payment of principal of any Subordinate Bond when and as the same shall become due, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise, or of a default in the payment of any interest on any Subordinate Bond when and as the same shall become due, or in the event of a failure of the Borrower to make any other payment due and owing to the Subordinate Trustee and/or the Bondholders under the Subordinate Loan Agreement or Subordinate Indenture, the Subordinate Trustee, shall have the right to proceed first and directly against the Guarantor under this Guaranty without proceeding against the Borrower under the Subordinate Indenture, the Subordinate Loan Agreement, or the Subordinate Mortgage or exhausting any other remedies which it may have and without resorting to any other security held by the Subordinate Trustee.

(a) The Subordinate Trustee shall not be obligated to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder except liability which is finally adjudicated by a court of competent jurisdiction to have been directly caused by its gross negligence or willful misconduct.

(b) The Guarantor agrees to pay all the costs, expenses and fees, including all attorneys’ fees, costs and expenses, which may be incurred by the Subordinate Trustee in enforcing or attempting to enforce this Guaranty following any default on the part of either the Borrower or the Guarantor, whether the same shall be enforced by suit or otherwise.

Section 2.6 Waiver of Acceptance. The Guarantor hereby expressly waives notice from the Subordinate Trustee, or any of the Holders from time to time of the Subordinate Bonds of their acceptance of and reliance on this Guaranty.

Section 2.7 Guarantor Events of Default. Each of the following shall constitute an event of default (an “Event of Default”) under this Guaranty, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

(a) Failure to make any payment due under this Guaranty within ten (10) days of written demand therefor (a “Payment Default”).

(b) Any representation or warranty made by the Guarantor under this Guaranty or any other agreement, report, certificate, financial statement or other instrument referred to herein and furnished to the Subordinate Trustee or the Underwriter in connection herewith shall prove incorrect or misleading in any material respect when made or when deemed to have been made.

(c) Default in the performance or observance of any agreement or covenant contained in this Guaranty (other than a covenant, agreement, or default that is otherwise specifically addressed in this Guaranty) and the continuance of such default for a period of thirty (30) days following written notice from the Subordinate Trustee.

(d) The filing by the Guarantor of a petition for the appointment of a trustee with respect to itself or any of its property.

(e) The making by the Guarantor of an assignment for the benefit of creditors.

(f) The insolvency of the Guarantor or the commencement by the Guarantor of a case in bankruptcy or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors.

(g) The failure of the Guarantor to obtain the dismissal, within ninety (90) days after service upon the Guarantor of any case commenced against the Guarantor (i) for the appointment of a trustee for Guarantor or any of its property; or (ii) in bankruptcy or for declaration of insolvency or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors.

(h) The failure of the Guarantor to generally pay its material debts as such debts become due.

(i) The making, or the attempted making, by the Guarantor of a fraudulent conveyance within the meaning of the Uniform Fraudulent Conveyances Act.

Section 2.8 Consequences of Event of Default. If a Payment Default or other Event of Default relating to payment shall have occurred and be continuing, either the Borrower or the Subordinate Trustee may proceed hereunder against the Guarantor, and the Borrower, in its discretion, and the Subordinate Trustee shall have, the right to proceed first and directly against the Guarantor under this Guaranty without exhausting any other remedies it may have or without resorting to any security held by the Borrower. In the event an Event of Default other than a Payment Default shall have occurred and be continuing, the Subordinate Trustee may require the Guarantor to provide indemnity or security for the obligations guaranteed, which security shall be sufficient, in the Subordinate Trustee’s sole and absolute discretion, to protect the obligations guaranteed hereunder. The provisions of this Section 2.8 are intended to supplement any remedies available to the Subordinate Trustee under Article III hereof or any other provision of the Subordinate Loan Agreement or the Subordinate Mortgage.

