

ARTICLE IV. - DIRECTORS

The Corporation shall have an odd number of directors, not less than three, as fixed by the By-laws, who shall be elected by the common stockholders from their own members at their regular annual meetings and who shall serve until their successors are elected and have qualified, except as hereinafter provided in Article VI, Section 2, Subsection 1, 2 or 3.

ARTICLE V. - OFFICERS

The officers of the Corporation shall be as provided by the By-laws of the Corporation and shall be elected by the Directors.

ARTICLE VI. - CAPITAL STOCK

The authorized capital stock of the Corporation shall consist of one (1) share of Preferred Stock, having a par value of one hundred (\$100.00) Dollars, and seventy (70) shares of Common Stock, having no par value.

Section 1.

Provisions of Preferred Stock
and Authority of Holders Thereof

Subsection 1. Upon insurance by the Commissioner of a certain Mortgage or Deed of Trust (hereinafter called the Mortgage) the Preferred Stock shall be issued to the Federal Housing Administration or its designated representatives, and delivered to the Commissioner in order that the Commissioner, in connection with the insurance of said mortgage under the National Housing Act, may regulate and restrict the Corporation as to rents or sales, charges, capital structure, rate of return and methods of operation as provided under the Act and in this Certificate and to enable the Commissioner to protect the contingent liability of the Federal Housing Administration as insurer or holder of such mortgage. So long as said mortgage insurance shall be in effect, or the mortgage shall be held by the Commissioner, the Preferred Stock shall be held by the Commissioner or his successors and shall be registered upon the books of the Corporation in the name of the Federal Housing Administration or its nominees. During such period the Corporation shall not be required to recognize any persons other than the Administration or representatives of the Administration, as the holders of the Preferred Stock.

Subsection 2. The Preferred Stock at any time outstanding may be redeemed by the Corporation at par; provided, however, that such stock shall be so redeemed upon, but in no event before, the termination of all of the obligations of the Commissioner under the insurance by reason of payment or prepayment of the mortgage indebtedness or the acquisition of title by the Commissioner. Preferred Stock so redeemed shall be retired and cancelled. So long as the Preferred Stock shall remain outstanding, none of the common stock shall be purchased or redeemed or otherwise retired or cancelled in whole or in part without the consent of the holders of the Preferred Stock.

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