

THE UNDERSIGNED HAVE AS WITNESSES OF THE FOREGOING PROCEEDINGS AND REGISTRATION OF THIS CERTIFICATE IN THE OFFICE OF THE FEDERAL HOUSING COMMISSIONER AND THE RECORDS OF THE DISTRICT OF COLUMBIA, THIS 15th DAY OF APRIL, 1954.

Section 3.

Limitations on Alienation, Encumbrances, Remodeling, Occupancy, Changing Corporation Structure, Disposition of Excess Mortgage Funds

The corporation shall not without prior written approval of the majority of the holders of the Preferred Stock:

- (a) sell, assign, transfer, dispose of or encumber any real or personal property, or rents except as specifically permitted by the terms of the mortgage or this Certificate;
- (b) remodel, reconstruct, demolish or subtract from the premises constituting the project and subject to the mortgage, or permit the use of the project or any part thereof for purposes other than those approved by the Commissioner;
- (c) permit the occupancy of any of the dwelling accommodations of the project except at or below the rents fixed as provided for herein;
- (d) consolidate or merge the Corporation into or with any other corporation; go into voluntary liquidation; carry into effect any plan of reorganization of the Corporation; redeem, purchase or cancel any of its shares of stock, or effect any changes whatsoever in its capital structure except as provided in Article VI hereof; alter or amend this Certificate; or amend its By Laws;
- (e) fail to establish and maintain the Reserve Fund for Replacements as set forth herein;
- (f) invest any funds of the Corporation except for "surplus cash" as defined in Section 4 of Article VI, in any property, real, personal, or mixed, other than in obligations of, or fully guaranteed as to principal by, the United States of America;
- (g) enter into any contract or contracts for supervisory or managerial services except those terminable at the option of the Federal Housing Commissioner upon the occurrence of any default under the terms of this Certificate or a mortgage insured or held by the Federal Housing Administration.
- (h) from and after the occurrence of any default under the terms of this Certificate or the mortgage insured or held by the Federal Housing Administration and until cured, pay any compensation except for necessary operating services at such rate as is fair and reasonable in the locality for similar services or directly or indirectly pay any compensation or make any disbursement whatsoever, to its officers, directors, or stockholders.

Section 4.

Occupancy Restrictions

The Corporation shall not execute or file for record any

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