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APPENDIX 27



Certificate of Incorporation

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

For Use by Nonprofit Corporations

under Section 202 of the Housing Act of 1959,  
as amended, or Section 811 of the National  
Affordable Housing Act

Though it may be reproduced in other formats, the content or language of this certificate may not be altered except as required by State laws applicable to nonprofit corporations and, as necessary, to meet Internal Revenue Service requirements for tax-exempt status.

This edition of the Certificate of Incorporation has been modified to alleviate certain problems Section 202 projects may have meeting State and local requirements pertaining to tax-exempt status.

In addition an addendum is included for use by all borrowers or owners seeking approval under Section 501(c)(3) of the Internal Revenue Code.

The board must consist of at least seven (7) voting members but no more than fifteen (15) members (not applicable to the handicapped portion of the program). The sponsor entity cannot be the sole member of the board.

## APPENDIX 27

U.S. Department of Housing and Urban Development  
Office of Housing, Federal Housing Commissioner

Project Name

Project Name

Project Location (Street or Rural)

For Use by Nonprofit Corporations under Section 202 of the Housing Act of 1959, as amended, or Section 811 of the National Affordable Housing Act.

## CERTIFICATE OF INCORPORATION

This is to certify that we, the undersigned, all being of full legal age, do hereby associate ourselves for the purpose of forming a nonprofit Corporation under and by virtue of the laws of the State of \_\_\_\_\_ and further certify that

### Article I

- (a) The name of the Corporation is \_\_\_\_\_ referred to as "the Corporation"
- (b) The existence of the Corporation will be \_\_\_\_\_
- (c) The principal office of the Corporation will be located at \_\_\_\_\_
- (d) The resident agent of the Corporation is \_\_\_\_\_ whose post office address is \_\_\_\_\_

### Article II

The purposes for which the Corporation is formed, and the business and objects to be carried on and promoted by it, are as follows:

- (a) To provide elderly or disabled persons with housing facilities and services specially designed to meet their physical, social, and psychological needs, and to promote their health, security, happiness, and usefulness in longer living; the charges for such facilities and services to be predicated upon the provision, maintenance, and operation thereof on a nonprofit basis.
- (b) The Corporation is irrevocably dedicated to and operated exclusively for nonprofit purposes and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of, any individual.

### Article III

The Corporation is empowered:

- (a) To buy, own, sell, assign, mortgage, or lease any interest in real estate and personal property and to construct, maintain, and operate improvements thereon necessary or incident to the accomplishment of the purposes set forth in Article II hereof, but solely in connection with the project assisted under Section 202 of the Housing Act of 1959, as amended, or Section 811 of the National Affordable Housing Act.
- (b) To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure the same by mortgage, pledge, or other lien on the Corporation's property.
- (c) To do and perform all acts reasonably necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of financing under Section 202 or Section 811. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, so long as a mortgage on the Corporation's property is held by the Secretary of Housing and Urban Development.
- (d) In the event of the dissolution of the Corporation or the winding up of its affairs, or other liquidation of its assets, the Corporation's property shall not be conveyed to any organization created or operated for profit or to any individual and all assets remaining after the payment of the Corporation's debts shall be conveyed or distributed only to an organization or organizations created and operated for nonprofit purposes similar to those of the Corporation other than one created for religious purposes; PROVIDED, however, that the Corporation shall at all times have the power to convey any or all of its property to the Secretary of Housing and Urban Development.



## ADDENDUM TO THE CERTIFICATE OF INCORPORATION

### Article I

- a) The name of the Corporation is referred to as "the Corporation".
- b) The existence of the Corporation will be
- c) The principal office of the Corporation will be located at:
- d) The resident agent of the Corporation is whose post office address is

### Article II

The purposes for which the Corporation is formed, and the business and objects to be carried on and promoted by it, are as follows:

(a) This Corporation is organized exclusively for charitable and/or educational purposes, including, for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or to the Secretary of Housing and Urban Development for the time being exclusively for a public purpose. In pursuance of the foregoing purposes, the Corporation shall have the power to provide elderly persons and handicapped persons with housing facilities and services specially designed to meet their physical, social, and psychological needs, and to promote their health, security, happiness, and usefulness in longer living; the charges for such facilities and services to be predicated upon the provision, maintenance, and operation thereof on a nonprofit basis.

(b) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in, including the publishing or distribution of statements, any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or (2) by a corporation, contributions to which are deductible under Section 170(e)(2) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law.

### Article III

The Corporation is empowered:

- (a) To buy, own, sell, assign, mortgage, or lease any interest in real estate and personal property and to construct, maintain, and operate improvements thereon necessary or incident to the accomplishment of the purposes set forth in Article II hereof, but solely in connection with the project assisted under (Section 202 of the housing act of 1959, as amended, or Section 811) of the National Affordable Housing Act).
- (b) To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure the same by mortgage, pledge, or other lien on the Corporation's property.
- (c) To do and perform all acts reasonably necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of financing under (Section 202 or Section 811). Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, so long as a mortgage on the Corporation's property is held by the secretary of housing and urban development.
- (d) Upon the dissolution of the Corporation, all of the remaining assets of the Corporation shall be distributed only to one or more organizations created and operated for one or more exempt purposes within the meaning of Article IIIa) hereof, other than for religious purposes, all of the foregoing within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or shall be distributed to the Secretary of Housing and Urban Development exclusively for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.