

**ORGANIZATION REVIEW – LIMITED LIABILITY COMPANIES  
COMPLIANCE WITH MHDC REQUIREMENTS**  
(Add to all Limited Liability Company Operating Agreements)

“Notwithstanding anything to the contrary in this document:

**MHDC REQUIREMENTS:** The duration of the Limited Liability Company is at least of at least ten years longer than the term of the MHDC mortgage.

The Operating Agreement or Limited Liability Company documents include provisions which state that:

- a. If any of the provisions of the Limited Liability Company’s Operating Agreement or Limited Liability Documents conflict with the terms of the MHDC Deed of Trust Note, MHDC Deed of Trust and Security Agreement or MHDC Regulatory Agreement (“MHDC Loan Documents”), the provisions of the MHDC Loan Documents will control.
- b. No provision required by MHDC to be inserted into the organizational document or Operating Agreement may be amended without prior MHDC approval, so long as MHDC is the holder of the MHDC Deed of Trust Note.
- c. No provision in the Operating Agreement or Organizational Documents that results in any of the following will have any force or effect without the consent of MHDC:
  1. Any amendment that modifies the term of the Mortgagor entity;
  2. Any amendment that in any way affects the MHDC Deed of Trust Note, MHDC Deed of Trust and Security Agreement or MHDC Regulatory Agreement;
  3. Any amendment that would authorize any member other than the Managing Member or pre-approved Managing Member to bind the mortgagor entity for all matters concerning the project which require MHDC’s consent or approval;
  4. A change in the Managing Member or pre-approved Successor Managing Member of the mortgagor entity.
- d. The mortgagor entity is authorized to execute the MHDC Deed of Trust Note, Deed of Trust and Security Agreement in order to secure the MHDC loan and to execute the MHDC Regulatory Agreement and the other MHDC Loan Documents required by MHDC in connection with the MHDC loan.
- e. Any incoming Member must, as a condition of receiving an interest in the Limited Liability Company, agree to be bound by the MHDC Deed of Trust Note, MHDC Deed of Trust and Security Agreement, the MHDC Regulatory Agreement and any other MHDC Loan Document required in connection with the MHDC loan to the same extent and on the same terms as the other Members.
- f. Upon any dissolution, no title or right to possession and control of the Project, and no right to collect the rents from the Project, shall pass to any person who is not bound by the MHDC Regulatory Agreement in a manner satisfactory to MHDC.
- g. The Members and any assignee of a Member are liable in their individual capacity to MHDC for:
  1. Funds or property of the Project coming into their/its possession, which by the provisions of the MHDC Regulatory Agreement, the person or entity is not entitled to retain;

2. Its own acts or deeds, or acts and deeds of others which it has authorized, in violation of the provisions of the Regulatory Agreement;
  3. The acts and deeds of affiliates, as defined in the MHDC Regulatory Agreement, which the person or entity has authorized in violation of the provisions of the MHDC Regulatory Agreement; and
  4. As otherwise provided by law.
- h. The Limited Liability Company shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of MHDC.
  - i. The Limited Liability Company has designated \_\_\_\_\_ as its official representative for all matters concerning the project which require MHDC consent or approval. The signature of this person will bind the Limited Liability Company in all such matters. The Limited Liability Company may from time to time appoint a new representative to perform this function, but within three (3) business days of doing so, will provide MHDC with written notification of the name, address and telephone number of this new representative. When a person other than the person identified above has full or partial authority of management of the project, the Limited Liability Company will promptly provide MHDC with the name of that person and the nature of that person's management authority.
  - j. If this project utilizes HOME Community Housing Development Organization Set Aside funds the Non-Profit Managing Member must have "effective project control" as required by 24 CFR 92.300(a)(1).
  - k. The Limited Liability Company is a single purpose, single asset entity."

Furthermore, the Partners Information Schedule needs to be attached and incorporated into the Partnership Agreement in the format below:

Partners Information Schedule:

Projected: Name & Address	TC Amount	Capital Contribution	Ownership %	Taxpayer ID No.
GP Address, city state, zip		100	.01	xx-xxxxxxx
LIHTC Limited Partner Address, city state, zip	100,000	899,820	99.98	xx-xxxxxxx
State LIHTC Limited Partner Address, city state, zip	100,000	400,000	.01	xx-xxxxxxx
Historic Limited Partner Address, city state, zip	175,000	120,000	%	xx-xxxxxxx
State Historic Limited Partner Address, city state, zip	95,000	85,000	%	xx-xxxxxxx