ARTICLE III

MISCELLANEOUS

Section 3.1 Remedies. No remedy herein conferred upon or reserved to the Subordinate Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Subordinate Trustee to exercise any remedy reserved to it in this Guaranty, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any provision contained in this Guaranty should be breached by the Guarantor and thereafter duly waived by the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 3.2 Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, bankruptcy reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the rights of creditors of the Guarantor, the Subordinate Trustee shall be entitled and empowered by intervention in such proceeding or otherwise,

(i) Subject to the limitation set forth in Section 2.1(b) hereof, to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid (whether at stated maturity or by acceleration, call for redemption or otherwise) in respect of the Subordinate Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Subordinate Trustee (including any claim for the costs, compensation, expenses, disbursements and advances of the Subordinate Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized to make such payments to the Subordinate Trustee, and in the event that the Subordinate Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Subordinate Trustee any amount due to it for the costs, expenses, disbursements and advances of the Subordinate Trustee, its agents and counsel, and any other amounts due the Subordinate Trustee under Section 2.5 hereof.

Section 3.3 Trustee May Enforce Claims without Possession of Subordinate Bonds. All rights of action and claims under this Guaranty may be prosecuted and enforced by the Subordinate Trustee without the possession of any of the Subordinate Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Subordinate Trustee shall be brought in its own name as trustee of any express trust, and any recovery of judgment shall, after provision for the payment of the costs, compensation, expenses, disbursements and advances of the Subordinate Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Subordinate Bonds in respect of which such judgment has been recovered.

Section 3.4 Waiver, Amendment. No waiver, amendment, release or modification of this Guaranty shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the Subordinate Trustee. The Subordinate Trustee shall not consent to any amendment

or modification of this Guaranty without the approval or consent of the Holders of not less than a majority in aggregate principal amount of the Subordinate Bonds. Nothing contained herein shall permit or be construed as permitting, without the approval or consent of the Holders of all the Subordinate Bonds, any amendment, change or modification of this Guaranty which would (a) reduce the amount payable by the Guarantor hereunder, (b) change the time for payment of the amounts payable by the Guarantor hereunder, or (c) change the unconditional nature of this Guaranty herein contained.

Section 3.5 Addresses. The current mailing addresses of the Guarantor are set forth below:

Dominium Holdings II, LLC
c/o Dominion Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota 55441
Attention: Mark S. Moorhouse and
Neal Route, Vice President and Project Partner

With copies to: Winthrop & Weinstine P.A.
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402-4629
Attention: Paul Manda, Esq.

The Guarantor shall promptly notify the Subordinate Trustee and Issuer in writing of any change in its mailing address.

Section 3.6 Counterparts. This Guaranty may be executed simultaneously in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Section 3.7 Separability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guaranty shall not affect the validity or enforceability of the remaining portions of this Guaranty, or any part thereof.

Section 3.8 Defined Terms. Any capitalized terms used herein that are otherwise not defined shall have the meanings assigned such terms in the Subordinate Indenture.

Section 3.9 Electronic Signatures. The parties agree that the electronic signature of a party to this Guaranty shall be as valid as an original signature of such party and shall be effective to bind such party to this Guaranty. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means or a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party) in English and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message, then such signature is a valid and binding signature of the authorized representative of such party.

Section 3.10 Subordinate Trustee’s Rights. Notwithstanding anything herein to the contrary, (a) the applicable and necessary provisions of the Subordinate Indenture and the Subordinate Loan Agreement are incorporated herein by reference, including the rights, protections and indemnification afforded the Subordinate Trustee in its capacity as the trustee under the Subordinate Indenture; (b) all acts, consents, determinations, decisions, discretion, elections, approvals and undertakings of the Subordinate Trustee hereunder shall be solely at the written direction of the Borrower; (c) the Subordinate Trustee shall

be entitled to request and receive written direction from the Borrower; and (d) the Subordinate Trustee shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Subordinate Trustee in accordance with any written direction, except liability which is finally adjudicated by a court of competent jurisdiction to have been directly caused by its gross negligence or willful misconduct.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty Agreement, dated as of the date and year first written above.

DOMINIUM HOLDINGS II, LLC, a Minnesota limited liability company

By: _____
Name: Mark S. Moorhouse
Its: Senior Vice President

(Signature page to Guaranty Agreement –Manor Housing Public Facility Corporation Subordinate Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024)