

of the Corporation at which the then existing Directors may be removed and new Directors elected in the manner provided in the first sentence of paragraph (f) of Article VI. Such officer shall give notice as provided by law, or, if not so provided, he shall give ten (10) days notice of the time, place and object of such meeting as above provided.

(c) The term of office of any officer of the Corporation shall terminate upon the election and qualification of his successor at any meeting of the Board of Directors.

10th. The following provisions are hereby adopted for the purpose of the management of the business and for the conduct of the affairs of the Corporation and in creation, definition, limitation and regulation of the powers of the Corporation, the Directors and stockholders, and of the respective classes of stockholders;

(a) The Corporation is formed and is intended to function as a private corporation which may be regulated by the Federal Housing Administrator and/or the Federal Housing Administration and not otherwise except as herein expressly provided, within the meaning of Section 207 of the "National Housing Act", as amended.

(b) Dwelling accommodations of the Corporation shall be rented at the maximum average rental of Fifteen (\$15.00) Dollars per room per month, based upon a count of 227 rooms. A schedule of rentals for the reasonable rental value of each apartment based upon the aforementioned average shall be filed with the holders of the Preferred Stock, prior to leasing or offering for lease of any of the dwelling accommodations of the Project and when approved by them shall thereafter be maintained except as provided in Article Eighth hereof.

(c) The Corporation shall maintain its accommodations and the grounds and equipment appurtenant thereto in good and substantial repair and condition and shall promptly do or cause to be done all such repairs to any portion of the premises constituting its project as will preserve said premises in such good repair and condition and in such manner as may be necessary for the health and safety of its tenants, and shall not reconstruct or demolish any of the premises subject to the Mortgage herein mentioned without the prior written approval of the holders of a majority of the shares of the Preferred Stock, or make any improvements or construct any structure on said premises involving an expenditure in excess of Five Thousand (\$5,000.00) Dollars without such prior written approval; provided, that in the event all of any of the buildings covered by the Mortgage shall be destroyed or damaged by fire or other casualty the Corporation shall reconstruct or remodel said building or buildings in accordance with the original plans and specifications, unless any departure from such plans and specifications is authorized in writing by the holders of the majority of the shares of Preferred Stock.

(d) The Corporation, its property, equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents, and papers shall be such to examination and inspection at any reasonable time by the Administrator.

(e) The Corporation shall keep its accounts, records, and books according to the uniform method prescribed by the Administrator upon the issuance of the Preferred Stock and such method shall be maintained and not changed except with the consent of the holders of the Preferred Stock.

(f) The Corporation shall file with the Administrator the following reports verified by the oath of such officer of the Corporation as the Administrator may designate and in such form as prescribed by the Administrator:

- (1) Monthly occupancy reports;
- (2) Semi-annual reports to be filed within thirty (30) days after the end of each dividend period;
- (3) Annual reports prepared by a certified public accountant, to be filed within sixty (60) days after the end of each fiscal year; and
- (4) Specific answers to questions upon which information is desired from time to time relative to the operation and condition of the property and the status of the insured mortgage.

(g) The Corporation shall not pay any compensation except for necessary services and except as such rate as is fair and reasonable in the locality for similar services, now, except with the prior written approval of the Administrator, shall any compensation be paid by the Corporation to any employee in an amount in excess of \$1,800.00 per annum, nor to its officers, directors, or stockholders, nor to any person or corporation for supervisory or managerial services. No officer, director, stockholder, agent or employee of the corporation shall in any manner become indebted to the corporation. The Corporation shall file with the holders of the Preferred Stock a schedule of compensation to be paid to any officer of the Corporation, and to any employee of the Corporation in excess of \$1,800.00 per annum, and upon approval of such schedule by said holders of the Preferred Stock of the Corporation agrees to maintain the same without change except as otherwise permitted by the terms of this Certificate of Incorporation so long as any of its obligations under the Mortgage herein referred to remain unsatisfied unless and until a revision of such schedules or any part thereof shall be approved in writing by the holders of Preferred Stock.