

**ORGANIZATION REVIEW -- CORPORATIONS
COMPLIANCE WITH MHDC REQUIREMENTS**
(Add to all Bylaws)

Section [assign section number]. MHDC REQUIREMENTS.

Notwithstanding anything to the contrary in these Bylaws:

- (1) The duration of the Corporation is at least ten (10) years longer than the term of the MHDC Deed of Trust Note.
- (2) The Corporation is authorized to execute an MHDC Deed of Trust Note and MHDC Deed of Trust and Security Agreement in order to secure a loan to be made by the Missouri Housing Development Commission ("MHDC") and to execute an MHDC Regulatory Agreement ("Regulatory Agreement"), and all other documents which may be required by MHDC, or any other lender, in connection with the MHDC loan (collectively the "MHDC Loan Documents").
- (3) The Corporation is further authorized to execute a Declaration of Land Use Restriction Covenants for Low-Income Housing Tax Credits ("LIHTC LURA") as a condition of receiving low-income housing tax credits allocated and administered by MHDC and to execute said LIHTC LURA, and such other documents as may be required by MHDC, in accordance with Section 42 of the Internal Revenue Code of 1986 (the "Code").
- (4) Upon execution, each of the LIHTC LURA and Regulatory Agreement shall be binding upon the Corporation and all of the directors and shareholders, whether they become directors/shareholders before or after the execution of such LIHTC LURA and/or Regulatory Agreement. The LIHTC LURA shall remain binding upon the Corporation and the all of the directors and shareholders until earlier of the date the Extended Use Period (as such term is defined under the Code) expires, or the date the provisions of the LIHTC LURA are otherwise terminated pursuant to its own terms or the terms of the Code. Furthermore, the Regulatory Agreement shall remain binding upon the Corporation and the all of the directors and shareholders for so long as the MHDC Deed of Trust Note and MHDC Deed of Trust and Security Agreement on the Corporation property remain outstanding or until the Affordability Period (as such term is defined in the Regulatory Agreement) expires, whichever occurs later.
- (5) Any incoming director/shareholder must, as a condition of receiving an interest in the Corporation, agree to be bound by the MHDC Deed of Trust Note, the MHDC Deed of Trust and Security Agreement, the LIHTC LURA, the Regulatory Agreement, and all other documents required by MHDC, or any lender, in connection with the MHDC loan to the same extent and upon the same terms as the other directors and shareholders.
- (6) Upon dissolution of the Corporation, no title or right to possession and control of the Corporation property, and no right to collect the rents therefrom, shall pass to any individual or entity that is not bound by the LIHTC LURA and the MHDC Regulatory Agreement in a manner satisfactory to MHDC.
- (7) So long as the Corporation property is encumbered by the MHDC Deed of Trust and Security Agreement held by MHDC or its successors or assigns, no payments out of Available Distributions (as such term is defined in the Regulatory Agreement) or payments to any director or shareholder shall be made except as permitted by the terms of the Regulatory Agreement.

(8) The following provisions shall apply during such time as the Corporation property is encumbered by any or all of the MHDC Deed of Trust and Security Agreement or Loan Regulatory Agreement and/or the LIHTC LURA; provided, however, provisions below referring specifically to the MHDC Loan Documents shall no longer apply if the MHDC Loan has been paid in full and the MHDC Deed of Trust has been released.

(i) **Amendments.** These bylaws and/or the other corporate documents may be amended without the consent of MHDC; provided, however, that notwithstanding anything herein to the contrary, MHDC's consent will be required for the following amendments to these bylaws and/or the other corporate documents, which consent shall not be unreasonably withheld, conditioned or delayed:

(a) an amendment conflicting with MHDC's requirements pursuant to this Section *[insert section number containing this language]* or adversely affecting MHDC's rights or collateral pursuant to the MHDC Loan Documents or the LIHTC LURA;

(b) If the MHDC Loan has not been fully paid and the MHDC Deed of Trust still encumbers the Project, an amendment modifying the timing of any one or more of the *[insert defined term for equity installments]* reflected in *[insert section/exhibit containing the breakdown and timing of equity installments]*;

(c) an amendment decreasing the amount of the *[insert defined term for equity installments]* as set forth in *[insert section/exhibit containing the breakdown and timing of equity installments]*, other than adjustments to *[insert defined term for equity installments]* contemplated in Section *[insert section dealing with equity adjustors]* of this Agreement;

(d) an amendment memorializing a transfer of a general partner or limited partner interest for which MHDC's consent is expressly required pursuant to Section *[insert section number containing this language]* (8)(ii) and (iii) below; and

(e) an amendment to voluntarily dissolve the Corporation or convert the Corporation to another form of entity.

