

KHC Partnership Provisions

(Required for all LLC, LP or any other entity that has partnership documents)

- a. If any provisions of an entity's partnership agreement or other organizational documents conflict with the terms of a transaction's note, mortgage, security agreement, or restrictive covenant, the provisions of the note, mortgage, security agreement or restrictive covenant control.
- b. KHC may require certain provisions to be inserted into a partnership agreement or other organizational document. These provisions may not be amended or removed without KHC's prior written approval for so long as KHC is the holder of the applicable note.
- c. Provisions in a partnership agreement or other organizational documents that result in any of the following will not have any force or effect without the prior written consent of KHC:
 - i. Any amendment that modifies the term of a partnership or other business relationship;
 - ii. Any amendment that in any way affects a note, mortgage, security agreement, restrictive covenant, or any other document required by KHC in connection with any loans or allocations of resources administered by KHC;
 - iii. Any change in a project's general partner or any change in a project's limited partner if that limited partner owns a partnership interest of twenty-five percent (25%) or greater; or
 - iv. Any change in the guarantor of any obligations to KHC.
- d. A project's general partner must be authorized to execute and deliver to KHC a note, mortgage, security agreement, restrictive covenant and other documents required by KHC in connection with any and all loans and/or allocations of any and all resources administered by KHC.
- e. Any incoming partner must as a condition of receiving an interest in a partnership agree to be bound by the applicable note, mortgage, security agreement, restrictive covenant, and any other documents required in connection with any and all loans and/or allocations of any and all resources administered by KHC to the same extent and on the same terms as the other partners.
- f. Notwithstanding any other provisions, upon dissolution of any business entity, no title or right to possession and control of a project, and no right to collect the rents from a project, shall pass to any person who is not bound by all applicable restrictive covenants in a manner satisfactory to KHC.