

CORPORATE GUARANTY

GUARANTY. For valuable consideration, Guarantor unconditionally guarantees and promises to pay to Lender, its successors or assigns, on demand in lawful money of the United States of America, the indebtedness of Borrower to Lender, as set forth below.

DEFINITIONS. The following words shall have the following meanings when used in this Guaranty:

Borrower. The word "Borrower" means Rockrose Housing Corporation together with every other person or entity signing the Note.

Guarantor. The word "Guarantor" means Interim, Inc. each and every person or entity signing this Guaranty, or otherwise guaranteeing the indebtedness, including all Guarantors named above.

Indebtedness. The word "Indebtedness" means the Note and all collection costs and expenses relating to the Note, whether existing now or later, whether or not suit is instituted, and including without limitation Lender's attorneys' fees and legal expenses, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post judgment collection services.

Lender. The word "Lender" means the County of Monterey through its Neighborhood Stabilization Program 3, its successors or assigns.

Note. The word "Note" means the Promissory Note or Loan Agreement dated _____ in the principal amount of \$325,000.00 from Borrower to Lender, together with all renewals, extensions, modifications, refinancing, and substitutions for the note.

Notice to Guarantor: The Note evidences a Monterey County Neighborhood Stabilization 3 loan from Lender to Borrower.

MAXIMUM LIABILITY. The liability of Guarantor under this Guaranty shall not exceed at any one time the amount of the indebtedness described above, together with all costs and expenses of enforcement of this Guaranty.

The above limitation on liability is not a restriction on the amount of the indebtedness of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender and will continue in full force until all indebtedness is satisfied, repaid or forgiven, under the terms of the Loan Agreement and all other obligations of Guarantor under this Guaranty are fully satisfied. Release of any other guarantor or termination of any other guaranty of Borrower's indebtedness shall not affect the liability of Guarantor under this Guaranty.

Guarantor's liability under this Guaranty shall terminate only upon (a) termination in writing by Borrower and Lender of the term loan, (b) payment of the indebtedness in full or satisfaction under the terms of the Loan Agreement; or (c) payment in full of all other obligations of Guarantor under this Guaranty.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) this Guaranty is executed at Borrower's request and not at the request of Lender; (c) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition; and (d) the most recent financial statements of Guarantor heretofore delivered to Lender are true and correct in all material respects, and fairly represent the financial condition of Guarantor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since the date of the most recent statements. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees to share such information with Lender..

GUARANTOR'S WAIVERS. Guarantor waives any right to require Lender: (a) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of Borrower's indebtedness or of any nonpayment related to any collateral, or notice or any action or non-action on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the indebtedness guaranteed hereunder, or in connection with the creation of new or additional indebtedness; (b) to resort for payment or to proceed directly or at once against any person, including Borrower; (c) to pursue any other remedy within Lender's power; and (d) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any rights or defenses arising by reason of: (a) any "one action" or "anti-deficiency" law (including without limitation Sections 580 and 726 of the California Code of Civil Procedure as from time to time amended) or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicial or by exercise of a power of sale; (b) any election of remedies by Lender which destroys Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging Borrower's indebtedness; (c) any disability or other defense of Borrower, any other guarantor, any other person, or by reason of the cessation from any cause whatsoever other than payment in full of the indebtedness of Borrower (including without limitation any defense based on Section 580 and 726 of the California Code of Civil Procedure); (d) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding an indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations. If payments are made by Borrower, whether voluntary or otherwise, or by any third party, on indebtedness guaranteed hereby and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or similar person under any federal or state bankruptcy law or law for the relief of Borrowers,

Borrower's indebtedness shall be considered unpaid for the purpose of enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of set-off, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and, that under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any of such waivers is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law.

PROPERTY IN POSSESSION OF LENDER. In addition to all liens upon and rights of setoff against the moneys, securities or other property of Guarantor given to Lender by law, Lender shall have, to the extent permitted by law, a contractual security interest in and a right to setoff against, and Guarantor hereby assigns, conveys, delivers, pledges, and transfers to Lender all of Guarantor's right, title and interest in and to, all deposits, moneys, securities and other property of Guarantor now or hereafter in the possession of or on deposit with Lender, whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise. Every such security interest and right of setoff may be exercised without demand upon or notice to Guarantor. No security interest or right of setoff shall be deemed to have been waived by any act or conduct on the part of Lender or by any neglect to exercise such right of setoff or to enforce such security interest or by any delay in so doing. Every right of setoff and security interest shall continue in full force and effect until such right of setoff or security interest is specifically waived or released by an instrument in writing executed by Lender.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR Guarantor agrees that the indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be prior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of Lenders, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or any assignee or trustee in bankruptcy of Borrower; provided that such assignment shall be effective only for the purpose of assuring to Lender full payment of all indebtedness of Borrower to Lender. Any notes now or hereafter evidencing such indebtedness of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and, if Lender so requests, shall be delivered to Lender.

Guarantor will, and Lender is hereby authorized in the name of Guarantor from time to time, to execute such other documents and to take such other action as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

ATTORNEY'S FEES. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including attorneys' fees and legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may pay someone else to help collect on this Guaranty and Guarantor will pay that amount. This includes, subject to any limits under applicable law, Lender's attorney fees and legal expenses, whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post judgment collection services. Guarantor also will pay any court costs, in addition to all other sums provided by law.

VALIDITY OF CORPORATE AND PARTNERSHIP ACTS. If any one or more of Borrower or Guarantor are corporations or partnerships, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor of the officers, directors, partners, or agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

If any provision of this Guaranty is held to be invalid, illegal or unenforceable by any court, the remaining provisions of this Guaranty shall nevertheless be binding, and this Guaranty shall be enforceable as if the void or unenforceable provision or provisions hereof had not been included in this Guaranty.

APPLICABLE LAWS AND JURISDICTION. This Guaranty shall be governed by and construed in accordance with the laws of the State of California. Guarantor's obligations under this Guaranty shall be deemed to be performed and payment made in Monterey County, State of California and any lawsuit to enforce or interpret Guarantor's obligations shall be filed in Monterey County. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address.

The undersigned Guarantor acknowledges it has read all of the provisions of this Guaranty and agrees to its terms. In addition, Guarantor understands this Guaranty is effective upon Guarantor's execution and delivery of this Guaranty to Lender and that the Guaranty will continue until terminated in the manner set forth in the section titled "Duration of Guaranty". No other formal acceptance by Lender is necessary to make this Guaranty effective. This Guaranty to be duly executed as of the date opposite the respective signatures.

Signatures on following page.

County of Monterey

Interim, Inc.

By

By

Title

Title

Date

Date

Approved as to Form:

By

By

Title

Title

Date