(ii) **Shareholder Transfers.** Notwithstanding anything in the MHDC Loan Documents, the LIHTC LURA or herein to the contrary:

(a) A transfer of any shareholder interests to any entity that is (i) an Affiliate of that respective shareholder, (ii) managed by that respective shareholder or an Affiliate thereof or (iii) that is the director entity or an Affiliate of the director entity, in each case, shall not require MHDC consent, but will require prior notice to MHDC and a copy of documentation relating to such transfer as reasonably requested by MHDC

(each such entity, referred to herein as a “Permitted Transferee”); provided, however, that in the event any capital contributions remain unfunded or are not yet due and payable at the time of a transfer to a Permitted Transferee, the transferring shareholder shall remain liable for all such capital contributions to the extent the Permitted Transferee fails to make such contributions when they become due and payable to the Corporation.

(b) Except as otherwise expressly provided herein, a transfer of shareholder interests pursuant to Sections *[insert section numbers dealing with the sale of the project at the end compliance period, the sale of the investor shareholder’s interest and the investor shareholder put to the shareholder that is the director entity]* of these Bylaws shall not require MHDC consent, but will require 90 days prior notice to MHDC and a copy of documentation relating to such transfer as reasonably requested by MHDC. Notwithstanding the foregoing, if the proposed transferee is not a Permitted Transferee, the shareholders shall obtain MHDC’s Consent to such replacement entity. “MHDC Consent” for purposes of this subsection means, and will be deemed to have been obtained if, MHDC shall have been notified in writing by the shareholders of the identity of the proposed replacement entity, and on the expiration of 30 days from the receipt by MHDC of such notice, no objections shall have been received from MHDC or MHDC shall have expressly consented in writing to such replacement. In the alternative, MHDC may reject the proposed replacement entity within such 30 day timeframe for Cause. “Cause” shall mean that the proposed replacement entity is currently suspended or disbarred by, or is in bad standing with, MHDC, HUD or any other state credit allocating agency.

(c) Any other transfer of shareholder interests other than described in (a) and (b) of this subsection (ii) shall require MHDC’s consent, which consent will not be unreasonably withheld, delayed or conditioned.

(iii) **Changes of Director Entities.** Notwithstanding anything in the MHDC Loan Documents, the LIHTC LURA or herein to the contrary:

(a) the shareholders may remove the director entity pursuant to the terms of these bylaws; and

(b) MHDC’s prior consent must be obtained prior to the admission of a successor director entity, unless (i) such entity is a Permitted Transferee or (ii) the shareholders determine, in their sole reasonable discretion, that any delay in admitting the successor director entity could have an adverse impact on the Corporation or any of its directors and shareholders.

(c) In the case of a delay referenced in (b)(ii) above, the shareholders shall notify MHDC of the material facts pertaining to the removal and reasons why a delay

would materially and adversely impact the project and, if time permits, an opportunity to comment on the successor director entity, and following any such admission to the Corporation, the Corporation shall thereafter obtain the approval of MHDC to the successor director entity. A removal and replacement of the director entity pursuant to the terms of this Section *[insert section number containing this language]*(8)(iii)(c) shall not be deemed a violation of the MHDC Loan Documents or the LIHTC LURA provided that the shareholders seek MHDC's consent following the admission of the successor director entity. In the event that the successor director entity is not approved by MHDC in its reasonable discretion, then the shareholders shall remove the successor director entity and admit a director entity acceptable to MHDC. Failure to admit a director entity acceptable to MHDC solely pursuant to the terms of this *[insert section number containing this language]*(8)(iii)(c) shall constitute a default under the MHDC Loan Documents and the LIHTC LURA.

- (9) If this project utilizes HOME Community Housing Development Organization Set Aside funds the Non-Profit director entity must have "effective project control" as required by 24 CFR 92.300(a)(1).
- (10) If anything in these bylaws conflicts with the LIHTC LURA and/or Regulatory Agreement, the LIHTC LURA and/or Regulatory Agreement (as the case may be) shall prevail.
- (11) The Corporation is a single asset, single purpose entity.

Furthermore, the directors and shareholders' Information Schedule needs to be attached and incorporated into the Corporation Agreement in the format below:

**INFORMATION SCHEDULE TO THE
AMENDED AND RESTATED BYLAWS OF
_, INC.**

<u>Name and Address</u>	<u>Projected Tax Credit Amounts</u>	<u>Capital Contribution</u>	<u>Ownership Percentage</u>	<u>Taxpayer ID No.</u>
<u>Director Shareholder:</u>				
Name Address City, State, Zip	Federal Housing Tax Credit: \$0.00	\$0.00	0.00%	xx-xxxxxxx
<u>Administrative Shareholder:</u>				
Name Address City, State, Zip	Federal Housing Tax Credit: \$0.00	\$0.00	0.00%	xx-xxxxxxx
<u>Federal Investor Shareholder:</u>				
Name Address City, State, Zip	Federal Housing Tax Credit: \$0.00	\$0.00	0.00%	xx-xxxxxxx
<u>State Investor Shareholder:</u>				
Name Address City, State, Zip	Federal Housing Tax Credit: \$0.00	\$0.00 for Federal Housing Tax Credits*	0.00%	xx-xxxxxxx
		\$0.00 for State Housing Tax Credits		
	State Housing Tax Credit: \$0.00			

* Indicate an amount for the federal credit.

Include information in the same format if there are historic credits.